KPMG

Equatorial Energia S.A.

Independent Auditor’s Report on Special Review of the Quarterly Information (ITR)

Quarter Ended June 30, 2008

Equatorial Energia S.A.

(Publicly-held Company)

Notes to the quarterly information

Period ended June 30, 2008 and March 31, 2008

Contents

Rio de Janeiro, August 12, 2008 - Equatorial Energia S.A. (Bovespa: EQTL3) announces its results for the second quarter (2Q08) and first half of 2008 (1H08).

- Equatorial is a holding company with investments in CEMAR – *Companhia Energetica do Estado do Maranhão* and in Light S.A. (Light). Equatorial holds a 65.17% interest in CEMAR, the electricity distributor for the entire state of Maranhão. In the state of Rio de Janeiro, Equatorial retains 25% of Rio Minas Energia (RME), which in turn maintains a 52.25% interest in Light, which generates, distributes and sells electricity in the state.
- The financial and operating 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 and 25% of Light's results, while the consolidated operating information represents 100% of both CEMAR´s and Light's results.
- In order to facilitate comparisons with the 2Q07 and the 1H07, the financial information is presented on a pro-forma basis considering the same interest currently held by Equatorial in RME and by RME in Light.
- Equatorial's pro-forma results for the 2Q07 and 1H07 are based on Light's pro-forma results for the same periods, which exclude the reversals of provisions in the 2Q07, since these were reconstituted in the 4Q07. In addition, Light's pro-forma result includes the adjustments related to Law 11,638, determined by CVM Instruction 469/08.
- Non-financial information relating to CEMAR, Light and the PLPT (*Programa Luz para Todos* - Light for All Program), as well as management expectations regarding the future performance of the companies, were not reviewed by the independent auditors.

EQUATORIAL ENERGIA RECORDS 1H08 EBITDA OF R$338.6 MILLION AND NET INCOME OF R$143.7 MILLION

1. Financial and Operating Highlights

- Consolidated net operating revenues totaled R$550.9 million in the 2Q08, 6.0% up on the 2Q07, and R$1,111.4 million year-to-date, 6.1% more than the first six months of 2007. First-half growth reflected CEMAR's 14.1% increase and Light's slight 1.2% upturn.
- CEMAR and Light's billed energy volume amounted to 13,644 GWh in the 1H08, 0.9% down year-on-year. In individual terms, CEMAR's billed volume moved up 2.1%, while Light's fell by 1.2%.
- CEMAR's last-12-month energy losses totaled 28.8% in the second quarter, 0.7 p.p. less than the 2Q07 ratio of 29.5%. Light's losses came to 20.4%, in line with previous quarters reduction tendency.
- EBITDA grew 4.8% year-on-year in the 2Q08 to R$173.4 million, while first-half EBITDA came to R$338.6 million, 4.0% up on the 1H07.
- Equatorial posted a consolidated net income of R$71.9 million in the 2Q08 and R$143.7 million in the 1H08, 6.7% higher than the first half of 2007.
- In the 2Q08, Light obtained a favorable verdict from the Supreme Court regarding the expansion of the calculation base for PIS and COFINS taxes. As a result, the Company reversed provisions worth R$432.4 million, with a positive impact on Equatorial's net income. *(For more details on the impact of non-recurring effects on the Company's results, see the "Consolidated Financial Performance" section of this report).*
- CEMAR's investments (excluding direct investments in the PLPT program) totaled R$58.2 million in the second quarter, 29.3% higher than the 2Q07 figure, and R$97.0 million year-to-date, 26.7% up on the 1H07.
- Light invested R$257.8 million in the 1H08 and R$164.6 million in the 2Q08, 156.9% more than the R$64.1 million recorded in the 2Q07.
- On May 7th, Equatorial paid R$135.9 million in dividends and R$14.7 million in interest on equity relative to 2007.

2. Main Financial and Operating Information

FINANCIAL DATA (R$MM) (*)	2Q07	2Q08	Chg. %	1H07	1H08	Chg. %
Net Revenues	519.5	550.9	*6.0%*	1,047.4	1,111.4	*6.1%*
EBITDA	165.4	173.4	*4.8%*	325.6	338.6	*4.0%*
EBITDA Margin (% Net Revenues)	*31.8%*	*31.5%*	*-0.3 p.p.*	*31.1%*	*30.5%*	*-0.6 p.p.*
Net Income	90.6	71.9	*-20.6%*	134.7	143.7	*6.7%*
Profit Margin (% Net Revenues)	*17.4%*	*13.1%*	*-4.3 p.p.*	*12.9%*	*12.9%*	*0 p.p.*
Capex						
CEMAR	45.0	58.2	*29.3%*	76.6	97.0	*26.7%*
PLPT (CEMAR)	41.6	34.2	*-17.8%*	77.0	65.5	*-15.0%*
Light	64.1	164.6	*156.9%*	120.9	257.8	*113.2%*
Total	150.7	257.0	*70.5%*	274.5	420.3	*53.1%*
Net Debt	466.9	806.4	*72.7%*	466.9	806.4	*72.7%*
Net Debt / EBITDA (LTM)	0.7	1.3	*80.1%*	0.7	1.3	*80.1%*

(*) Pro forma, considering 100% of CEMAR's results and 25% of Light's results, for the 2Q07 and 1H07 and assuming the same interest currently held by Equatorial in RME and by RME in Light.

OPERATING DATA (*)	2Q07	2Q08	Chg. %	1H07	1H08	Chg. %
Distribution						
Billed Energy (GWh)						
CEMAR	791	773	-2.3%	1,516	1,547	2.1%
Light	5,991	5,946	-0.8%	12,248	12,097	-1.2%
Total	6,782	6,718	-0.9%	13,763	13,644	-0.9%
Number of Consumers (thousand)						
CEMAR	1,398	1,479	5.8%	1,398	1,479	5.8%
Light	3,845	3,917	1.9%	3,845	3,917	1.9%
Total	5,243	5,396	2.9%	5,243	5,396	2.9%
Generation						
Sales (GWh)	1,212	1,209	-0.2%	2,471	2,420	-2.1%
Generation Capacity (MW)	855	855	0.0%	855	855	0.0%
Guaranteed Energy (MW)	537	537	0.0%	537	537	0.0%
Energy Trading						
Energy Trading (GWh)	44	118	168.2%	87	250	187.4%
Number of Employees						
CEMAR	1,179	1,241	5.3%	1,179	1,241	5.3%
Light	4,025	3,812	-5.3%	4,025	3,812	-5.3%
Total	5,204	5,053	-2.9%	5,204	5,053	-2.9%

(*) Pro-forma, considering 100% of CEMAR and Light, since the 1Q07, in order to facilitate comparisons between periods.

3. Operating Performance - Distribution

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

CONSUMPTION CLASS AND FREE CLIENTS (GWh)	2Q07	2Q08	Chg. %	1H07	1H08	Chg. %
Residential	335	341	1.8%	646	682	5.6%
Industrial	112	93	-17.2%	207	197	-5.1%
Commercial	156	156	0.0%	300	307	2.1%
Others	187	183	-2.4%	363	362	-0.3%
CEMAR	791	773	-2.3%	1,516	1,547	2.1%
Residential	1,862	1,821	-2.2%	3,922	3,849	-1.9%
Industrial	511	459	-10.3%	1,020	910	-10.8%
Commercial	1,459	1,452	-0.5%	2,992	2,984	-0.2%
Others	829	797	-3.8%	1,629	1,608	-1.3%
Free Clients	1,330	1,416	6.5%	2,685	2,746	2.3%
Light	5,991	5,946	-0.8%	12,248	12,097	-1.2%
Residential	2,197	2,163	-1.6%	4,567	4,531	-0.8%
Industrial	623	552	-11.5%	1,227	1,107	-9.8%
Commercial	1,615	1,608	-0.4%	3,292	3,291	0.0%
Others	1,016	980	-3.5%	1,992	1,969	-1.1%
Free Clients	1,330	1,416	6.5%	2,685	2,746	2.3%
Total	6,782	6,718	-0.9%	13,763	13,644	-0.9%

ELECTRICITY MARKET - CEMAR

Energy Sales

Billed energy volume climbed 2.1% year-on-year in the 1H08 (excluding own consumption and supply to CEPISA), mainly fueled by the residential segment, whose period consumption moved up by 5.6%. In the 2Q08, billed volume fell 2.3% over the 2Q07 to 773 GWh.

The second-quarter reduction can be largely explained by exceptionally high rainfall[1], which is atypical for this time of year. For example, monthly rainfall in the city of São Luis, CEMAR's main consumer market, averaged 153.7 mm, 45% up on the monthly average in the same period last year. Similarly, rainfall in the city of Imperatriz, the second most important market for the Company, averaged 76.6 mm per month, 86% higher than in the 2Q07. This factor had the following effects on the Company's sales: i) reduction in residential and commercial consumption, due to the less intensive use of refrigeration equipment, accompanied by lower rural consumption, due to less need for irrigation systems; ii) reduced activity in the pig-iron plants, with a consequent reduction in energy consumption: the intense rains in the charcoal-producing region jeopardized the extraction of this pig-iron input and hampered its transportation to the production units.

The industrial segment was also affected by production stoppages on the part of two important clients, one due to the relocation of its production facilities (albeit still within CEMAR's concession area) and the other due to plant remodeling. In addition, less energy was recovered than in the 2Q07, a factor that is discussed in more detail under "Energy Losses".

[1] Source: National Metereological Institute - INMET

Despite the slowdown in energy consumption during the 1H08, the Company recorded year-on-year growth of 6.4% in July, pushed by an 8.0% increase in the residential segment and a 10.2% upturn by commercial consumers. Taking all these figures into consideration, we have revised our billed energy growth estimates for 2008 and 2009. We now expect somewhere between 3% and 5% in the second half of 2008, giving an annual figure of 2% to 4%. In 2009, we estimate growth of between 5% and 7%, leveling off at around 5% as of 2010.

ENERGY BALANCE

CEMAR's required energy volume, including own generation, totaled 1,119 GWh in the 2Q08, 2.4% up year-on-year, with consumer supply, including own consumption and supply to CEPISA, of 774 GWh, a 2.2% reduction due to the reasons mentioned previously. In the 1H08, required and sold energy climbed 2.5% and 2.1% year-on-year, respectively.

ENERGY BALANCE (GWh)	2Q07	2Q08	Chg. %	1H07	1H08	Chg. %
Required Energy (*)	1.092	1.119	*2,4%*	2.143	2.199	*2,6%*
Sales (**)	792	774	*-2,2%*	1.518	1.549	*2,1%*
Losses	300	345	*14,8%*	625	650	*3,9%*

(*) Includes own generation. The 1Q08 and 1H08 required energy volumes in the above table differ from those disclosed to ANEEL, due to a parametrization error in the border meters identified in May 2008, which increased CEMAR's required energy by 6 GWh between January and May 2008. Following a re-accounting process with the CCEE (Electric Power Trading Chamber), the correct figures will be conveyed to ANEEL.
(**) Includes energy sales to consumer segments, own consumption and supply to CEPISA.

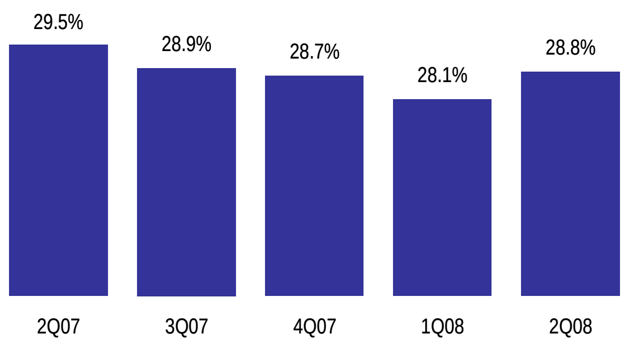
Electricity losses in the 12 months through the 2Q08, excluding basic network losses, represented 28.8% of required energy, 0.7 p.p. below the 29.5% recorded through the 2Q07.

In the 2Q08, CEMAR's management revised a series of operational procedures related to the energy recovery program in order to optimize results still further and make them sustainable in the long term. The main initiatives being implemented as a consequence of this revision are as follows: i) the training of all inspectors, with an emphasis on client approach and the detection of different types of fraud; ii) the acquisition of portable meter verification equipment, allowing meters to be checked at the moment of inspection; iii) the secure enclosure of meters of the largest low-voltage clients, preventing interference in the metering process, iv) the re-registration of utility pole numbers for public lighting billing purposes; v) the mapping and control of transformation circuit losses; and vii) the intensification of client inspections based on the indications of the target selection system, allowing the teams to locate energy theft more precisely.

These revisions to the fraud-combat program, allied to the Justice Department's questioning of the installation of electronic metering (one of the Company's loss-reduction strategies) substantially reduced the Company's capacity to recover losses in the period. The situation returned to normal as of June/08, and detection procedures are now back in the field. It is worth noting that the accuracy of the electronic meters has been tested and verified by INMETRO, Brazil's standards bureau.

The Company believes that the electricity loss ratio at the close of 2008 will be 0.5 p.p. below the 28.7% recorded in December/07.

Electricity Losses(*) (LTM)



(*) Electricity losses over required energy

ENERGY MARKET – LIGHT

ENERGY SALES

Electricity consumption in Light's concession area (captive + free consumers) totaled 5,946 GWh in the 2Q08, 0.8% down year-on-year, although the free market recorded growth of 6.5%. In the 1H08, total sales fell by 1.2% year-on-year, primarily jeopardized by the industrial segment whose consumption dropped by 10.8%.

CAPTIVE MARKET

Total captive market consumption fell by 2.8% year-on-year in the second quarter. Residential consumption recorded a 2.2% drop due to: i) the fact that average quarterly temperatures were around 1.0ºC below their 2Q07 levels, resulting in a decline in electricity use by refrigeration-related home appliances; and ii) the one-day reduction in the billing calendar, which had an impact of around 22 GWh. Industrial consumption dropped by 10.3%, reflecting: i) the suspension of the

Energia Plus program, in turn caused by the unavailability of surplus energy, bringing billed volume for this product down by 39 GWh; ii) the interim migration of two clients from the captive to the free market in 2007, reducing billed volume by 7GWh; and iii) the one-day reduction in the billing calendar, with an impact of around 5 GWh.

Network Usage

Network usage billings (TUSD) came to 2,037 GWh this quarter, 2.6% higher than in the 2Q07, 69.5% of which for transportation to free market customers and the remainder to concessionaires bordering Light's concession area. The upturn was positively impacted by the increase in consumption by steel and mining companies, the entry of a client who was not part of the captive client base previously, and the migration of two captive clients to the free market, as cited above. In the first half, revenues edged up by 1.5% year-on-year due to increased network usage by free consumers.

FREE MARKET (GWh)	2Q07	2Q08	*Var. %*	1H07	1H08	*Var. %*
Free	1,330	1,416	*6.5%*	2,685	2,746	*2.3%*
Concessionaires (*)	655	621	*-5.3%*	1,254	1,253	*-0.1%*
TOTAL	1,985	2,037	*2.6%*	3,939	4,000	*1.5%*

(*) Network usage: Transportation for concessionaires that border Light´s concession area.

Energy Balance

Light's required energy volume (own load, including energy sales and losses), totaled 5,984 GWh in the 2Q08, 0.8% less than in the 2Q07. First-half required energy volume fell 1.5% year-on-year, pulled down by the period reduction in sales as shown in the table below:

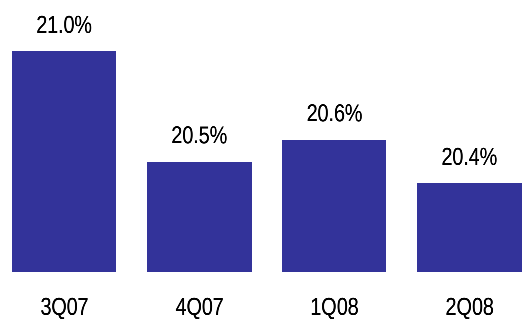
ENERGY BALANCE (GWh)	2Q07	2Q08	Var. %	1H07	1H08	Var. %
Required Energy	6.030	5.984	*-0,8%*	12.921	12.725	*-1,5%*
Sales(*)	4.661	4.530	*-2,8%*	9.563	9.351	*-2,2%*
Losses (**)	1.369	1.454	*6,2%*	3.358	3.373	*0,5%*

(*) Captive market only.
(**) Do not include basic network losses.

Energy Losses

As of the 2Q08, Light introduced a new methodology for calculating percentage energy losses, bringing it into line with the other concessionaires. The new system aims to eliminate the impact of the variation in the number of calendar billing days and the booked differences in unbilled energy from the loss calculation. In the 2Q08, last-12-month losses totaled 20.4%, maintaining the downward trajectory of the previous quarters (already including the new methodology).

Electricity Losses (*) (LTM)



(*) Electricity losses over cable tension (required energy + free market)

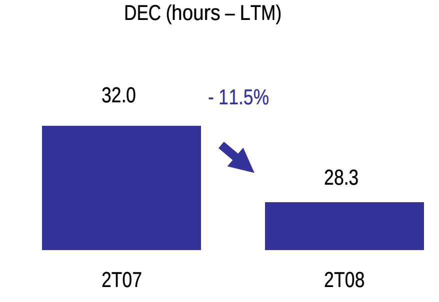
In 2008, Light has been fine-tuning various fraud-prevention measures, with the following positive results: i) a 61% year-on-year increase in recovered energy in the 1H08 (the difference between billed energy and estimated consumption for the period); ii) a 13% increase in the number of regularized connections in the same period. The Company has also been implanting new metering and network protection technologies, aimed at reducing energy theft. By the end of the 2Q08, it already had 17,000 individual and centralized electronic meters communicating directly with the Metering Control Center, responsible for the automatic handling of readings, disconnections, reconnections and the identification of metering irregularities or fraud. The individualized system is used in heavily urbanized areas and the centralized one in less urbanized areas in conjunction with the replacement of the conventional network with multiplex cables and the leveling of low and high voltages, thereby preventing network access through direct connections. More than 82 km of multiplex cables had been installed by the end of June.

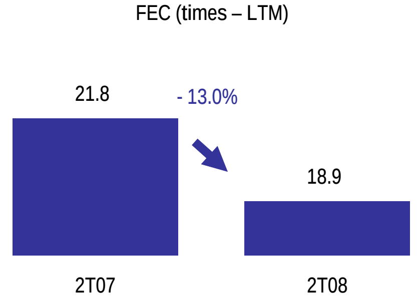
SERVICE QUALITY

The quality and efficiency of the distribution concessionaires' networks is denoted by its 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.

CEMAR

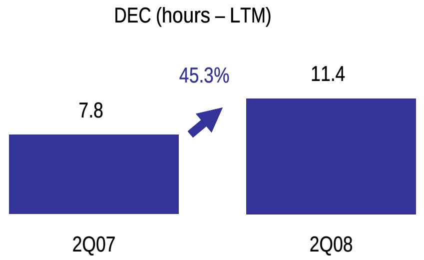
In the 2Q08, last-12-month DEC stood at 28.3 hours, 11.5% down on the 12 months through the 2Q07, while LTM FEC came to 18.9 times, a 13.0% year-on-year improvement.

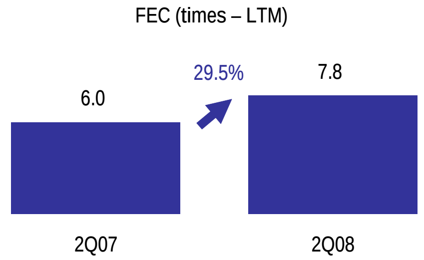




Light

Light's power supply quality indicators worsened over the previous year, essentially due to the increase in the number of programmed disconnections associated with the replacement of the Company's conventional networks with compact ones. The DEC climbed from 7.8 hours in the 12 months through the 2Q07 to 11.4 hours in the 12 months through the 2Q08, while the LTM FEC moved up from 6.0 times to 7.8 times in the same period. In 2008, the Company will continue with its investment program, aiming to improve its distribution network and maintain its position among those distributors with the country's best supply quality indicators.





4. Operating Performance - Generation

The generation information in this section reflects 100% of Light Energia's operations.

Electricity sold in the free and regulated contracting markets totaled 1,118 GWh in the 2Q08, very similar to the 2Q07 figure. First-half sales moved up 2% year-on-year due to the 36.7% upturn in free-market sales, thanks to the policy of allocating energy to free customers via Light Esco.

CCEE spot market sales are estimated at 91 GWh in the 2Q08, 4.6% down on the same period last year, due to the concentration of assured energy sales in the 1Q08.

GENERATION (GWh)	2Q07	2Q08	Chg. %	1H07	1H08	Chg. %
Regulated Market Sales	1,020	1,021	*0.2%*	2,093	2,081	*-0.6%*
Free Market Sales	98	97	*-0.8%*	152	208	*36.7%*
Spot Sales (CCEE)	95	91	*-4.6%*	226	131	*-41.7%*
TOTAL	1,212	1,209	*-0.2%*	2,471	2,420	*-2.0%*

5. Operating Performance – Energy Trading

The energy trading information in this section reflects 100% of Light ESCO's operations.

In the 2Q08, Light Esco recorded direct sales of 118 GWh to a portfolio of 39 customers, 170.1% up on the 1Q07. In the 1H08, sales rose expressively by 187.8% year-on-year, reaching 250 GWh. The portfolio benefited from the addition of new clients, notably Crystalsev, Arcellor Mital and MD Papéis. Light Esco also operated as a consultant and broker for free customers with the CCEE. These operations involved 10 clients and around 402 GWh, 32.8% up year-on-year. In the first half, brokerage operations generated sales of 724 GWh, 23.7% more than the first six months of 2007.

One of the quarter's highlights was the agreement to sell 100 average-MW to Votorantim Energia, terminating in 2027, which should generate revenues of around R$2.0 billion. Negotiations were also concluded with another client involving a further 120 average-MW with a current sale value of R$1.4 billion.

Also in the 2Q08, Light Esco created a Special Purpose Company in association with Ecoluz and BR Distribuidora, to develop energy efficiency projects in 32 Oi units throughout Brazil.

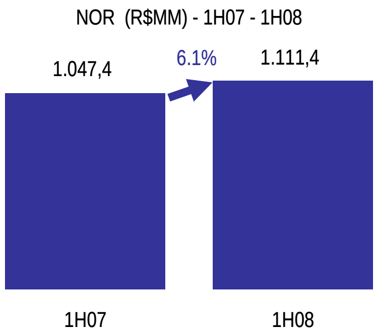
VOLUME (GWh)	2Q07	2Q08	Chg. %	1H07	1H08	Chg. %
Trading	44	118	*170.1%*	87	250	*187.8%*
Broker	303	402	*32.8%*	585	724	*23.7%*
TOTAL	347	520	*49.9%*	672	974	*44.9%*

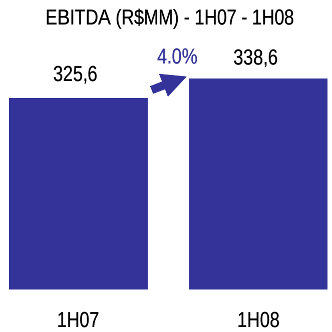
6. Financial Performance - Consolidated

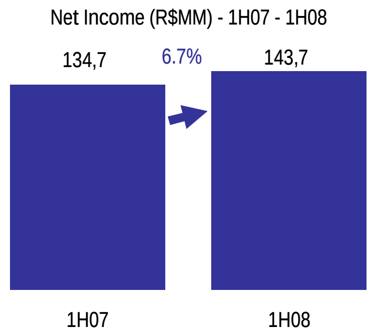
The information in this section reflects 100% of CEMAR's operations and 25% of Light's operations. The 2Q07 and 1H07 figures in the tables and graphs are pro-forma and assume the same percentage interests that Equatorial currently retains in RME and that RME retains in Light. Equatorial's pro-forma results for the 2Q07 and 1H07 are based on Light's pro-forma results for the same periods, which exclude the reversals of provisions in the 2Q07, since these were reconstituted in the 4Q07. In addition, Light's pro-forma results include the adjustments related to Law 11,638, determined by CVM Instruction 469/08.

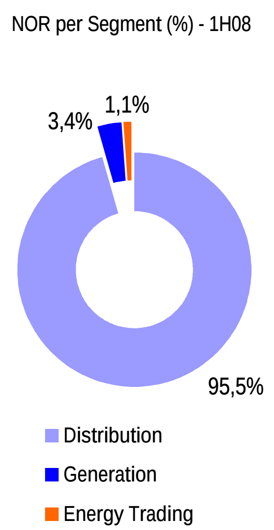
INCOME STATEMENT (*) (R$MM)	2Q07	2Q08	Chg. %	1H07	1H08	Chg. %
Net Operating Revenues (NOR)	519.5	550.9	*6.0%*	1,047.4	1,111.4	*6.1%*
Electric Energy Cost	(254.8)	(269.6)	*5.8%*	(523.8)	(557.8)	*6.5%*
Operating Costs / Expenses	(99.2)	(107.9)	*8.8%*	(198.0)	(215.0)	*8.6%*
Service Income (EBIT)	126.7	132.2	*4.3%*	254.5	257.9	*1.4%*
EBITDA	165.4	173.4	*4.8%*	325.6	338.6	*4.0%*
Financial Result	(17.8)	102.3	*-673.7%*	(41.4)	82.1	*-298.3%*
Operating Income	108.9	234.5	*115.3%*	213.0	340.1	*59.6%*
Ownership Interest	2.8	0.0	*-98.3%*	1.5	18.5	*1135.8%*
Non-Operating Income	(0.1)	(2.2)	*2249.5%*	0.6	4.1	*614.2%*
Income Before Taxes (EBT)	111.6	232.3	*108.2%*	215.1	362.6	*68.6%*
Tax Income / Social Contribution	48.6	(97.9)	*-301.5%*	14.3	(128.3)	*-999.9%*
Minority Interests	(69.6)	(62.4)	*-10.3%*	(94.6)	(90.6)	*-4.2%*
Mnet Income	90.6	71.9	*-20.6%*	134.7	143.7	*6.7%*

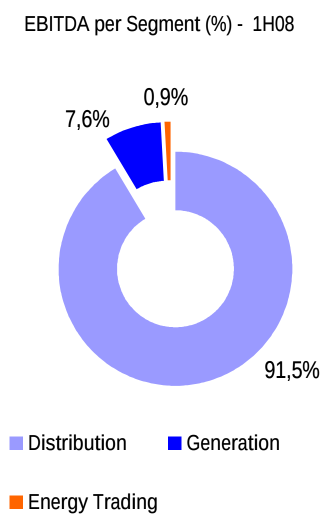
(*) Pro forma, considering 100% of CEMAR's results and 25% of Light's results, for the 2Q07 and 1H07 and assuming the same interest currently held by Equatorial in RME and by RME in Light

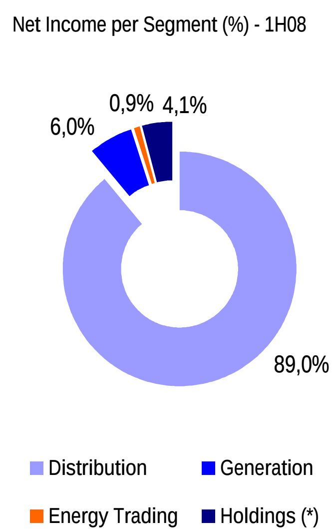




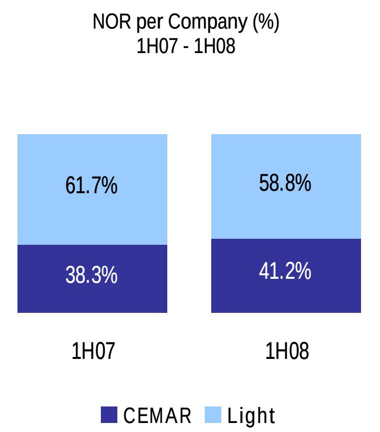


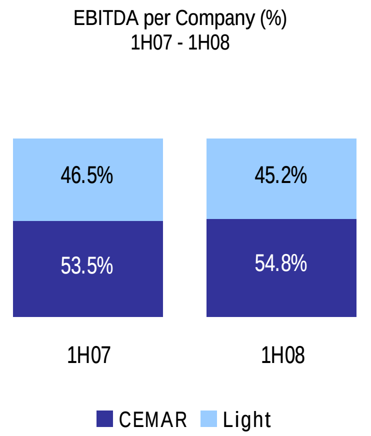


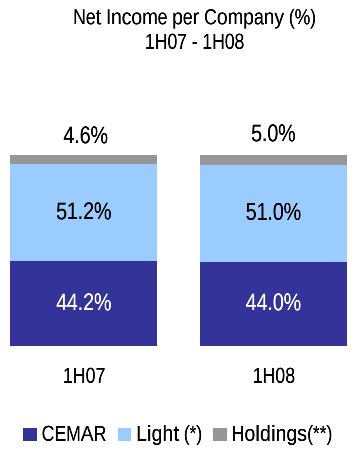




(*) Holdings: Equatorial, RME and Light S.A.







(*) Excludes R$18.5 million in 1Q08 equity income in Equatorial from RME related to November and December/07.
(**) Holdings: Equatorial, RME and Light S.A.

Net Operating Revenues (NOR)

Consolidated net operating revenues totaled R$550.9 million in the 2Q08, 6.0% up on the R$519.5 million recorded in the 2Q07. First-half NOR came to R$1,111.4 million, a 6.1% year-on-year improvement. In segment terms, 95.5% of NOR came from distribution, 3.4% from generation and 1.1% from energy trading. In company terms, Light contributed with 58.8% of the total and CEMAR, 41.2%.

Costs and Expenses

Consolidated operating costs and expenses totaled R$377.5 million in the 2Q08, 6.6% up year-on-year. Most of the upturn came from manageable costs and expenses (excluding depreciation and amortization), which stood at R$107.9 million and increased by 8.8%, versus growth of 5.8% for non-manageable costs and expenses. Consolidated manageable costs and expenses totaled R$772.8 million year-to-date, 7.1% more than in the first six months of 2007.

EBITDA

Consolidated EBITDA increased by 4.8%, from R$165.4 million in the 2Q07 to R$173.4 million in the 2Q08, while the EBITDA margin narrowed by 0.3 p.p. in the same period. First-half EBITDA came to R$338.6 million, 4.0% more than in the 1H07. In segment terms, distribution made the biggest contribution to the year-to-date figure, with a massive 91.5%, followed by generation, with 7.6%, and energy trading, with 0.9%. In company terms, CEMAR accounted for 54.8% of the total and Light for 45.2%.

Financial Result

In the 2Q08, Light obtained a favorable verdict from the Supreme Court regarding the expansion of the calculation base for PIS and COFINS taxes. As a result, it reversed provisions in the amount of R$432.4 million. In Equatorial, this reversal had a positive impact of R$108.1 million in the financial expenses line. Without this effect, Equatorial would have recorded a negative net financial result of R$5.8 million in the 2Q08, R$12.0 million higher than in the 2Q07. Also excluding Light's reversal, the first-half net financial result was an expense of R$26.0 million, a R$15.4 million improvement over the 1H07, thanks to the better financial result posted by Light SESA (see "Financial Performance – Distribution").

Income Tax and Social Contribution on Net Income

Certain adjustments to the Income Tax and Social Contribution line were booked in the 2Q08, as explained below:

- **Change in the recognition of the Sudene benefit**

  In CEMAR, income tax and social contribution payable is positively impacted by a tax reduction benefit on installed capacity expansion granted by SUDENE (Northeast Region Development Authority) in December/05 and expanded in 2007 to include the upgrading of all installed capacity.

  Until the 1Q08, the amount corresponding to the SUDENE benefit was recorded as Capital Reserves under CEMAR's Shareholders' Equity, with a consequent positive effect on Equatorial's result. However, the Explanatory Note to CVM Instruction 469 of May 8, 2008, which regulated Law 11,638 of December 28, 2007, altered the way this benefit was recognized, determining that the 2008 balance, previously booked under Capital Reserves, be temporarily transferred to the Deferred Income line. The balance of the amounts constituted prior to 2008 were incorporated into CEMAR's capital in the 2Q08.

  Although this change had no effect on CEMAR's taxes payable, Equatorial's consolidated result was negatively impacted by R$12.3 million, since it's accounts no longer incorporated the value of the SUDENE benefit.

  By the end of 2008, the CVM is expected to issue a definitive pronouncement on the way in which the SUDENE benefit should be booked, while the Receita Federal (Brazil's IRS) will determine its associated fiscal treatment.

- **Fiscal effect of the PIS/COFINS reversal on Light**

  As explained previously, Light's financial result benefited to the tune of R$432.4 million due to the reversal of provisions for PIS/COFINS taxes. This had a negative impact on the Income Tax and Social Contribution line of R$147.0 million and a positive impact on net income of R$285.4 million. Equatorial's net income was positively impacted by R$37.1 million.

In addition, to facilitate the quarterly and six-month comparisons, it is important to note that, in the 2Q07, Light constituted deferred fiscal assets on temporary difference amounting to R$327.7 million relative to the period between 2003 and March/07. This had a positive effect of R$42.8 million on Equatorial's pro-forma 2007 result.

Net Income

Consolidated net income totaled R$71.9 million in the 2Q08, 20.6% down year-on-year, and R$143.7 million in the first half, up by 6.7% over the 1H07. Net income per share came to R$1.36 in the 1H08.

The table below shows a breakdown of net income and the non-recurring effects. Without the latter, net income increased 9.2% year-on-year in the first half.

BREAKDOWN OF NET INCOME (R$ million)	2Q07	2Q08	Chg. %	1H07	1H08	Chg. %
Booked Net Income	90.6	71.9	*-20.6%*	134.7	143.7	*6.7%*
Non-recurrent Effects (*)	42.8	24.8	*-41.9%*	42.8	43.3	*1.3%*
Equatorial	-	-	*N/A*	-	18.5	*N/A*
Equity Income from RME nov./dec. 2007 (1Q08) (**)	-	-	*N/A*	-	18.5	*N/A*
Light	42.8	37.1	*N/A*	42.8	37.1	*N/A*
Constitution of deferred assets on temporary differences	42.8	-	*N/A*	42.8	-	*N/A*
Reversal of PIS/COFINS provisions	-	37.1	*N/A*	-	37.1	*N/A*
CEMAR	-	(12.3)	*N/A*	-	(12.3)	*N/A*
Change in recognition of SUDENE benefit	-	(12.3)	*N/A*	-	(12.3)	*N/A*
Recurring Net Income	47.8	47.1	*-1.5%*	91.9	100.4	*9.2%*

(*) Effects in the net income line
(**) In the 1Q08, Equatorial's equity income comprised a non-recurring effect of R$18.5 million, reflecting 25% of RME's net income of November and December 2007. This adjustment was necessary because Equatorial's incorporation of PCP Energia Participações S.A. (the former holder of a 25% interest in RME) in February 2008 was based on the audited statements up to October 2007 only.

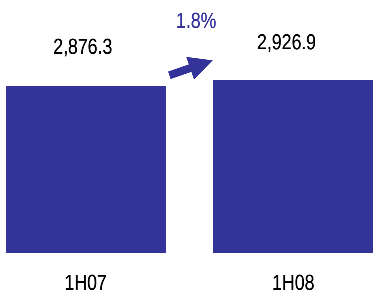
7. Financial Performance - Distribution

The information in this section reflects 100% of the operations of CEMAR and Light SESA.

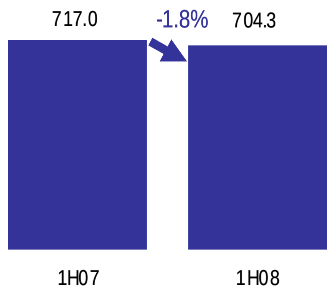
INCOME STATEMENT - DISTRIBUTION (*) (R$MM)	2Q07	2Q08	Chg. %	1H07	1H08	Chg. %
Net Operating Revenues (NOR)	1.404,9	1.461,3	*4,0%*	2.876,3	2.926,9	*1,8%*
Electric Energy Cost	(788,8)	(810,7)	*2,8%*	(1.642,1)	(1.692,0)	*3,0%*
Operating Costs/Expenses	(271,1)	(276,3)	*1,9%*	(517,1)	(530,6)	*2,6%*
Service Income (EBIT)	253,6	277,8	*9,5%*	541,1	513,3	*-5,1%*
EBITDA	345,0	374,3	*8,5%*	717,0	704,3	*-1,8%*
Equity Income	(54,7)	(79,7)	*45,7%*	(77,3)	(68,0)	*-12,0%*
Financial Results	(15,7)	494,7	*-3241,7%*	(80,6)	406,0	*-603,8%*
Operating results	183,2	692,8	*278,2%*	383,2	851,3	*122,1%*
Non-Operating Results	6,9	(6,7)	*-197,1%*	7,4	10,8	*46,1%*
Income Before taxes (EBT)	190,1	686,1	*260,9%*	390,6	862,1	*120,7%*
Income Tax / Social Contribution	280,0	(284,1)	*-201,4%*	203,1	(341,8)	*-268,3%*
Net Income	470,1	402,0	*-14,5%*	593,7	520,4	*-12,4%*

(*) Pro-forma, considering 100% of CEMAR and Light Distribuição (Light since the 1Q07), in order to facilitate comparisons between periods.

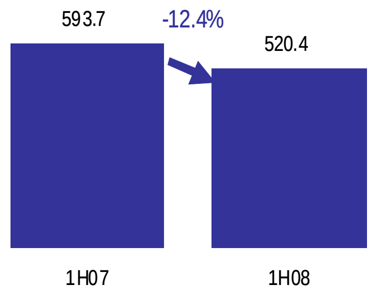
NOR (R$MM) - 1H07 - 1H08



EBITDA (R$MM) - 1H07 - 1H08



Net Income (R$MM) - 1H07 - 1H08



Net Operating Revenues

Net operating revenues totaled R$1,461.3 million in the 2Q08, 4.0% up year-on-year, due to the combined effect of the following NOR variations in each company:

- Light SESA: increase of 3.0%, fueled by the registration of the low-income subsidy in the amount of R$29.0 million and the slight change in the captive market consumption mix, which more than offset the decline in spot-market sales and the reduction in network usage revenues (TUSD) triggered by the accumulated tariff discount to which self-generation customers had been entitled to since the 2006 tariff adjustment, but which only became effective in October 2007.
- CEMAR: increase of 9.7%, due to the 8.08% tariff increase ratified by ANEEL in August/07 and the 4.4% period reduction in revenue deductions, in turn primarily due to the R$6.1 million decline in CVA expenses related to the CCC and CDE.

First-half net revenues came to R$2,926.9 million, 1.8% up on the 1H07, the slight 0.2% period decline in Light SESA's NOR being more than offset by CEMAR's 14.1% upturn, helping the consolidated result.

NET OPERATING REVENUE (R$MM)	2Q07	2Q08	% Chg.	1H07	1H08	% Chg.
CEMAR	206.4	226.5	*9.7%*	401.6	458.1	*14.1%*
Light	1,198.5	1,234.8	*3.0%*	2,474.7	2,468.8	*-0.2%*
TOTAL	1,404.9	1,461.3	*4.0%*	2,876.3	2,926.9	*1.8%*

Costs and Expenses

Costs and expenses (manageable and non-manageable, excluding depreciation and amortization) totaled R$1,087,0 million in the 2Q08, 2.6% up year-on-year. The first-half figure also climbed by 2.9%, reaching R$2,222.6 million.

Manageable Costs and Expenses

Distributors' manageable costs and expenses, represented by personnel, materials, outsourced services and others (PMSO) and provisions for doubtful accounts and contingencies totaled R$275.2 million in the 2Q08, 1.4% more than the 2Q07 in absolute terms and a 1.4 p.p. increase as a percentage of NOR. Year-to-date manageable costs and expenses came to R$528.9 million, 2.3% higher than in the 1H07, representing 18.1% of NOR, in line with the 1H07.

PMSO expenses amounted to R$159.2 million in the 2Q08, 7.6% down year-on-year, and R$324.6 million in the first half, down by 0.2%. The latter figure was equivalent to 11.1% of net revenues, 0.2 p.p. less than in the 1H07.

CEMAR's first-half PMSO expenses totaled R$73.3 million, 18.9% up year-on-year, chiefly due to higher third-party service expenses, which moved up by R$9.8 million, thanks to: i) the efforts to maintain the quality of energy supply services in light of the exceptional rainfall during the period, which generated a R$1.4 million increase in expenses from the hiring of third-party stand-by electricians; ii) a R$2.4 million rise in call center and bill collection costs iii) a R$1.2 million upturn in costs related to energy-loss reduction efforts; iv) a R$0.4 million rise in fraud-combat expenses, fueled by the higher number of non-paying clients registered with the SPC/SERASA (credit rating agencies); v) a R$0.7 million increase in software licensing expenses; and, vi) a R$2.6 million upturn in other administrative services (telecommunications, logistics, etc.).

Light SESA's first-half PMSO fell 5.6% year-on-year, thanks to the respective 20.0% and 5.4% declines in personnel and material expenses, which more than offset the 5.0% upturn in expenses from third-party services and the 28.1% increase in expenses from other services. The personnel reduction was due to the non-recurring effect in the 2Q07 of staff-reduction processes and the increase in provisions for the profit-sharing program. The upturn in third-party service expenses can be explained by: i) the change in the recognition of loss-prevention initiatives, previously booked under investments); ii) higher IT expenses from the maintenance of the loss-management system, acquired to ensure a more intelligent selection of clients for inspection purposes; and iii) the SAP-CCS system, which entered the operational and maintenance phase at the beginning of the year, whereas in 2007 it was still in the implantation and stabilization phase (this is an investment in fixed assets).

R$ MM	2Q07	2Q08	Chg. %	1H07	1H08	Chg. %
Personnel	79.3	57.8	*-27.2%*	149.5	124.3	*-16.8%*
Material	4.0	5.5	*40.0%*	9.9	11.2	*13.3%*
Services	80.1	82.1	*2.4%*	144.9	160.4	*10.7%*
Others	8.9	13.9	*55.1%*	19.8	28.7	*45.2%*
PMSO	172.4	159.2	*-7.6%*	324.0	324.6	*0.2%*
% Net Revenue	*12.3%*	*10.9%*	*-1.4 p.p.*	*11.3%*	*11.1%*	*-0.2 p.p.*
Provisions	99.1	115.9	*16.9%*	193.1	204.2	*5.8%*
PDA and Losses	77.4	50.3	*-35.1%*	155.1	118.8	*-23.4%*
% Gross Operating Revenue	*3.4%*	*2.2%*	*-1.2 p.p.*	*3.3%*	*2.6%*	*-0.7 p.p.*
Provision for Contingencies and Other Provisions	21.7	65.6	*202.5%*	38.0	85.4	*124.7%*
MANAGEABLE COSTS AND EXPENSES	271.5	275.2	*1.4%*	517.1	528.9	*2.3%*
% Net Revenues	*19.3%*	*18.8%*	*-0.5 p.p.*	*18.0%*	*18.1%*	*0.1 p.p.*
Electricity Purchased (Including CVA and Charges)	788.8	810.7	*2.8%*	1,642.1	1,692.0	*3.0%*
Other Costs	-0.3	1.1	*-434.9%*	0.1	1.7	*2974.9%*
NON-MANAGEABLE COSTS AND EXPENSES	788.5	811.9	*3.0%*	1,642.2	1,693.8	*3.1%*
% Net Revenues	*56.1%*	*55.6%*	*-0.6 p.p.*	*57.1%*	*57.9%*	*0.8 p.p.*
TOTAL	1,059.9	1,087.0	*2.6%*	2,159.2	2,222.6	*2.9%*

(*) Pro-forma, considering 100% of CEMAR and Light Distribuição (Light since the 1Q07), in order to facilitate comparisons between periods.

Losses and provisions for doubtful accounts (PDA) moved down 1.2 p.p. year-on-year in the 2Q08 as a percentage of gross revenues. In the first half, this item represented 2.6% of gross revenues, down by 0.7 p.p. over the 1H07. CEMAR's PDA represented 2.2% of gross revenues in the 1H08, a slight 0.2 p.p. increase over the 2.0% recorded in the 1H07. Also in the first half, Light SESA's PDA represented 2.7% of gross revenues, 0.8 p.p. down on the 3.5% registered in the first six months of the previous year.

Non-Manageable Costs and Expenses

Non-manageable operating costs and expenses totaled R$811.9 million in the 2Q08, 3.0% up on the 2Q07, and R$1,693.8 million in the first half, 3.1% up on the 1H07. As a percentage of first-half net operating revenues, they edged up by 0.8 p.p. year-on-year.

EBITDA

Consolidated 2Q08 EBITDA from distribution stood at R$374.3 million, 8.5% up on the R$345.0 million reported in the same period the year before. Consolidated year-to-date EBITDA came to R$704.3 million, 1.8% down on the first six months of 2007. CEMAR's 6.3% year-on-year upturn in first-half EBITDA was not enough to offset Light SESA's 4.4% decline, reflecting reduced consumption in the company's concession area and higher average energy prices.

Financial Result

Excluding the impact of Light's PIS/COFINS reversal (explained in the Financial Performance - Consolidated section), the consolidated 2Q08 financial result was positive by R$62.3 million, a R$78.0 million improvement over the 2Q07, chiefly due to the following variations in Light SESA: i) increased financial revenues from higher interest on overdue bills and the monetary restatement of PIS/COFINS credits on sector charges; ii) a decline in financial expenses due to the reduced cost of swap operations triggered by the decrease in the debt's foreign-currency exposure; and, iii) less interest expenses due to the lower cost of debt, which more than offset the impact of the IGP-DI variation on liabilities with Braslight.

Net Income

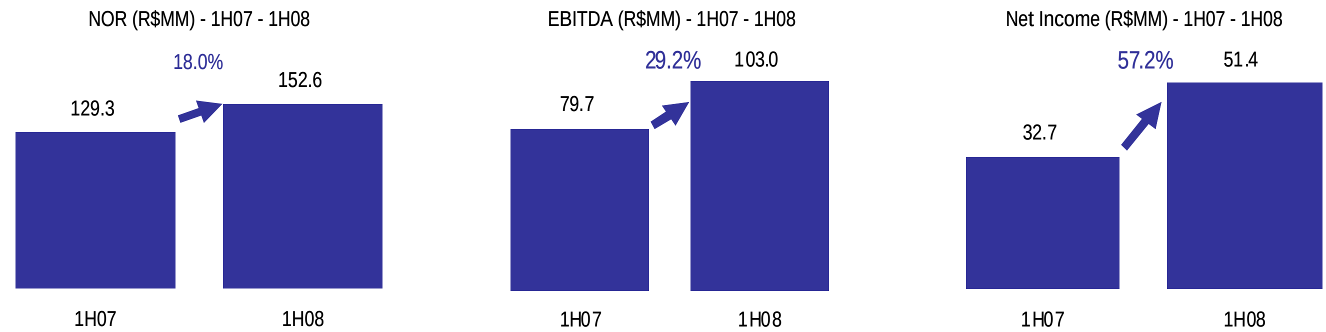
Distribution segment net income totaled R$402.0 million in the 2Q08, 14.5% down year-on-year, and R$520.4 million in the first half. Excluding the positive impact of the reversal, year-to-date net income would come to R$235.4 million, less than the R$593.7 million in the 1H07 due to the 4.4% reduction in Light's EBITDA and the non-recurring positive impact on Light's 2Q07 result of the booking of R$327.7 million in deferred fiscal assets on temporary differences (see the table of non-recurring effects under Net Income in the "Financial Performance – Consolidated" section).

8. Financial Performance - Generation

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

INCOME STATEMENT GENERATION (*) (R$MM)	2Q07	2Q08	Chg. %	1H07	1H08	Chg. %
Net Operating revenues (NOR)	67.6	66.9	-1.0%	129.3	152.6	18.0%
Electricity Energy Cost	(10.2)	(10.4)	2.0%	(20.3)	(20.9)	3.0%
Operating Costs/Expenses	(14.6)	(14.1)	-3.4%	(29.3)	(28.7)	-2.0%
Service Income (EBIT)	36.4	36.0	-1.1%	66.9	90.4	35.1%
EBITDA	42.7	42.2	-1.2%	79.7	103.0	29.2%
Financial Results	(5.4)	(3.0)	-44.4%	(17.5)	(13.5)	-22.9%
Operating Results	31.0	33.0	6.5%	49.4	76.9	55.7%
Income Before Taxes (EBT)	31.0	33.0	6.5%	49.4	76.9	55.7%
Income Tax / Social Contribution	(10.3)	(10.5)	1.9%	(16.7)	(25.5)	52.7%
Net Income	20.7	22.5	8.7%	32.7	51.4	57.2%

(*) Pro-forma, considering 100% of Light since the 1Q07, in order to facilitate comparisons between periods.



Net Operating Revenues

Net revenues totaled R$66.9 million in the 2Q08, slightly less than the R$67.6 million recorded in the 2Q07. Net revenues from electricity sold (free and regulated markets) came to R$ 62.6 million, in line with the 2Q07 figure. This result was due to the combined effect of the price increases on the regulated market as a result of the adjustment of contract prices in line with the IPCA consumer price index, and the 13.2% reduction in the average spot price during the 2Q08. Second-quarter net revenues from the CCEE short-term market (spot, MRE and others) came to R$3.2 million, 7.1% down year-on-year.

Net revenues amounted to R$152.6 million in the first half, an 18.0% improvement over the 1H07, primarily due to the higher spot price in the first three months of the year.

Costs and Expenses

Light Energia's costs and expenses totaled R$ 24.5 million in the 2Q08, in line with the 2Q07 figure. Costs related to the use of the distribution network moved up 1.5% due to the November 2007 tariff adjustment. Costs were divided as follows: distribution network use (33.5%), personnel (17.9%), materials and outsourced services (9.3%), others and depreciation (39.3%). Year-to-date costs and expenses came to R$49.6 million, in line with the 1H07.

EBITDA

Light Energia's 1H08 EBITDA grew 29.2% year-on-year to R$ 103.0 million, thanks to the high spot market prices at the beginning of the year, coupled with the increase in the volume of electricity sold on the free market. The EBITDA margin stood at 67.5%, 5.9 p.p. up on the 1H07.

Net Income

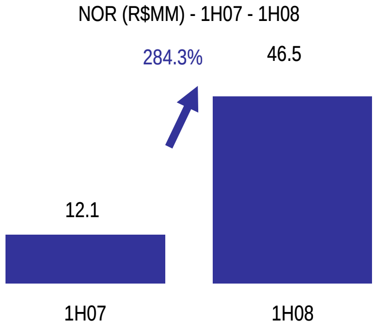
Light Energia recorded net income of R$22.5 million in the 2Q08, 8.7% up on the same period last year, and R$51.4 million in the 1H08, 57.2% more than in the first six months of 2007. The first-half net margin widened by 8.4 p.p.

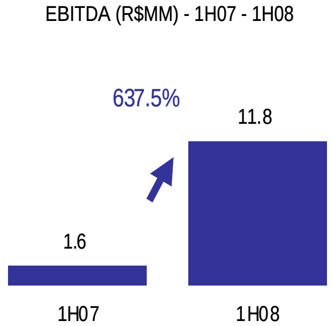
9. Financial Performance – Energy Trading

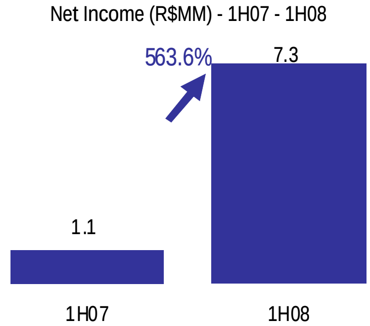
The energy trading information in this section reflects 100% of Light ESCO's operations.

INCOME STATEMENT - ENERGY TRADING (*) (R$MM)	2Q07	2Q08	Chg. %	1H07	1H08	Chg. %
Net Operating revenues (NOR)	6.3	16.6	*163.5%*	12.1	46.5	*284.3%*
Electricity Energy Cost	(4.4)	(9.5)	*115.9%*	(8.8)	(32.3)	*267.0%*
Operating Costs/Expenses	(0.8)	(1.0)	*25.0%*	(1.7)	(2.5)	*47.1%*
Service Income (EBIT)	0.9	5.9	*555.6%*	1.2	11.3	*841.7%*
EBITDA	0.9	6.3	*600.0%*	1.6	11.8	*637.5%*
Financial Results	0.1	0.2	*100.0%*	0.2	0.4	*100.0%*
Operating Results	1.0	6.1	*510.0%*	1.4	11.7	*735.7%*
Income Before Taxes (EBT)	1.0	6.1	*510.0%*	1.4	11.7	*735.7%*
Income Tax / Social Contribution	(0.1)	(2.1)	*2000.0%*	(0.3)	(4.4)	*1366.7%*
Net Income	0.7	4.2	*500.0%*	1.1	7.3	*563.6%*

(*) Pro-forma, considering 100% of Light since the 1Q07, in order to facilitate comparisons between periods.







Net Operating Revenues

Net operating revenues totaled R$ 16.6 million in the 2Q08, 163.6% up on the 1Q07, chiefly due to energy sales from Light Energia's hydrological hedge, which accounted for 54.1 GWh this quarter, and the start-up of a 138kV consumer substation, which had a positive impact of R$3.0 million. First-half NOR came to R$46.5 million, an even heftier year-on-year upturn of 284.3%, fueled by the increase in direct energy sales, especially from Light Energia's hydrological hedge, which totaled 121.2 GWh. The share of resold energy has been growing continuously, reaching 85.1% of Light Esco's 1H08 revenues, versus 78.5% in the 1H07.

Costs and Expenses

Light ESCO's 2Q08 operating costs and expenses totaled R$ 10.5 million, 101.9% higher than in the 2Q07, pushed by the increase in the volume of electricity acquired from Light Energia and other distributors for resale, which amounted to 118 GWh, versus 44 GWh in 2Q07. Year-to-date operating costs and expenses reached R$34.8 million, growth of R$24.3 million over the 1H07.

EBITDA

Light ESCO's EBITDA totaled R$6.3 million in the 2Q08, compared to R$0.9 million in the 2Q07, chiefly due to the increase in net revenues. The EBITDA margin stood at 38.1%, 23.7 p.p. up year-on-year. First-half EBITDA totaled R$11.8 million, R$10.2 million more than the same period last year, accompanied by an EBITDA margin of 25.3%, a 12.1 p.p. improvement.

Net Income

Light ESCO posted a 2Q08 net income of R$4.2 million, a massive 500% up on the second quarter of 2007. First-half net income amounted to R$7.3 million, representing a year-on-year margin increase of 6.6 p.p.

10. INDEBTEDNESS

Equatorial closed the second quarter with consolidated gross debt (including interest and charges) of R$1,491.3 million, 5.2% up on the 1Q08 figure, basically due to the May/08 payment of R$150.6 million in dividends and interest on equity related to 2007.

In the 2Q08, CEMAR received R$47.3 million of a R$79.7 million loan taken out with the BNDES (Brazilian Development Bank), in March/08, to finance the Company's investment projects. Similarly, Light received R$75.4 million of a R$549.3 million FINEM financing line, approved by the BNDES in October/07, also destined for investments.

Gross Debt Analisys (100% CEMAR + 25% Light)

Index	Average Cost (a.a.)	Average Final Date (month/year)	Average Period (years)	Part. (%)
Libor	5.0%	oct-18	10.0	1.6%
IGP-M	17.4%	dec-23	15.0	9.7%
TJLP	10.4%	sep-13	5.0	11.2%
Fixed (R$)	8.5%	feb-17	9.0	10.1%
RGR	6.4%	nov-16	8.0	6.3%
Fixed (US$)	6.7%	nov-20	12.0	2.0%
FINEL(**)	12.4%	dec-15	7.0	4.0%
CDI	12.1%	sep-14	6.0	54.9%
SELIC	11.2%	feb-09	1.0	1.0%
U$ Treasury	2.3%	apr-24	16.0	-0.8%
UmBNDES (***)	10.0%	mar-10	2.0	0.0%
TOTAL	11.5%		7.3	100.0%

Expiration	R$ MM	% of Total
Short Term	121.1	8.1%
Long Term	1,370.2	91.9%
2009	68.5	4.6%
2010	129.5	8.7%
2011	181.5	12.2%
2012	227.7	15.3%
Após 2012	763.0	51.2%
TOTAL	1,491.3	100.0%

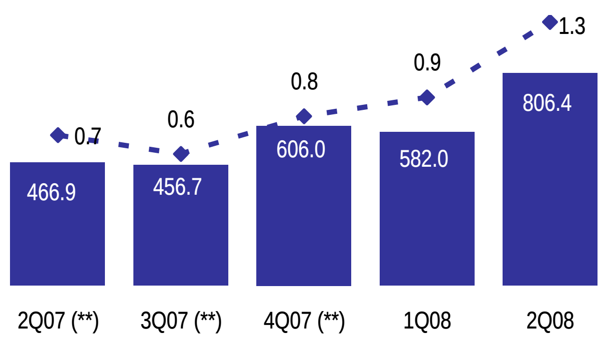
(*) Considering 100% of CEMAR and 25% of Light, debt with Braslight were not considered

(**) Index that represents 20% of the IGP-M + Spread ranging from 9.4% to 14.0%.

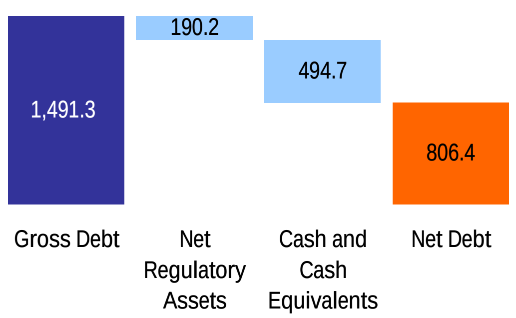
(***) BNDES monetary unit, that represents the weighed average of exchange oscillation on currency from the currency group of BNDES.

Net debt, after considering cash and cash equivalents and net regulatory assets, stood at R$806.4 million in the 2Q08, R$224.4 million up on the 1Q08, giving a net debt/EBITDA ratio of 1.3x. The upturn in the net debt reflected Equatorial's dividend payment, mentioned earlier.

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



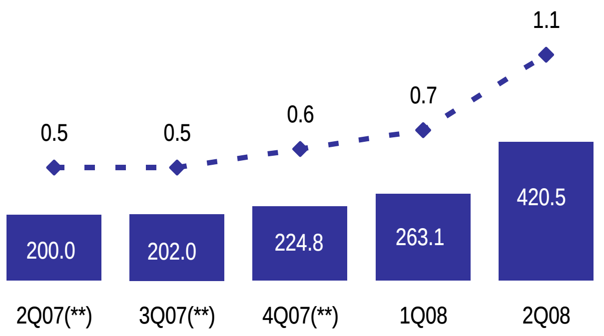
Net Debt Conciliation (R$MM)
Consolidated (100% CEMAR + 25% Light)



(*) Excluding debt with Braslight
(**) Pro-forma

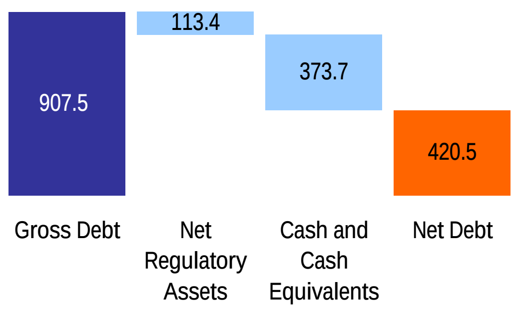
Total consolidated indebtedness, adjusted for Equatorial's interests in CEMAR (65.17%) and Light (13.06%), came to R$420.5 million in the 2Q08, 1.1x consolidated 12-month EBITDA.

Net Debt (R$MM)(*) and Net Debt / EBITDA (LTM)
Adjusted Consolidated (65.17% CEMAR + 13.06% Light)



(*) Excluding debt with Braslight
(**) Pro-forma

Net Debt Conciliation (R$MM)
Adjusted Consolidated (65.17% CEMAR + 13.06% Light)



11. CAPEX

INVESTMENTS (*) - R$ million	2Q07	2Q08	% Chg.	1H07	1H08	% Chg.
CEMAR						
Proprietary (**)	45.0	58.2	*29.3%*	76.6	97.0	*26.7%*
PLPT	41.6	34.2	*-17.8%*	77.0	65.5	*-15.0%*
Total	86.6	92.4	*6.7%*	153.6	162.5	*5.8%*
Light						
Distribution	54.0	145.1	*168.6%*	103.2	232.0	*124.9%*
Generation	4.1	12.2	*195.5%*	6.0	14.4	*140.3%*
Energy Trading	0.2	0.1	*-22.1%*	0.4	0.2	*-35.9%*
Administration	5.7	7.1	*24.2%*	11.4	11.1	*-2.3%*
Total	64.1	164.6	*156.9%*	120.9	257.8	*113.2%*

(*) Pro-forma, considering 100% of Light and CEMAR
(**) Including indirect investments in the PLPT

CEMAR

CEMAR invested R$58.2 million in the 2Q08, excluding direct investments related to the PLPT, 29.3% up on the same period in 2007. First-half investments, using the same criterion, totaled R$97.0 million, 26.7% up year-on-year.

Investments in the PLPT

At the close of the 2Q08, 156,823 consumers were connected to CEMAR's distribution network through the PLPT, directly benefiting some 784,000 inhabitants. The PLPT is already present in 205 (or 94%) of Maranhão's 217 municipalities, contributing to the development of areas isolated from the urban centers and generating wealth in these localities. In the 2Q08, direct investments in the program, which include expenses with materials and outsourced services, totaled R$34.2 million, 17.8% down year-on-year. In the 1H08, PLPT investments came to R$65.5 million.

Light

Light invested R$257.8 million in the 1H08, R$136.9 million more than in the same period last year. In the distribution segment, most of the funds went to: i) new connections, capacity increases and corrective maintenance, totaling R$42.1 million; ii) quality improvements (structural optimization and preventive maintenance), which absorbed R$12.7 million; and iii) loss-prevention initiatives totaling R$55.3 million. In the generation segment, R$1.9 million went to plant repairs and upgrading and R$2.2 million to the three new generation projects, while R$7.9 million refers to the accounting effect of the monetary restatement of the use of public property by the Itaocara plant, envisaged in its concession agreement.

Generation Projects

Aiming to strengthen its capacity to develop and implant new generation projects, Light has signed a Memorandum of Understanding with Companhia Energética de Minas Gerais (Cemig), according to which the parties will seek to produce joint business plans involving the development and implementation of power generation projects. Light, either directly or through its subsidiaries, will have a 51% in each of the new consortia, while CEMIG's share will be 49%.

Through its subsidiaries Lightger Ltda., Itaocara Energia Ltda. and Light Energia S.A., Light has already entered into three Consortium Constitution Agreements with Cemig in order to build and operate the PCH Paracambi, UHE Itaocara and PCH Lajes hydroelectric projects.

- PCH Paracambi: a small hydropower plant, with 25 MW of installed capacity and 20.4 average-MW of assured energy, located on the Ribeirão das Lajes river in Paracambi, in the state of Rio of Janeiro, near the Lajes Complex. The project is currently in the process of obtaining its Installation

License and Land Clearance Permit. Works are expected to begin in October 2008, and start-up is scheduled for 2010, with a construction term of 24 months. Light ESCO is handling the sale of Light 's portion of the resulting output, part of which has already been sold on the free market.

- PCH Lajes: a small hydropower plant, with 17 MW of installed capacity and assured energy of around 15 average-MW. The plant is located in the Lajes Complex and will use the structure of the idle Fontes Velha plant. Given the particular nature of the project, which does not involve the construction of a new reservoir, we believe the environmental licenses will be granted fairly rapidly. Operational start-up is estimated for 2010.

- UHE Itaocara: a hydropower plant, with 195 MW of installed capacity and 110 average-MW of assured energy, located on the Paraíba do Sul river, in Itaocara, in the state of Rio de Janeiro, near Light's concession area. Operational start-up is estimated for 2012 following a construction period of 36 months. Environmental licensing procedures with IBAMA resumed recently with the request for a Term of Reference on the studies

In addition to these projects and with the aim of expanding their joint activities, Light and Cemig intend to form new consortia to take part in power plant auctions until they reach at least 300 MW of additional installed capacity. The Companies will also be studying their joint participation in third-party projects already under development.

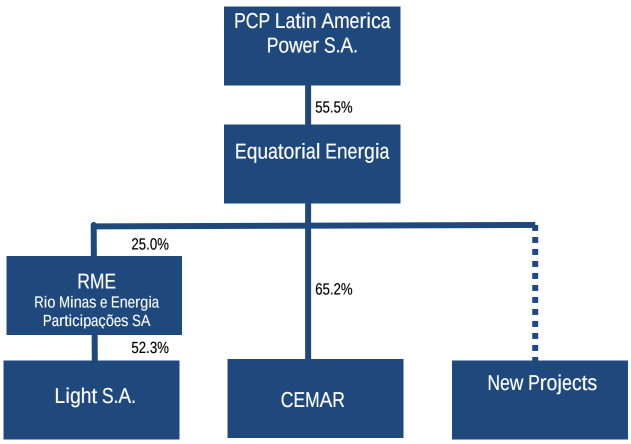
12. Capital Market

Equatorial Energia's shares closed the 2Q08 at R$15.85, 1.6% up on the end of the previous quarter (R$15.60). Daily traded volume averaged R$3,029,600 in the 60 days ended June 30, 2008. The Company's shares are listed on the IBrX100, IEE, ITAG and IGC indices.

13. Subsequent Events

Corporate Restructuring

On July 10, 2008, the Company announced its corporate restructuring, which involved the successive winding up of the following companies: (i) PCP Power LLC; (ii) PCP Latin America Power Fund Limited; (iii) Equatorial Energia Holdings LLC; and (iv) Brasil Energia I LLC. There was no change in Equatorial's shareholding control given that PCP Latin America Power S/A, which already held an indirect 55.54% stake in Equatorial, maintained this percentage interest, but now directly, as shown in the chart below.



14. New Projects

In regard to the proposed acquisition of 25% of Geradora de Energia do Norte S.A. (GERANORTE), approved by Equatorial's Board of Directors on April 15, 2008, the Company is currently awaiting the approval of ANEEL before moving ahead. GERANORTE is responsible for implanting and operating the Tocantinópolis and Nova Olinda Thermoelectric Plants, in the state of Maranhão, with a joint capacity of 330 MW, which supply electricity to the national grid.

Equatorial continues to seek investment opportunities in the distribution and generation segments in line with its corporate strategy, which envisages the Company playing an active role in the future consolidation of electricity distributors in Brazil and Latin America and the necessary expansion of the generation segment.

15. 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. 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.

16. Disclosure Events

Conference Call in English	Conference Call in Portuguese
Thursday, August 14, 2008.	Thursday, August 14, 2008.
12:00 pm (Brasília time)	2:00 pm (Brasília time)
11:00 am (EST time)	1:00 pm (EST time)
Telephone: +1 (973) 935-8893	Telephone: +0 XX (11) 2188-0188
Replay: +1 (706) 645-9291	Replay: +0 XX (11) 2188-0188
Code: 55839993	Code: Equatorial

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/ir 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.

Replay: The call replays will be available from August 14 to August 21, 2008. To access, please dial the above-mentioned numbers.

Contacts

- Leonardo Dias
  CFO and IRO
  Phone: +0 XX (21) 3206-6635
- Maria Eliza Castro
  Investor Relations Manager
  Phone: + 0 XX (21) 3206-6607
- E-mail: ir@equatorialenergia.com.br
- Website: www.equatorialenergia.com.br/ir

Additional Information on Light and CEMAR

Further information on Light and CEMAR, including a more detailed breakdown of financial and operating results , can be found in these companies' individual Earnings Releases at the following addresses:

- Light: www.light.com.br/ri
- 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.

Annex 1 – Consolidated Income Statement (R$ million)

- In order to facilitate comparisons between the quarters and six-month periods, the 2Q07 and 1H07 figures are pro-forma, assuming that Equatorial held the same interest in RME as it does currently.
- Equatorial's pro-forma results for the 2Q07 and 1H07 are based on Light's pro-forma results for the same periods, which exclude the reversals of provisions in the 2Q07, since these were reconstituted in the 4Q07. In addition, Light's pro-forma result includes the adjustments related to Law 11,638, determined by CVM Instruction 469/08.

INCOME STATEMENT (R$ MM)	2Q07	2Q08	1H07	1H08
GROSS OPERATING REVENUES	812.4	822.4	1,635.7	1,651.1
Electricity Sales to Final Consumers	738.7	754.7	1,491.0	1,515.2
Electricity Supply	24.1	23.1	52.2	50.8
Other Revenues	49.6	44.7	92.5	85.1
DEDUCTIONS FROM OPERATING REVENUES	(292.9)	(271.5)	(588.2)	(539.7)
NET OPERATING REVENUES	519.5	550.9	1,047.4	1,111.4
ELECTRIC ENERGY COSTS	(254.8)	(269.6)	(523.8)	(557.8)
OPERATING COSTS/EXPENSES	(99.2)	(107.9)	(198.0)	(215.0)
Personnel	(29.7)	(25.7)	(59.0)	(53.1)
Material	(1.7)	(3.0)	(4.4)	(6.0)
Services	(33.8)	(38.1)	(63.5)	(75.0)
Provisions	(50.8)	(32.5)	(81.8)	(63.6)
Others	16.7	(8.6)	10.7	(17.2)
EBITDA	165.4	173.4	325.6	338.6
Depreciation and Amortization	(38.7)	(41.2)	(71.1)	(80.6)
SERVICE INCOME	126.7	132.2	254.5	257.9
EQUITY INCOME	2.8	0.0	1.5	18.5
Equity Income	-	-	-	18.4
Goodwill Amortization	2.8	0.0	1.5	0.1
FINANCIAL RESULT	(17.8)	102.3	(41.4)	82.1
Financial Income	35.8	51.4	72.0	87.1
Financial Expenses	(53.6)	50.9	(113.4)	(5.0)
OPERATING INCOME	111.7	234.6	214.5	358.5
NON-OPERATING INCOME	(0.1)	(2.2)	0.6	4.1
Non-operating Income	2.2	1.5	6.4	8.0
Non-operating Expenses	(2.3)	(3.7)	(5.8)	(4.0)
INCOME BEFORE TAXES	111.6	232.3	215.1	362.6
Income Tax and Social Contribution	48.6	(97.9)	14.3	(128.3)
MINORITY INTERESTS	(69.6)	(62.4)	(94.6)	(90.6)
NET INCOME	90.6	71.9	134.7	143.7

ANNEX 2 – INCOME STATEMENT PER COMPANY (R$ MILLION)

- The following table reflects Equatorial's consolidation process, i.e. the sum of Equatorial Holding + 100% of CEMAR + 25% of RME (which in turn consolidates 100% of Light S.A.) + eliminations.

- The "Minority Interest" line contains an adjustment so that the consolidated net income of Equatorial reflects its real stake in the companies. In the case of CEMAR, this interest amounts to 65.17% and in the case of Light S.A., it amounts to 13.06%, reflecting 25% of 52.25% (RME's stake in Light S.A.).

INCOME STATEMENT PER COMPANY (R$ Million)	Equatorial Holding	Chg % 1H07	CEMAR 100%	Chg % 1H07	RME 25%	Chg % 1H07	Elimintations	Chg % 1H07	Equatorial Consolidated	Chg % 1H07
GROSS OPERATING REVENUES	-	-	624.1	8.8%	1,027.0	-3.3%	(0.0)	3066.0%	1,651.1	0.9%
Electricity Sales to Final Consumers	-	-	611.4	8.2%	903.8	-2.4%	(0.0)	-	1,515.2	1.6%
Electricity Supply	-	-	4.2	353.0%	46.6	-9.1%	-	-100.0%	50.8	-2.6%
Other Revenues	-	-	8.5	15.2%	76.6	-10.0%	0.0	-163.2%	85.1	-8.0%
DEDUCTIONS FROM OPER. REVENUES	-	-	(166.0)	-3.4%	(373.7)	-10.2%	-	-100.0%	(539.7)	-8.2%
NET OPERATING REVENUES	-	-	458.1	14.1%	653.3	1.2%	(0.0)	-1937.0%	1,111.4	6.1%
ELECTRICITY COSTS	-	-	(182.6)	18.1%	(375.2)	1.6%	(0.0)	-400.0%	(557.8)	6.5%
OPERATING COSTS/EXPENSES	(4.6)	21.7%	(90.1)	24.0%	(120.4)	-1.0%	0.0	-126.3%	(215.0)	8.6%
Personnel	(2.5)	26.6%	(21.6)	2.0%	(29.0)	-19.1%	0.0	-164.7%	(53.1)	-10.0%
Material	-	-	(4.1)	71.0%	(1.9)	-5.4%	0.0	-	(6.0)	36.6%
Services	(2.1)	16.3%	(41.2)	31.3%	(31.7)	4.6%	-	-100.0%	(75.0)	18.1%
Provisions	-	-	(16.8)	0.8%	(46.9)	-28.0%	0.0	0.0%	(63.6)	-22.2%
Others	-	-	(6.4)	523.4%	(10.9)	-193.3%	(0.0)	-4900.0%	(17.2)	-261.9%
EBITDA	(4.6)	21.7%	185.4	6.3%	157.8	1.8%	(0.0)	-1419.6%	338.6	4.0%
Depreciation and Amortization	-	-	(39.4)	24.1%	(41.3)	4.6%	-	-100.0%	(80.6)	13.3%
SERVICE INCOME	(4.6)	21.7%	146.0	2.4%	116.5	0.8%	(0.0)	-1083.6%	257.9	1.4%
EQUITY INCOME	141.2	7.8%	-	-	2.3	0.0%	(125.0)	-5.1%	18.5	1135.8%
Equity Income	143.4	8.8%	-	-	-	-	(125.0)	-5.1%	18.4	-
Goodwill Amortization	(2.2)	169.7%	-	-	2.3	0.0%	-	-	0.1	-93.7%
FINANCIAL RESULTS	9.9	-18.4%	(12.1)	-7.5%	84.3	-308.0%	0.0	-320.8%	82.1	-298.3%
Financial Revenue	10.2	-20.6%	38.3	30.1%	38.5	30.0%	0.0	-	87.1	21.0%
Financial Expenses	(0.3)	-57.6%	(50.5)	18.6%	45.8	-165.2%	0.0	-123.8%	(5.0)	-95.6%
OPERATING INCOME	146.5	5.1%	133.9	3.4%	203.1	162.5%	(125.0)	-5.1%	358.5	67.1%
NON-OPERATING INCOME	2.4	-246.9%	(1.4)	-423.2%	3.1	74.5%	(0.0)	-	4.1	614.2%
Non-operating Revenue	2.8	-	1.1	-74.6%	4.1	112.3%	-	-	8.0	26.0%
Non-operating Expenses	(0.4)	-73.7%	(2.5)	-38.0%	(1.1)	453.2%	(0.0)	-	(4.0)	-31.5%
INCOME BEFORE TAXES	148.9	8.1%	132.5	2.0%	206.2	160.5%	(125.0)	-5.1%	362.6	68.6%
Income Tax and Social Contribution	(1.5)	-26.7%	(45.2)	4.3%	(81.7)	-248.3%	(0.0)	-100.0%	(128.3)	-999.9%
MINORITY INTERESTS	-	-	-	-	(58.9)	-6.6%	(31.8)	0.6%	(90.6)	-4.2%
RESULT OF THE FISCAL YEAR	147.4	8.6%	87.4	0.8%	65.7	-7.7%	(156.8)	-1.3%	143.7	6.7%

ANNEX 3 – BALANCE SHEET (R$ MILLION)

► In order to facilitate comparisons between the quarters, the 4Q07 figures are pro-forma, assuming that Equatorial held the same interest in RME as it does currently.

ASSETS (R$ MM)	4Q07	1Q08	2Q08
CURRENT	1,559.1	1,661.2	1,595.3
Cash and Cash Equivalents	595.2	652.8	494.7
Consumers and Resellers	578.1	573.1	563.9
Inventory	7.6	7.6	10.4
Taxes Recoverable	235.6	124.7	197.9
Low Income	19.5	13.1	24.1
Regulatory Assets	10.5	78.8	106.3
Other Accounts Receivable	112.6	211.1	198.0
LONG TERM ASSETS	881.7	792.9	698.4
Consumers and Resellers	103.8	96.3	98.4
Recoverable Taxes	370.3	90.4	88.8
Deferred Taxes – Income Tax/Social Contribution	213.0	495.8	447.1
Other Accounts Receivable	194.6	110.3	64.1
FIXED ASSETS	2,120.9	2,199.1	2,315.0
Investments	3.5	3.5	3.5
Deferred	15.3	16.2	14.9
Goodwill	305.0	302.2	302.9
Fixed Assets	2,387.3	2,449.0	2,560.6
(-) Special obligations	(590.2)	(571.7)	(567.0)
TOTAL ASSETS	4,561.8	4,653.2	4,608.7

LIABILITIES (R$ MM)	4Q07	1Q08	2Q08
CURRENT	1,019.3	886.0	694.7
Suppliers	294.3	235.4	241.9
Salaries	14.0	1.0	1.3
Dividends / Interest on Equity	260.4	209.5	0.6
Taxes and Social Contribution	159.1	123.4	102.2
Loans and Financing	49.8	80.0	96.0
Debentures	26.0	24.2	25.1
Public Lighting	10.8	20.0	20.5
Provision for Contigencies	12.5	5.2	8.6
Regulatory Liabilities	12.4	12.3	11.2
Others	180.0	174.9	187.3
LONG TERM LIABILITIES	1,967.6	2,084.0	2,077.4
Taxes and Social Contribution	130.0	134.2	169.3
Debentures	511.9	506.9	511.3
Loans and Financing	684.5	807.0	858.9
Provision for Contigencies	371.6	364.9	253.1
Other Credits	269.5	271.0	284.9
FUTURE NET INCOME	86.2	85.1	102.9
MINORITY INTERESTS	761.8	525.8	585.0
SHAREHOLDERS EQUITY	726.8	1,072.4	1,148.7
Capital Stock	713.2	987.0	987.6
Reserves	13.6	13.6	13.6
Retained Earnings	-	71.8	147.4
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	4,561.8	4,653.2	4,608.7

ANNEX 4 – INDEBTEDNESS (R$ MILLION)

Considering 100% of CEMAR and 25% of Light (Excluding the Debt with Braslight)

LOANS AND FINANCING LINES (R$ MM) (*)	1T08				2T08			
	S. T. Charges	S.T. Principal	L. T.	Total	S. T. Charges	S.T. Principal	L. T.	Total
FOREIGN CURRENCY	2,0	6,4	42,0	50,3	0,9	5,7	34,6	41,2
National Treasury	1,9	4,8	40,1	46,8	0,9	4,3	33,5	38,7
Others	0,0	1,5	1,9	3,5	0,0	1,4	1,1	2,5
LOCAL CURRENCY	12,4	59,3	765,0	836,7	22,1	67,3	824,3	913,7
Eletrobrás	0,8	38,9	275,6	315,2	1,5	36,9	276,2	314,6
Financial Institutions	11,6	16,2	465,6	493,4	20,6	26,1	524,5	571,2
Debt with Pension Fund	0,0	4,3	23,9	28,1	0,0	4,4	23,6	28,0
SUB TOTAL – LOANS AND FINANCING	14,3	65,7	807,0	887,0	23,0	73,1	858,9	954,9
Debentures	5,7	18,6	506,9	531,1	6,2	18,9	511,3	536,3
DEBT TOTAL	20,0	84,3	1.313,9	1.418,2	29,1	92,0	1.370,2	1.491,3

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

Considering 65.17% of CEMAR and 13.06% of Light (Excluding the Debt with Braslight)

LOANS AND FINANCING LINES (R$ MM) (*)	1T08				2T08			
	S. T. Charges	S.T. Principal	L. T.	Total	S. T. Charges	S.T. Principal	L. T.	Total
FOREIGN CURRENCY	1,1	3,4	23,2	27,7	0,5	3,1	19,2	22,7
National Treasury	1,1	2,6	22,2	25,9	0,5	2,4	18,6	21,4
Others	0,0	0,8	1,0	1,8	0,0	0,7	0,6	1,3
LOCAL CURRENCY	7,0	38,5	475,9	521,4	12,8	43,3	512,7	568,7
Eletrobrás	0,5	25,2	179,4	205,1	0,9	23,9	179,9	204,7
Financial Institutions	6,4	10,6	281,0	298,0	11,8	16,5	317,4	345,8
Debt with Pension Fund	0,0	2,8	15,6	18,3	0,0	2,9	15,4	18,2
SUB TOTAL – LOANS AND FINANCING	8,0	42,0	499,1	549,1	13,3	46,4	531,8	591,4
Debentures	3,0	10,0	299,4	312,3	3,2	11,2	301,7	316,1
DEBT TOTAL	11,0	52,0	798,5	861,4	16,5	57,5	833,5	907,5

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

ANNEX 5 – CASH FLOW STATEMENT (R$ MILLION)

CONSOLIDATED CASH FLOW (R$ MM)	1Q08	2Q08
Net Income	71,8	71,9
(+) Non Cash Expenses	39,4	41,3
Changes in Assets	44,3	2,3
Changes in Liabilities	(349,2)	18,7
(=) Cash Flow from Operating Activities	(193,8)	134,2
Fixed Assets	(101,0)	(152,9)
Others	*2,0*	*0,6*
(=) Cash Flow from Investments	(99,0)	(152,3)
Loans and Financing	*145,9*	*73,1*
Dividends	*(50,9)*	*(209,0)*
Capital Increase	273,8	0,6
Subsidies	(18,5)	(4,7)
(=) Cash Flow from Financing	350,4	(140,0)
(=) Quarterly Cash Flow	57,6	(158,1)
Inicial Balance	595,2	652,8
Final Balance	652,8	494,7

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 special review

To
The Board of Directors and Shareholders of
Equatorial Energia S.A.
São Luis - MA

1. We have performed a special review of the accounting information contained in the Quarterly Information - ITR (individual and consolidated) of Equatorial Energia S.A. for the quarter ended June 30, 2008, comprising the consolidated balance sheets and the statements of income, of changes in shareholders' equity, of the cash flow, the management report and the notes to the financial statements, prepared under the responsibility of its Management.

2. Our review was performed in accordance with the specific standards established by the Brazilian Institute of Independent Auditors (IBRACON) and the Federal Accounting Council (CFC), and consisted, mainly, of: (a) inquiry of and discussion with management responsible for the accounting, financial and operational areas of the Company and its subsidiaries, regarding the principal criteria adopted in the preparation of the Quarterly Information; and (b) review of the information and subsequent events, which have or may have a material effect on the financial position and operations of the Company and its subsidiaries.

3. Based on our review, we are not aware of any material changes that should be made in the accounting information contained in the Quarterly Information abovementioned for it to be in conformity with the rules and regulations issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the quarterly information, including CVM Instruction 469/08.

4. As described in Note 10a of the Subsidiary - CEMAR, Resolution n° 536 of ANEEL, of August 21, 2007, the tariffs of electricity supply of its subsidiary CEMAR were readjusted in 8.08%, which included in the annual tariff readjustment of CEMAR a provisional financial component in the amount of R$ 305 thousand to cover the financial impacts deriving from the implementation of the program "Electricity for All". CEMAR filed an appeal with ANEEL related to the tariff readjustment to be applied to the tariffs of electricity supply and use of the distribution systems, during the period from August 28, 2007 to August 27, 2008, requesting the recognition of the non-amortized balance of all the financial components granted in the annual tariff readjustment performed in August 2006 in the amount of R$ 2,964 thousand and that were not incorporated in the tariffs included in Resolution n° 536, of August 21, 2007. CEMAR has not been performing the write-off of the related financial components as it is waiting for ANEEL's decision.

5. As described in Note 10a of the Subsidiary - CEMAR, the subsidiary considered a credit of regulatory asset in the amount of R$ 11,968 thousand related to the difference between the Price Net of Difference (PLD) and the Notional Annual Price (VR) with respect to the exposure related to the frustrated demand in the energy auctions to meet the consumption of the period; however, although there is regulatory support , the amount of the related credit has not been ratified by ANEEL yet, which shall be analyzed in the tariff readjustment to be applied to the tariffs of electricity supply and use of distribution systems, in the period comprised between August 28, 2008 and August 27, 2009.

6. As mentioned in note 3, on December 28, 2007, the Law 11638 was enacted, which became effective on January 1st, 2008. This Law amended, revoked and introduced new provisions to Law 6404/76 (Brazilian Corporate Law) and changed the accounting practices adopted in Brazil. Although said law is already in force, certain alterations are subject to regulation to be issued by regulatory authorities to be observed by the companies. Thus, at this transition phase, CVM, by means of CVM Instruction 469/08, authorized the non-application of all provisions of Law 11638/07 in the preparation of the Quarterly Information. Therefore, the accounting information contained in the Quarterly Information for the quarter ended June 30, 2008, was prepared pursuant to specific CVM instructions and does not cover all modifications in the accounting practices introduced by Law 11638/07. The information from previous periods, which was shown for comparasion, was adjusted to include changes of accounts practices introduced by Law 11638/07. However, Company's management analyzed the effects of the referred Law, which are mentioned in the Note 3 as deferred income.

August 8th, 2008

KPMG Auditores Independentes
CRC 2SP014428/O-6-S-MA

João Alberto da Silva Neto
Accountant CRC 1RS048980/O-0 T-CE-S-MA

Equatorial Energia S.A.

Publicly-held Company

Balance sheets

June 30, 2008 and March 31, 2008

(In thousands of Reais)

	Note	Parent Company		Consolidated	
Assets		**2T08**	**1T08**	**2T08**	**1T08**
Current assets		196,659	340,326	1,595,328	1,661,245
Cash and cash equivalent	5	166	362	21,120	21,413
Marketable securities	5	187,471	221,203	473,612	631,396
Consumers and resellers	6	-	-	783,519	781,554
Low income consumers	7	-	-	24,068	13,104
Services requested	11	-	-	22,261	22,459
Allowance for doubtful accounts	6	-	-	(219,612)	(208,445)
Recoverable taxes	8	8,957	6,962	197,902	124,705
Deferred income tax and social contributions	9	-	-	91,024	87,509
Inventories		-	-	10,431	7,623
Prepaid expenses	10	54	16	179,580	160,559
Dividends receivable from subsidiary		-	111,772	-	-
Other accounts receivable	11	11	11	11,423	19,368
Non-current assets		955,632	882,364	3,013,380	2,991,971
Long-term assets		5	-	698,423	792,892
Consumers and resellers	6	-	-	98,448	96,340
Recoverable taxes	8	5	-	88,784	90,397
Deferred income tax and social contributions	9	-	-	447,105	495,830
Disposal of goods and rights	11	-	-	163	163
Prepaid expenses	10	-	-	34,643	58,047
Judicial deposits		-	-	26,219	27,988
Others accounts receivable	11	-	-	3,061	24,127
Permanent assets		955,627	882,364	2,314,957	2,199,079
Investments	12	719,696	645,526	3,510	3,508
Intangible		234,997	236,110	234,997	236,110
Deferred assets		691	728	14,855	16,191
Property, plan and equipment	13	243	-	2,628,572	2,514,997
(-) Obligations related to the concession	13	-	-	(566,977)	(571,727)
		1,152,291	1,222,690	4,608,708	4,653,216

Equatorial Energia S.A.

Publicly-held Company

Balance sheets

June 30, 2008 and March 31, 2008

(In thousands of Reais)

	Note	Parent Company		Consolidated	
Liabilities and Shareholder's equity		**2T08**	**1T08**	**2T08**	**1T08**
Current liabilities		3,612	150,282	694,689	885,987
Suppliers	14	239	-	241,871	235,430
Payroll		35	19	1,313	1,000
Payroll charges		1,809	1,002	22,548	23,517
Financial charges	15	-	-	22,962	14,340
Debentures	16	-	-	25,061	24,233
Loans and financing	15	-	-	73,074	65,700
Regulatory taxes	17	-	-	32,478	32,784
Taxes payable	18	1,506	372	102,187	123,443
Dividends proposed		2	148,719	585	209,538
Provision for contingences	19	-	-	8,563	5,165
Public lighting tariff		-	-	20,526	19,986
Researches and development and Energy Efficiency Program		-	-	65,001	60,703
Others		21	170	78,520	70,148
Non-current liabilities		-	-	2,077,415	2,083,972
Long-term liabilities					
Debentures	16	-	-	511,284	506,906
Loans and financing	15	-	-	858,901	806,982
Employees pension found	24	-	-	213,079	207,325
Taxes payable	18	-	-	169,264	134,180
Provision for contingences	19	-	-	253,077	364,887
Other accounts payable				71,810	63,692
Deferred income		-	-	102,894	85,097
Minority interest		-	-	585,031	525,752
Shareholder's equity	21	1,148,679	1,072,408	1,148,679	1,072,408
Capital		987,649	987,029	987,649	987,029
Profit reserves		13,599	13,599	13,599	13,599
Net income		147,431	71,780	147,431	71,780
		1,152,291	1,222,690	4,608,708	4,653,216

See the accompanying notes to the financial statements.

Equatorial Energia S.A.

Publicly-held Company

Statements of income

Periods ended on June 30, 2008 and 2007

(In thousands of Reais)

	Note	Parent Company		Consolidated	
		2T08	**2T07**	**2T08**	**2T07**
Revenues		-	-	1,651,132	573,434
Energy electric sales		-	-	1,515,218	564,980
Energy electric supply		-	-	50,820	934
Emergency capacity charges		-	-	1	152
Other revenues		-	-	85,093	7,368
Deductions		-	-	(539,731)	(171,877)
Value-Added Tax - ICMS on electricity sales		-	-	(340,855)	(88,250)
Social contribution on billings – COFINS and Social Integration Program – PIS		-	-	(115,013)	(53,293)
Consumer charges				(76,903)	(25,052)
Services Tax – ISS		-	-	(284)	(322)
Emergency capacity charges		-	-	-	(152)
Others				(6,676)	(4,808)
Net revenues		-	-	1,111,401	401,557
Cost of sales and/or services rendered	23	-	-	(676,703)	(200,820)
Cost of electric energy		-	-	(557,796)	(154,581)
Electric energy purchased for resale		-	-	(526,837)	(128,768)
Charge for the transmission and distribution system use		-	-	(30,959)	(25,813)
Operating cost		-	-	(118,905)	(46,239)
Personal		-	-	(35,117)	(5,120)
Material		-	-	(4,690)	(1,574)
Third party service		-	-	(44,276)	(10,190)
Depreciation and amortization		-	-	(34,028)	(28,118)
Leasing and rent		-	-	(15)	(249)
Others		-	-	(779)	(988)
Cost from third party service		-	-	(2)	-
Personal		-	-	-	-
Material		-	-	(1)	-
Third party service		-	-	(1)	-
Depreciation and amortization		-	-	-	-
Leasing and rent		-	-	-	-
Others		-	-	-	-
Gross profit		-	-	434,698	200,737
Operating expenses	24	(4,604)	(3,771)	(176,778)	(61,893)
Selling expenses		-	-	(21,619)	(17,002)
General and administrative expenses		(1,189)	(1,956)	(26,714)	(18,782)
Management remuneration	24	(2,531)	(1,815)	(4,068)	(3,715)
Allowance for doubtful accounts and credit losses		-	-	(40,474)	(11,670)
Provision (reversal) for contingencies		-	-	(23,176)	(5,028)
Depreciation and amortization		(49)	-	(46,647)	(3,600)
Others operating expenses		(834)	-	(14,080)	(2,096)
Service operating result		(4,604)	(3,771)	257,920	138,844

Equatorial Energia S.A.

Publicly-held Company

Statements of income

Periods ended on June 30, 2008 and 2007

(In thousands of Reais)

	Note	Parent Company		Consolidated	
		2T08	**2T07**	**2T08**	**2T07**
Financial income (expenses)	24	9,946	12,194	82,140	(899)
Financial income		10,249	12,908	71,304	39,636
Fine charged on electric energy sale		-	-	15,825	2,740
Debt charges		-	-	(28,606)	-
Monetary and foreign exchange variation		-	-	(988)	(1,070)
Interest on loans and financing		-	-	(50,414)	(32,936)
Commission		-	-	-	-
Interest on shareholders' equity		-	-	-	
Others		(303)	(714)	75,019	(9,269)
Equity in income		141,180	58,764	18,516	(825)
Equity in income from subsidiary		143,405	59,589	18,422	-
Goodwill amortization		(2,225)	(825)	94	(825)
Operating income		146,523	67,187	358,575	137,120
Non-operating result		2,371	(1,674)	4,066	(1,253)
Non-operating income		2,793	-	8,049	4,433
Non-operating charges		(422)	(1,674)	(3,983)	(5,686)
Income before income tax and social contribution		148,893	65,513	362,641	135,867
Provision of income tax and social contribution tax		(1,463)	(1,996)	(128,280)	(40,807)
Social contribution tax		(390)	(531)	(6,711)	(9,765)
Income tax		(1,072)	(1,465)	(56,454)	6,851
Deferred income before income tax and social contribution		-	-	(65,114)	(37,893)
Minority interest		-	-	(90,606)	(30,093)
Reversal of interest in own capital		-	-	-	
Net income for the year		147,431	63,517	143,755	64,967
Income per share		1.40	0.32	0.72	0.33
Number of shares		105,638,030	198,655,448	198,655,448	198,655,448

See the accompanying notes to the financial statements.

Equatorial Energia S.A.

Publicly-held Company

Statements of changes in shareholders' equity

June 30, 2008 and March 31, 2008

(In thousands of Reais)

	Capital	Capital reserves	Profit reserves: Legal	Profit reserves: Unrealized	Retained earnings/ (accumulated losses)	Total
Balances at December 31, 2006	713,217	-	5,957	5,363	-	724,537
Profit reserve absorption				(5,363)	5,363	-
Net income for the year	-	-	-	-	152,845	152,845
Distributions:						-
Legal reserve	-	-	7,642	-	(7,642)	-
Interest on shareholders' equity					(14,670)	(14,670)
Dividends	-	-	-	-	(135,896)	(135,896)
Balances at December 31, 2007	713,217	-	13,599	-	-	726,816
Capital increase						
With incorporation	273,812	-	-	-	-	273,812
Profit reserves						
Net income for the period	-	-	-	-	71,780	71,780
Balances at March 31, 2008	987,029	-	13,599	-	71,780	1,072,408
Capital increase with incorporation	620	-	-	-	-	620
Net income for the period	-	-	-	-	75,651	75,651
Balances at June 30, 2008	987,649	-	13,599	-	147,431	1,148,679

See the accompanying notes to the financial statements.

Equatorial Energia S.A.

Publicly-held Company

Statements of cash flows

Periods ended on June 30, 2008 and 2007

(In thousands of Reais)

	Parent Company		Consolidated	
	06/30/2008	**06/30/2007**	**06/30/2008**	**06/30/2007**
Cash flows from operating activities				
Net income	75,651	32,673	71,975	34,123
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation and amortization	37	-	41,254	18,900
Monetary variation	-	-	-	(836)
CVA	-	-	-	2,634
Credits from income tax and social	-	-	-	28,808
Minority interest	-	-	-	16,590
Amortization of goodwill	(1,113)	(456)	(47)	(456)
Others	-	-	-	7,471
	(1,076)	(456)	41,207	73,111
Changes in assets and liabilities	-	-		
Increase in accounts receivable	-	-	25,142	(37,039)
Increase (decrease) in inventories	-	-	(2,808)	(1,187)
Increase (decrease) in recoverable taxes	(2,000)	(2,475)	(71,584)	(25,324)
Increase (decrease) in other accounts receivable	111,734	(57)	51,558	(21,779)
Increase (decrease) in supplies	239	-	6,442	(2,268)
Increase (decrease) in taxes payable	1,134	1,136	13,829	50,835
Increase (decrease) in other accounts payable and provisions	675	107,678	(1,544)	(177)
	111,782	106,282	21,035	(36,939)
Net cash provided by operating activities	186,357	138,499	134,217	70,295
Cash flows from investment activities				
Purchases of property, plant and equipment	(280)	-	(152,945)	(86,627)
Investments	(74,170)	-	(1)	-
Goodwill and negative goodwill	2,225	-	1,160	-
Deferred charges	37	-	1,335	-
Intangibles	-	-	(1,883)	-
Others		(29,851)	-	1,164
Net cash used in investment activities	(72,188)	(29,851)	(152,334)	(85,463)
Cash flows from financing activities				
Capital integralization	620	-	620	-
Profit reserve - subsidy	-	-	-	-
Dividends paid	(148,717)	(107,820)	(208,953)	(164,848)
Loans Payment	-	-	73,122	(204,438)
Subsidy	-	-	(4,750)	122,309
Net cash provided by (used in) financing activities	(148,097)	(107,820)	(139,961)	(246,977)
Net cash in the period	(33,928)	828	(158,078)	(262,145)
Increase in cash and cash equivalents				
At beginning of year	221,566	190,283	652,810	625,114
At end of year	187,638	191,111	494,732	362,969
Increase (decrease) in cash and cash equivalents	(33,928)	828	(158,078)	(262,145)

See the accompanying notes to the financial statements.

Equatorial Energia S.A.

(Publicly-held Company)

Notes to the financial statements

Period ended June 30, 2008 and March 31, 2008

(In thousand of Reais, unless when specified)

1 Operations

Equatorial Energia S.A. (“Company” or “Equatorial” or “Parent Company”), headquartered in São Luís, Maranhão, Brazil, has the corporate objective of acquiring and holding interests in other companies operating in the electric energy sector, especially in electricity distribution operations in the North, Northeast, Central and Western regions of Brazil.

On March 6, 2006 ANEEL approved a corporate reorganization plan involving the indirect sale of shares representing 50% of the voting capital and 46.25% of the total capital of the Company to UBS Pactual Latin America Power Fund Ltd., a fund managed by a wholly owned subsidiary of UBS Pactual S.A.

Also in the corporate area, on March 30, 2006 the Company made its Initial Public Offering (IPO). Through this Offering the Company raised R$ 540,270, of which R$ 185,600 was received by the Company through the Primary Offering, with the issue of new shares. The remaining amount was received through the Secondary Offering, referring to the sale of shares held by the controlling shareholders and management. The IPO was performed under Level 2 of the Corporate Governance Practices issued by the São Paulo Stock Exchange - Bovespa, in the form of UNITS, consisting of 1 (one) common share and 2 (two) preferred shares.

On November 5, 2007, GP Energia Brasil LP (“GP Energia”) and PCP Latin America Power Fund Ltd. (“PCP Fund”) entered into an agreement by means of which both parties adjusted the terms and conditions governing the transfer of GP Energia’s entire interest in Equatorial Energia Holdings LLC, which indirectly controls Equatorial and CEMAR, to PCP Fund for the US$ equivalent of R$ 203.8 million. The transfer was authorized by ANEEL on December 18, 2007 and concluded on December 21, 2007.

On February 12, 2008, an Extraordinary Shareholders’ Meeting approved the merger, into Equatorial, of PCP Energia Participações S.A., which retains a 13.06% indirect interest in Light S/A (“Light”), through RME - Rio Minas Energia Participações S.A., in which it holds a 25% interest and which, through a shareholders’ agreement, shares control of said company.

The merger will concentrate investments in the Brazilian electricity sector within Equatorial, making it the unique vehicle for expanding its energy market holdings through new investments and acquisitions. It will also create value through the exchange of best investment management practices, benefiting Equatorial and, consequently, its shareholders.

On June 30, 2008, the Company held an investment interest of 65.17% (65.22% on March 31, 2008) in Companhia Energética do Maranhão ("CEMAR"), a private stock corporation, whose main activity is the distribution of electrical energy. CEMAR's concession area is the State of Maranhão, attending, at June 30, 2008, approximately 1.5 million clients and covering an area in excess of 333 thousand Km^2. The concession contract for the distribution of electricity, number 060, agreed between the Company, the National Electrical Energy Agency - ANEEL and CEMAR, is effective until August 10, 2030, and can be extended for a further 30 years.

As stated previously, as from February 12, 2008, the Company now holds 25% in RME (Rio Minas Energia Participações S.A.), which holds 52.24% in Light S.A. Light's activities include the sale, distribution and generation of electricity in 31 municipals in the State of Rio de Janeiro, covering an area of 10,970 thousand Km^2 , which corresponds to 25% of the State territory, including 10 million inhabitants. With approximately 4,0 million clients, the sales of energy by Light S.A. represent more than 70% of all of the energy consumed in the state of Rio de Janeiro.

The subsidiary CEMAR, and the joint subsidiary RME, shall hereafter be referred to in the notes as the "Subsidiaries".

2 Presentation of quarterly information

The individual and consolidated quarterly information were prepared and are presented in accordance with accounting practices in Brazil, which include the rules of Corporate Law, the complementary rules of the Securities Commission - CVM and specific legislation issued by ANEEL.

Law 11638 published in the Official Federal Gazette on December 28, 2007 changed a number of provisions in Law 6404 (Brazilian Corporate Law). The new law permits the convergence with international accounting standards, and improves the level of transparency of the Quarterly Information.

Among the major changes introduced, we highlight the following issues that in our assessment may change the presentation of our financial statements and the criteria for determination of our financial position and earnings as from the year ending 2008:

- Intangible assets and rights were segregated from the tangible ones, and permanent assets are now classified into investments, property, plant and equipment, intangible items and deferred charges;

- The caption "Equity valuation adjustments" was created under Shareholders' Equity. Any counterparties to increases or decreases in the amount assigned to asset and liabilities items, arising from its market price valuation, will be considered as adjustments to equity while not computed in the income statement for the year in accordance with the accrual basis;

- Tax incentives will no longer be classified as a capital reserve, and will now be recognized in the income statement for the year. In view of determination by the Management bodies, the General Shareholders' Meeting may assign part of the profit corresponding to these incentives for recognition of a Fiscal Incentives Reserve, to be created as part of the profit reserves and that may be excluded from the mandatory dividend calculation basis; and

- Additionally, the criteria for valuation of assets and liabilities were changed, with the following issues worth mentioning:

  - Asset and liabilities items arising from long-term operations, as well as significant short-term operations, will be adjusted at present value, in accordance with international accounting standards;

- The recovery amount of property, plant and equipment, intangible assets and deferred charges assets and rights shall be periodically evaluated so that the company may record potential losses or carry out a review of the depreciation rates, amortization, and depletion criteria;

- Rights classified under intangible assets shall be evaluated based on the cost incurred upon purchase deducted from the balance of the respective amortization account; and

- All other financial instruments shall be evaluated based on their updated cost or adjusted in accordance with the probable realizable value, if lower.

The Company's Management is analyzing the effects that the aforementioned changes will have on its shareholders' equity and earnings for 2008, except for those already required under CVM Instruction 469, issued on May 02, 2008, which requires immediate changes to certain procedures. Under article 15 of said Instruction, regardless of the option chosen (article 1 or article 2 of Instruction 469/08), certain procedures will be mandatory for listed companies as from the first quarterly report for 2008, as follows:

a. Premiums on debentures, donations and subsidies deriving from transactions and events occurring as from 2008 must be temporarily recorded in specific deferred income accounts. The Subsidiary CEMAR recorded subsidies of R$ 18,940 derived from the SUDENE tax incentive for financial year 2008 under deferred income (see Note 20).

b. Share-based payments must be stated in notes to quarterly reports and financial statements, as provided in paragraph 26.10 of CVM/SNC/SEP/ Official Release 01, February 14, 2007, until the CVM establishes specific rules on this matter (see Note 21.f).

c. Assets and liabilities deriving from long- and short-term (where relevant) transactions must be adjusted at present value (AVP). The subsidiary CEMAR calculated the present value adjustment of its assets and liabilities using the average market funding rate (CDI + spread) and the resulting amount, negative by R$ 1,687 (R$ 502 as of June 2007), was considered immaterial by Company Management and was not recognized in the quarterly information.

(In thousand of Reais, unless when specified)

Pursuant to CMV Instruction 469, below is a description of the effects of Adjustment at Present Value by the Subsidiary CEMAR:

	06/30/08	**03/31/08**	**06/30/07**
Adjust at present value - Consumers	(670)	(427)	(515)
Adjust at present value - Installments payment of debts	(1,887)	(1,923)	(679)
Adjust at present value - Suppliers	870	748	692
Net effect	(1,687)	(1,602)	(502)

Pursuant to Instruction 469, the indirect subsidiary Light recorded the present value of installment payments by customers on June 30, 2008. The effect on Equatorial, proportional to its indirect interest in Light, is R$ 4,828, of which R$ 4,405 was adjusted retroactively to December 31, 2007.

Effects on Light subsidiary

Shareholder’s Equity	**06/30/08**	**12/31/07**	**06/30/07**
Proforma pursuant to Law 6404/76	796,297	667,087	739,201
Effects of compliance with the new law, net of IRPJ and CSLL taxes	(3,187)	(2,908)	(2,457)
Pursuant to Law 11638/07	793,111	664,179	736,744
Net income for the year/period			
Proforma pursuant to Law 6404/76	122,620	269,310	181,921
Effects (accumulated) of compliance with the new law, net of IRPJ and CSLL taxes	(1,117)	(1,597)	(1,147)
Pursuant to Law 11638/07	121,503	267,713	180,774

d. Companies sponsoring Brazilian Depositary Receipt (BDR) programs are exempted from providing the reconciliation notes required under CVM Instruction 331(5)(2)(III), April 4, 2000. The Company has no transactions of this nature.

e. The manner of applying the equity method of accounting to investments in affiliates classified as permanent assets has changed. The concept of relevance has been removed and the concept of "significant influence" introduced, allowing certain investments in affiliates and the like to be assessed using the equity method of accounting, while allowing other investments not to be assessed using this method. The company assesses its investments in the subsidiaries CEMAR and RME using the equity method of accounting because it has a significant influence on the management of these subsidiaries and an interest of over 20% in their voting stock.

In addition, the Company will take into consideration the orientation and definitions to be issued by the regulatory bodies for the practical application of this law.

3 Significant accounting policies

a. Statements of income

Operating income and expense are recognized on an accrual basis.

b. Accounting estimates

The accounting estimates were based on objective and subjective factors, based on the judgment of the management of the Company and its Subsidiary, to determine the appropriate amounts to be recorded in the financial statements. Significant items subject to these estimates and assumptions include the provision for doubtful accounts, deferred income tax and social contribution, unrealized revenue, the residual value of fixed assets and the provision for contingencies. Liquidation of the transactions involving these estimates could result in amounts that differ from the estimates, given the inaccuracies inherent to the process for determining them. Management of the Company and its Subsidiary review the estimates and assumptions at least annually.

c. *Foreign currency*

Monetary assets and liabilities denominated in foreign currencies were translated into reais at the foreign exchange rate ruling at the balance sheet date. Any differences arising from converting foreign currency were recognized to the results for the period.

d. *Current and non-current assets*

- *Marketable securities*

  Stated at cost plus realized gains/losses up to the balance sheet date.

- *Consumers and resellers*

  Include the amounts billed to end consumers, revenue from energy supplied but not billed, use of the network, services rendered, arrears payments and others, up to the end of the period, accounted for on the accrual basis (see Note 6).

- *Allowance for doubtful accounts*

  Calculated at an amount considered adequate to cover any losses on the realization of accounts receivable (see Note 6a).

- *Inventories*

  Materials held in inventory and classified as current assets, are stated at average purchase cost, adjusted by a provision for losses when necessary, and do not exceed market values. Materials in inventory allocated to investments are classified as fixed assets at average purchase cost.

- *Low income customers*

  Include the amounts deriving from the criteria for classifying consumer units in the low income residential subclass, as established by Law 10438/02 (see Note 7).

- *Investments*

  Represented by the interest in the Subsidiary, valued using the equity method.

- *Intangible assets*

  Represented by the goodwill recorded on the purchase of the Subsidiary, arising from the difference between the purchase price and the book value of the equity in the company purchased, in accordance with CVM Instruction 247, of March 27, 1996. At the end of 2005, the Company had amortized the goodwill on a straight line basis over the remaining period of the Subsidiary's concession contract, since CEMAR was not profitable during the initial years of the concession. As from December 2005, given that CEMAR began to report profits, amortization was made in proportion to the net profit curves projected for the remaining period of CEMAR's concession contract.

- *Property, plant and equipment (PP&E)*

  Recorded at acquisition cost, net of depreciation calculated according to the straight-line method, taking as a basis the account balances recorded in the corresponding Register Units - UC, as required by Administrative Rule DNAEE No. 815, dated November 30, 1994. The annual depreciation rates are given in the table attached to Resolution ANEEL No. 02, dated December 24, 1997, and No. 44, dated March 17, 1999.

  Expenditures that represent an increase to installed capacity or useful life of the assets are considered to be permanent assets and are capitalized. Expenses on maintenance and repair are recorded in the statement of income, according to the accrual basis.

  Pursuant to Accounting Instruction 6.3.10 of the Accounting Manual for the Public Electric Energy Service, introduced by ANEEL Resolution 444, dated October 26, 2001, the interest, monetary variation and financial charges on loans taken out from third parties and applied to property plant and equipment in progress are recorded in this subgroup as a cost.

Pursuant to Accounting Instruction 6.3.23 of the Accounting Manual for the Public Electric Energy Service, the amount corresponding to Concession Obligations is stated as a reduction of property, plant and equipment. These obligations include amounts received from consumers for the works required to meet power supply requests, and funds received from the Government, from the state of Maranhão and from other sources, as specific financing for electricity Generation, Transmission and Distribution projects, including funds from the Rural Power Supply Program - Programa Luz Para Todos (see Note n^{o} 13c).

The Light's balances of special liabilities coming from Reversal Reserve recorded until 1971 and were applied, until that date, in Public service of electrical energy expansion, as of the contributions received from many consumers for possibility the enterprises necessary to attend the electrical energy supply.

- *Other current and non-current assets*

  Stated at net realizable values.

e. Current and non-current liabilities

- *Loans, financing, charges and debentures*

  Restated to reflect the monetary and/or foreign exchange variation incurred up to the balance sheet date, interest and other charges established in the contracts, and accounted for as financial expenses up to the balance sheet date.

- *Provision for contingences*

  Established according to the risk of losing ongoing legal disputes, based on reports prepared by external legal advisors and by the Subsidiary's legal consultants. The provision for contingencies is stated net of the related legal deposits.

- *Other current and non-current liabilities*

  Stated at known or calculated amounts, plus the related charges, monetary and/or foreign exchange variations incurred up to the balance sheet date, where applicable.

f. Provisions

A provision is recognized in the balance sheet when the Company and its Subsidiary has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recorded considering the best estimates of the risk specific to the liability.

g. Current and deferred income tax and social contribution

Current income tax and social contribution are calculated based on taxable profit/CSLL base, at the rates of 25% and 9% respectively. Deferred income tax and social contribution were calculated based on tax losses, the negative base and temporary differences, at the same rates as the current taxes, and are adjusted each period to reflect the realization of these tax losses and these temporary differences.

h. Retirement and pension supplementation plan

The costs relating to the retirement and pension plans sponsored by CEMAR are recorded on an accrual basis and in accordance with CVM Instruction 371/00.

4 Consolidated quarterly information

The consolidated quarterly information were prepared according to the rules established by Instruction 247 issued on March 27, 1996 by the Brazilian Securities and Exchange Commission (CVM) and includes the financial statements of the Company and Subsidiaries.

When applicable the following consolidation procedures were also adopted:

- Full recognition of the assets, liabilities, income and expenses for the period for CEMAR, in which it holds an investment interest of 65.17% and proportional recognition of the assets, liabilities, income and expenses for the period from the date of acquiring RME, of 25%, corresponding to the percentage interest in the company;

- Elimination of interests in the shareholders' equity of the Subsidiaries;

- Elimination of equity in the net income of the Subsidiaries;

- Elimination of the balances of assets and liabilities among consolidated company;

- Separate statement of minority interest in the liabilities and income statement for the period; and

- On February 12, 2008 Equatorial Energia S.A. incorporated the company PCP Energia Participações S.A. The Balance Sheet, considered for incorporation purposes, according to the evaluation report, at book value, prepared by independent experts, was dated December 31, 2007, with the equity in the income of the subsidiary calculated for the company RME to the base date October 31, 2007. This equity in income of the subsidiary for the months of November and December, for the amount of R$ 18,463, was recorded directly to the results of the incorporating entity during the first semester of 2008, as established in the incorporation deed. This amount can not be eliminated on consolidation. In the second quarter of 2008, the indirect subsidiary Light SESA recorded the following amounts under shareholders' equity related adjustments to previous financial years: R$ 2,908 (net of IRPJ and CSLL tax) in compliance with Law 11638/07, retroactively to December 31, 2007, as a result of the present value adjustment of its long-term assets, decreasing its shareholders' equity; and R$ 6,591 related to the tax effects (IRPJ and CSLL) deriving from the reversal of expenses on R&D and PEE (Energy Efficiency Programs) in 2003, 2004 and 2005, in accordance with ANEEL Normative Resolution 176. The above-mentioned tax effects were also recorded under accumulated income, increasing shareholders' equity. Consolidated shareholders' equity therefore presents a net difference of R$ 3,683.

(In thousand of Reais, unless when specified)

5 Cash and cash equivalents

Marketable securities refer to transactions made in first-rate Brazilian financial institutions, remunerated at regular market rates and conditions, and are available for use in the operations of the Company and its Subsidiary. The investments include the fund FIQ-Araçagy, at the consolidated amount of R$ 326,321 (R$ 364,543 on March 31, 2008), of which R$ 187,471 is recorded at the Parent Company, whose only quota holders are the Company and its Subsidiary CEMAR. The fund's portfolio consists of shares of other non-exclusive investment funds. INTRAG-DTVM, a wholly-owned subsidiary of Banco Itaú, is responsible for the management and custody of the fund FIQ-Araçagy.

a. Composition of cash and cash equivalents:

	Parent Company		**Consolidated**	
Cash and cash equivalents	**06/30/08**	**03/31/08**	**06/30/08**	**03/31/08**
Cash and banks	166	362	21,120	21,413
Marketable securities	187,471	221,203	473,612	631,396
Total	187,637	221,565	494,732	652,809

b. Composition of marketable securities:

			Parent Company		**Consolidated**	
Investment type	**Index**	**Maturity**	**06/30/08**	**03/31/08**	**06/30/08**	**03/31/08**
Overnight (Indirect Subsidiaries LIR e LOI)	-	Daily	-	-	167	198
CDB	CDI	Daily	-	-	133,528	105,352
Investment funds	-	-	187,471	221,203	330,097	516,360
LFT	-	-	-	-	7,068	6,884
Others	CDI	Daily	-	-	2,752	2,602
Total			187,471	221,203	473,612	631,396

(In thousand of Reais, unless when specified)

6 Consumers and resellers

	Consolidated	
	06/30/08	**03/31/08**
Current		
Billed power supply	571,621	567,233
Unbilled power supply	83,825	92,225
Installment payment of debts	81,754	78,918
	737,200	738,376
Sales within the CCEE ambit	2,093	1,105
Supply and charges for the use of the electricity network	10,990	11,416
Credits recoverable on the tariff	14,173	12,325
PERCEE	114	113
Concessionaries	258	265
Services rendered	955	955
Checks in collection	1,262	1,373
Others	16,474	15,626
	46,319	43,178
	783,519	781,554
(-) Allowance for doubtful debts	(219,612)	(208,445)
	563,907	573,109

(In thousand of Reais, unless when specified)

	Consolidated	
	06/30/08	**03/31/08**
Non-current		
Sales within the CCEE ambit	8,010	8,010
Installment payment of debts	90,438	88,330
Checks in collection	3,638	3,638
	102,086	99,978
(-) Allowance for doubtful debts	(3,638)	(3,638)
	98,448	96,340

a. Allowance for doubtful debts

The allowance for doubtful accounts is established in accordance with the criteria specified by General Instruction 6.3.2 of the Accounting Manual for the Public Electric Energy Service, as summarized below:

Consumers with relevant debts

Individual analysis of the trade accounts receivable deemed unlikely to be received, by consumption class.

For other cases

- Residential consumers - past due by more than 90 days;
- Commercial consumers - past due by more than 180 days; and
- Industrial, rural and government consumers, public lighting, public services and others - past due by more than 360 days.

(In thousand of Reais, unless when specified)

The allowance for doubtful debts, in the subsidiaries, has been recorded for an amount considered sufficient to cover possible losses from realization of credits.

The balances overdue and falling due from supplies billed for electricity and installment payment of debits are distributed as follows (not including CEMAR's refinancing):

Consolidated	**06/30/08**			
	Undue	**90 days or less**	**Over 90 days**	**Total**
Residential	86,835	68,709	164,962	320,506
Industrial	16,880	10,116	56,249	83,244
Commercial	49,240	22,998	45,977	118,215
Rural	3,344	2,062	3,299	8,704
Public Power	17,461	13,500	26,168	57,128
Public lighting fee	7,484	2,227	8,836	18,547
Public service	78,961	1,907	3,703	84,571
Billed power supply and Installment payment (current and non current)	260,205	121,519	309,194	690,915

Consolidated	**03/31/08**			
	Undue	**90 days or less**	**Over 90 days**	**Total**
Residential	84,373	76,717	150,164	311,254
Industrial	16,449	12,306	52,463	81,218
Commercial	52,602	23,123	41,580	117,305
Rural	2,567	3,121	2,786	8,473
Public Power	21,294	15,871	23,798	60,963
Public lighting fee	7,411	2,833	9,046	19,290
Public service	80,420	1,798	3,088	85,305
Billed power supply and Installment payment (current and non current)	265,116	135,769	282,925	683,808

For the indirect jointly held subsidiary Light SESA, the period for billing RTE ended in February 2008. In June 2008 Light SESA wrote off the special rate recomposition and free energy items and their corresponding provisions, with no impact on the Company's income.

b. Electric Energy Trade Chamber - CCEE

The Electric Energy Trade Chamber - CCEE is where energy surpluses (short-term energy operations) - the difference between the realized and contracted/projected generation and load amounts - are traded. Surpluses are recorded on the accrual basis according to information provided by CCEE. For months when this information is not provided on time, the amounts are estimated by CEMAR, based on available information.

The amounts referring to trading at the Electric Energy Trade Chamber - CCEE were recorded based on information disclosed by CCEE. On June 30, 2008 the operations undertaken within the CCEE ambit create the right to a credit for the amount of R$ 10,103 (R$ 9,115 on March 31, 2008).

Of this total, CEMAR has a balance receivable of R$ 8,010, which is being legally contested (between the agents CCEE/ ANEEL), and has been evaluated by the legal advisors of this subsidiary as representing a possible risk of loss. This balance may be altered, depending on the decision given for the legal processes in progress, regarding the interpretation of the market rules in force.

7 Low income customers

On July 1st, 2003, ANEEL issued Resolution 320, which provided additional procedures for approval of the economic subsidy for consumers in the Low Income residential subclass. As result of these procedures, as of June 30, 2008, R$ 24,068(R$ 13,104 on March 31, 2008) was receivable from ELETROBRÁS by the Subsidiaries.

(In thousand of Reais, unless when specified)

8 Taxes recoverable

The current and non-current balances due to prepaid or withheld taxes are stated as follows:

	Parent Company		Consolidated	
	06/30/08	**03/31/08**	**06/30/08**	**03/31/08**
Current				
Recoverable income tax and social contribution (d)	-	-	27,788	20,572
IRRF	1,544	2,972	6,543	9,044
ICMS (b)	-	-	60,754	49,486
PIS (Social Integration Program) and COFINS (Social Contribution on Revenues) (c)	-	-	38,531	6,337
Prepaid income tax and social contribution (a)	7,284	3,860	57,618	32,376
Recoverable income tax	130	130	130	3,180
Others	-	-	6,538	3,711
Total	8,958	6,962	197,902	124,706

	Parent Company		Consolidated	
	06/30/08	**03/31/08**	**06/30/08**	**03/31/08**
Non-current				
ICMS (b)	5	-	59,791	65,657
COFINS (Social Contribution on Revenues) (c)	-	-	2,634	20,327
PIS (Social Integration Program)	-	-	6,359	4,413
Total	5	-	88,784	90,397

(a) Prepaid Income tax (IR) and Social Contribution on Net Profit (CSLL) refer to the amounts paid on a monthly basis, based on estimates or suspension trial balances, under article 2 of Law 9430, December, 27, 1996.

(b) Subsidiaries CEMAR and Light pursuant to Complementary Law 102, July 11, 2000, the Subsidiaries have recorded ICMS recoverable on the purchase of fixed assets. In the indirect subsidiary Light SESA, the value of the credits arises from renegotiating the debt with CEDA.

(c) In Subsidiary CEMAR the PIS and COFINS offsettable refer to the non cumulative system established by Laws 10,637/02 and 10,833/03, respectively. It should be noted that PIS and COFINS offsettable included in non-current assets refers to the exclusion of ICMS and ISS from the aforementioned calculation bases, in accordance with injunctions 2006.37.00.005574-3 and 2008.37.00.004357-1, respectively. In RME this refers to offsettable tax credits deriving from corrections of the calculation bases for PIS and COFINS tax for the period from February/04 to April/08, in which certain sector-specific charges were deducted from the calculation bases for these taxes.

(d) Refers to tax credits to compensate, arising from the reimbursements of marketable securities and from public bodies, and belonging to RME.

9 Deferred income tax and social contribution

Based on CVM Instruction 371/2002, CEMAR's management considered that deferred tax assets arising from tax losses and negative bases were to be recognized in 2005, considering that the forecasts for CEMAR's taxable profit, prepared by management, indicated that this asset will be realized in less than 10 years.

These deferred tax credits do not have a deadline for their recovery and are recorded in accordance with CVM Resolution 273, dated August 20, 1998 and CVM Directive 371, dated June 27, 2002. These credits are recorded in the Subsidiary, as current and non current assets based on the projected future taxable income of CEMAR and subject to a limit of 30% for annual offsetting against taxable profits, except for credit deriving from temporary differences, which will be fully recovered upon its realization.

In indirect Subsidiary Light, the refers to amounts not recognized in the accounting records between 2002 and 2006, regarding new deferred tax credits recorded on temporary differences (accounting provisions) and tax losses arising between 2002 and 2003, in compliance with CVM Instruction 371/02, given that, during this period, taxable profits had not been reported for at least 3 years during a minimum period of 5 years. As from 2007, after complying, cumulatively, with all of the conditions under this CVM regulation, RME started to recognize new deferred assets on the temporary differences and also reversed part of the provision to recover the tax credits.

(In thousand of Reais, unless when specified)

In indirect Subsidiary Light the deferred taxes were recorded assuming future realization, taking into consideration:

- Tax loss and the negative CSLL base - will be compensated up to the limit of 30% per year, on the bases calculated in the coming tax years.

- Temporary differences - realization will occur at the time of making the payment or reversal of the provisions and/or the effective loss of the allowance for doubtful debts (PCLD).

The assets for deferred IRPJ and CSLL credit arise from tax losses and the negative CSLL base, and the income/expenses (temporary non deductible provisions) recognized to results, which will be added back and/or deducted from the taxable profit and the CSLL base, in future periods for purposes of calculating taxes. Presented below is the composition of the deferred assets June 30:

a. Breakdown of the income tax and social contribution credits

	Parent Company		Consolidated	
	06/30/08	03/31/08	06/30/08	03/31/08
Assets - Current and non-current				
Negative bases for income tax and social contribution	-	-	401,724	424,073
Allowance for doubtful debts	-	-	66,785	90,880
Provision for profit share	-	-	1,226	3,088
Provision for labor claims	-	-	14,410	14,687
Provision for tax contingences	-	-	34,403	60,859
Provision for civil contingences	-	-	21,127	36,008
Other provisions	-	-	28,070	(16,641)
	-	-	567,745	612,954
(-) Provision for recovery		-	(29,616)	(29,616)
Total	-	-	538,129	583,338
Negative bases for income tax and social contribution	-	-	-	-
Total - Consolidated	-	-	538,129	583,338

(In thousand of Reais, unless when specified)

b. Recovery expectation

Based on technical feasibility studies which indicate full recovery of the deferred tax amounts, CEMAR's management estimates that the expectation to realize the tax credits can be denoted as follows:

CEMAR

2008	10,300
2009	6,563
2010	11,726
2011	20,578
2012	27,796
2013 to 2016	147,133
Total	224,096

To enable the indirect subsidiary Light SESA to support these deferred tax credits, it up dated the technical viability studies, after considering the realizations to June 2008, and approved by the Management Board, and considered by the Statutory Audit Council, based on forecasts prepared in December 2007, which indicate recovery within 12 years. The tax credit recorded considers that the amount will be recovered within 10 years, as defined in the CVM Instruction 371/02 and assuming there is no limitation period according to IRPJ Regulation. This study was based on expected future taxable profits, with the realization of the installments for this deferred tax asset presented below by year.

RME Consolidated

2008	60,922
2009	42,547
2010	32,542
2011	49,629
2012	25,088
2013 to 2017	103,304
2018 to 2020	29,616
	343,648
(-) Provision for recovery	(29,616)
Total	314,032

(In thousand of Reais, unless when specified)

The aforesaid technical studies are management's best estimates for future operations and for the market in with Subsidiaries operate and were approved by they respective Board of Directors.

c. Reconciliation of tax expense and social contribution taxes

The reconciliation of expense calculated by applying the tax rates to the result of the Parent Company and the Consolidated of Income Tax (IR) and Social Contribution (CS) expense debited in net income is stated, on semesters of 2008 and 2007 as follows:

	Parent Company		**Consolidated**	
	06/30/08	**06/30/07**	**06/30/08**	**06/30/07**
Profit (Loss) before income and social contribution taxes	148,893	65,512	362,640	135,867
Taxes rates	34%	34%	34%	34%
Income and social contribution taxes calculated at statutory rates	(50,624)	(22,274)	(123,298)	(46,218)
Effects of IR and CSLL on the permanent additions and exclusions	(290)	(2)	(3,382)	870
Effect of IR and CSLL on the equity in income of external subsidiary	48,819	19,420	1,111	3,657
Offshore Company Income - 2008	-	-	(3,000)	-
Compensation of tax loss - 30% - not recognized to results	632	860	522	860
Prior year adjustment	-	-	(374)	-
Tax incentives	-	-	141	-
Income and social contribution taxes	(1,463)	(1,996)	(128,280)	(40,807)
Current income and social contribution taxes	(1,463)	(1,996)	(63,166)	(2,914)
Deferred income and social contribution taxes	-	-	(65,114)	(37,894)
	(1,463)	(1,996)	(128,280)	(40,808)

(1) Incentive for Accelerated Depreciation

Art. 31 of Law 11196/2005, regulated by Decree 5988/2006, granted an incentive for accelerated depreciation, for purposes of calculating income tax, for assets acquired between January 01, 2006 and December 31, 2013, by corporate entities that have had projects approved that refer to installation, extension, modernization or diversification, that fall within the sectors of the economy considered priorities for regional development, in less developed micro-regions located in areas where the extinct SUDENE and SUDAM operated. Incentive accelerated depreciation consists of the full depreciation of the asset in the same year that it is purchased.

This incentive was obtained by CEMAR through government decree 0043/2007 issued by ADENE on April 26, 2007. Under the terms of the Government decree MIN nº 1211, issued on December 20, 2006, the Ministry of National Integration listed the 217 Municipals in the State of Maranhão, that are classified as less developed micro-regions referred to in the Government decree from ADENE. Consequently, CEMAR has adopted the incentive for all of the 217 Municipals from the State of Maranhão.

(2) Incentive for Income Tax reduction

The value of the tax incentive for income tax reduction (until CVM Instruction 469 was published) was recorded directly to Capital Reserve as part of the CEMAR's shareholders' equity. However, since the enactment of Law 11638/07 and the publishing of CVM Instruction 469, which eliminated the capital reserve for donations and subsidies for investment and required transactions and events occurring as from be enactment of this law to be recorded in specific future year income accounts until CVM publishes a specific Instruction, the subsidiary CEMAR has recorded the SUDENE tax incentive under "Deferred Income".

The tax incentive was obtained by CEMAR under Incentive Reports 0289/2005 and 0323/2005 and 0061/2007 issued by SUDENE on November 25 and December 21, 2005, and on May 14, 2007, respectively, which award CEMAR:

- Report 0289 - a 25% reduction of the income tax due on operations in the state of Maranhão until January 2008, and 12.5% from January 1st, 2009 until December 31, 2013;

(In thousand of Reais, unless when specified)

- Report 0323 - a 75% reduction of income tax due on operations in the state of Maranhão until the end of the 2015 calendar year, payable on the amount in excess of the installed capacity in Maranhão state; and
- Report 0061 - through this document SUDENE granted the Company's request that the income tax reduction percentage be raised from 25% to 75% due to the total modernization of its electrical installations.

These incentives impose a number of obligations and restrictions that shall be observed by the Subsidiary:

i. The benefit amount can not be distributed to the shareholders;

ii. The amount must be recorded as a capital reserve, and capitalized until December 31 of the following year; and

iii. The amount should be invested in activities directly related to production in the region subject to the tax incentive.

10 Prepaid expenses

	Parent Company		Consolidated	
	06/30/08	**03/31/08**	**06/30/08**	**03/31/08**
Compensation of portion A cost variation **(a)**	-	-	54,721	40,002
Deferred tariff recomposition (RTD) **(b)**	-	-	86,636	87,850
Regulatory asset - PIS/COFINS **(c)**	-	-	612	1,057
General agreement for electricity sector	-	-	64,654	80,677
Debentures	-	-	2,479	2,620
Others	54	16	5,122	6,400
Total	54	16	214,224	218,606
Current assets	54	16	179,580	160,559
Non-current assets	-	-	34,643	58,047

(a) Compensation Account for Variation in the Values of Portion A Items - CVA

Pursuant to Inter-ministry Administrative Rule 25/2002, issued by the Ministry of Mines and Energy, the Compensation for Variation in the Values of “Portion A” Items (CVA) represents the addition of non-manageable costs incurred by the Company, which will only be considered in the next tariff adjustment. In accordance with the procedures adopted by ANEEL, the tariff adjustment includes percentages to amortize the CVA recorded.

The remaining balances for CVA refer to the amounts transferred on the annual tariff adjustment for 2007, for the subsidiaries, through ANEEL Resolution 536, of August 21, 2007, which approved the readjustment for CEMAR and ANEEL Resolution 563, of November 6, 2007, which approved the adjustment for Light SESA (indirect subsidiary of RME).

Of the amount of R$ 54,721 (R$ 40,002 on March 31, 2008), R$ 14,414 (R$ 16,777 on March 31, 2008) corresponds to amounts granted in the August 2007 tariff adjustment, which have been amortized since then.

(1) On September 06, 2007 the Company filed an appeal before ANEEL referring to the adjustment to be applied to electricity supply tariffs and distribution system usage tariffs in the period August 28, 2007 to August 27, 2008. The company is seeking recognition of the unpaid balance of all financial components awarded under the annual tariff adjustment in August 2006, which were not added to the tariffs stated in Resolution 536 of August 21, 2007. As it is awaiting ANEEL’s decision, the Company is not writing off the aforesaid financial components.

It should be noted that a significant part of the tariff adjustment granted as a financial component reflects the claim by CEMAR of the cost components incurred from the “Electricity For All Program”, for the amount of R$ 841 and R$ 1,405 from the recovery of discounts granted to consumers from the irrigating and aquiculture class (Res. 207/2006) and Financial Adjustment from the Use of the Distribution System for exchange with CEPISA. Also there is the amount of R$ 4,201, that corresponds the values to reimbursed to CEMAR from the electricity tariffs to final consumers of the exposition for price differences between sub-markets for the contracts for the purchase of electricity in the regulatory environment (CCEAR).

The other significant amount, for the total of R$ 11,968, refers to the regulatory asset arising from the involuntary exposure to the Price of Liquidation of Differences - PLD. As from January 2008, energy purchased via contracts was insufficient to attend the market, resulting in CEMAR having to purchase energy on the SPOT market, valued at the Price of Liquidation of Differences - PLD. This exposure occurred due to the frustrations from the Auctions A-1 of 2006 and 2007, from the Adjustment Auction for 2007, and the reduction in the quotas in PROINFA by ANEEL in December 2007 (after holding the purchase auctions). Given that this exposure was involuntary, ANEEL approved, through Normative Resolution 305, of March 18, 2008, the recognition of the purchase of energy on the spot market as a contract. Within this context, the variations in the spot price are captured by the mechanism for compensating the variation in the costs of part A (CVA), generating a regulatory asset, with the tariff subject to review by ANEEL for 2008, which minimizes the impact from exposure to the PLD on the Company's results.

	Consolidated			
	Assets			
	Current		**Non-current**	
	06/30/08	**03/31/08**	**06/30/08**	**03/31/08**
Details - CVA				
Energy Development Account - CDE	2,027	3,323	250	164
Fuel Consumption Account - CCC	3,000	2,521	-	-
Cost of acquisition electric energy	2,495	4,935	401	4,196
Charge from System Service - ESS	10,487	395	15,433	3,010
Transport of Energy by the Basic Network	339	834	-	-
PROINFA	1,654	1,371	-	-
Excess contracting of energy	90	288	-	-
Involuntary Exposure to PLD	11,968	11,574	-	-
PIS/COFINS	33	104	-	-
Financial adjustment TUSD	1,819	3,275	-	-
Financial adjustment CUSD	73	233	-	-
Frontier Adjustment Installment	29	51	-	-
Programa Luz para Todos (Lights for All Programm)	104	230	-	-
Other regulatory asset (1)	4,521	3,500	-	-
Total - CVA	38,639	32,634	16,084	7,370

(b) Deferred Tariff Recomposition - RTD

The tariff review process, established in the electricity distribution service concession contracts, took place for the first time in the case of CEMAR in August 2005, and was intended to take place once every four years. This process has the objective of redefining the level of the power supply tariffs based on efficient operating costs and so as to provide an adequate return on investments made efficiently and prudently by the companies.

CEMAR's Tariff Review process began in 2004 and was concluded on August 22, 2005, whereupon ANEEL disclosed the new tariffs for the Subsidiary. CEMAR's electricity supply tariffs underwent an average restatement of 15.95%. However, under Ratification Resolution 196 dated August 22, 2005 ANEEL only authorized an immediate pass-through of 7.16%, plus the external financial components to the periodic tariff review (CVA and regulatory assets) of 3.80%, resulting in a total increase in the tariff of 10.96%. CEMAR is to receive the difference in the index in three installments, during 2006, 2007 and 2008.

CEMAR records on a monthly basis the portion of the Deferred Tariff Repositioning (RTD) resulting from the difference between the average indexes approved (15.95%) and the index authorized for immediate pass-through to the tariffs (7.16%). Under Resolution 196, ANEEL will include a specific amount in Portion B of the tariff restatements for the next three years (August 2006, 2007 and 2008) to compensate the difference. In August 2006, ANEEL ratified the tariff adjustment, and passed the first portion of the RTD (R$ 42,451) through to the tariffs.

In August 2007, ANEEL homologated the tariff adjustment, transferring to the supply tariffs the amount of R$ 43,527, which referred to the second part for the Deferred Tariff Repositioning.

As of June 30, 2008, CEMAR reported Regulatory Assets of R$ 86,636 (R$ 87,850 on March 31, 2008). The amount was recorded as noncurrent assets due to the expected realization period. Light (a subsidiary of RME) reported net Regulatory Assets and Liabilities of R$ 70,385 as of June 30, 2008 (R$ 68,227 as of March 31, 2008).

(In thousand of Reais, unless when specified)

(c) Regulatory Assets PIS and COFINS

Refers to the increase in rates and the change in the criteria for calculating PIS and COFINS to the non cumulative basis, according to Laws 10637/02 and 10833/03, respectively, altered by Law 10865/04, repassed in the annual tariff adjustment for 2007, from the indirect subsidiary Light SESA, through Ratification Resolution 563, of November 06, 2007, to be amortized by October 2008.

11 Other accounts receivable

	Parent Company		Consolidated	
	06/30/08	**06/30/08**	**06/30/08**	**03/31/08**
Current				
Advances to supplies and employees	-	-	3,290	4,550
Assigned Employees	-	-	331	331
Public Lighting contribution	-	-	5,754	5,488
Rental of real estate	-	-	604	556
Disposal of goods and rights	-	-	-	4,605
Service orders	-	-	22,261	22,459
Others	11	11	1,445	3,838
Total	11	-	33,685	41,827
Non-current				
PIS e COFINS - Taxes recoverable (a)	-	-	-	21,068
Goods and rights allocated for sale	-	-	162	160
Others	-	-	3,062	3,062
Total	-	-	3,224	24,290

(In thousand of Reais, unless when specified)

12 Investments in subsidiary, intangible assets, and transactions with related parties

The main data about investments in Subsidiaries is as follows:

	Parent Company		Consolidated	
	06/30/08	**03/31/08**	**06/30/08**	**03/31/08**
Shareholder's equity equivalents:				
CEMAR	386,094	365,272	-	-
RME	333,602	280,254	-	-
Subtotal	719,696	645,526	-	-
Others	-	-	3,510	3,508
Subtotal	-	-	3,510	3,508
Total	719,697	645,526	3,510	3,508

a. Informations about Subsidiaries

	CEMAR	**RME**
Balances on 30/6/2008		
Interest (%)	65.17%	25.00%
Capital	252,513	177,327
Shareholder's equity	592,396	333,603
Net income for the period	87,370	66,122
Balances on 31/3/2008		
Interest (%)	65.22%	25.00%
Capital	157,727	177,327
Shareholder's equity	560,065	280,255
Net income for the period	45,567	14,699

(In thousand of Reais, unless when specified)

b. Changes in investments in Subsidiaries

	CEMAR	RME
Balances on 03/31/2008	365,272	280,254
Equity in the income of Subsidiaries	21,093	53,349
Capital loss	(271)	-
Balances on 06/30/2008	386,094	333,603

c. Intangible assets information

	Consolidated	
	06/30/08	**03/31/08**
Intangible data		
Goodwill (b)	240.331	240.331
Amortization	(2.225)	(1.112)
	238.106	239.219
Negative goodwill (c)	(3.109)	(3.109)
	234.997	236.110

(In thousand of Reais, unless when specified)

d. Transactions with related parties

	Consolidated							
	Assets		Liabilities		Revenues		Charges	
Intercompany	**06/30/08**	**03/31/08**	**06/30/08**	**03/31/08**	**06/30/08**	**06/30/07**	**06/30/08**	**06/30/07**
CEMAR								
Receivable dividends from Cemar	-	111,772	-	-	-	-	-	-
Mutual agreement	-	-	50	111	-	-	-	-
Commitment to sell electricity from Cemar to Light (net)	-	-	912	645	-	-	3,877	3,931
ELETROBRÁS								
Debts with ELETROBRÁS	-	-	312,138	315,231	-	-	-	-
Charges of debts ELETROBRÁS	-	-	-	-	-	-	4,538	3,863
FASCEMAR								
Debts with FASCEMAR	-	-	27,963	28,121	-	-	-	-
Charges of debts FASCEMAR	-	-	-	-	-	-	854	875

13 Property, plan and equipment

	06/30/08			03/31/08
Activities	**Costs**	**Accumulated depreciation**	**Net value**	**Net value**
Generation	240,115	(106,742)	133,373	134,709
Transmission	399,342	(165,293)	234,049	203,537
Distribution	2,902,917	(1,173,039)	1,729,879	1,659,748
Administration	136,033	(69,383)	66,650	65,078
Selling	57,967	(28,561)	29,406	42,222
In Service	3,736,374	(1,543,018)	2,193,356	2,105,294
Generation	35,563	-	35,563	32,596
Distribution	349,062	-	349,062	330,237
Administration	48,815	-	48,815	46,013
Selling	1,777	-	1,777	857

(In thousand of Reais, unless when specified)

	06/30/08			03/31/08
In progress	435,217	-	435,217	409,703
Total	4,171,591	(1,543,018)	2,628,573	2,514,997
(-) Obligation related to the concession	(566,978)	-	(566,977)	(571,727)
Net Total	3,604,613	(1,543,018)	2,061,596	1,943,270

a. Obligation related to the concession

	Parent Company and Consolidated	
	30/6/08	**31/3/08**
Reserve for reversal	17,483	25,054
Consumer contributions	33,728	30,908
Donations and investiments subsidies	438,495	438,495
Government participation	74,833	74,833
Research and Development	2,439	2,437
Total	566,978	517,727

According to articles 63 and 64 of Decree 41019, of February 26, 1957, equipment and facilities used in the sub-transmission, distribution and sale of electricity are tied to these services, and can not be removed, sold, assigned or given as mortgage guarantees without previous express authorization from ANEEL.

ANEEL Resolution 20, of February 03, 1999, regulates the detachment of the assets of Public Electricity Service concessions, granting prior authorization for the detachment of assets that no longer serve for the Concession and are to be sold, and determines that the proceeds from the sale shall be deposited in a dedicated bank account for investment in the concession. As of June 30, 2008 the balance of disposal of goods and rights is R$ 163 (R$ 163 on March 31, 2008).

(a) Fixed assets in progress

In Subsidiary CEMAR, the balance of fixed assets in progress refers to work in progress, materials in storage, purchase in progress and prepayment of suppliers, in the amounts of R$ 247,454, R$ 53,207, R$ 5,119 e R$ 11,031, respectively (R$ 260,967, R$ 38,514, R$ 5,069 e R$ 5,969 on March 31, 2008, respectively).

In the indirect subsidiary Light SESA, the fixed assets in progress include inventories of material allocated to projects, and at June 30, 2008 amounted to R$ 16,635 (R$ 13,074 on March 31, 2008) and a provision for devaluation of inventories was recorded for the amount of R$ 678 (R$ 678 on March 31, 2008).

Of the total materials in storage, the amount of R$ 30,915 (R$ 25,827 on March 31, 2008), represents material held in storage to meet the requirements of the “Programa Luz para Todos”, of Subsidiary CEMAR, and mainly refers to poles, transformers, cables, meters, power converters, among other items to be used for works in progress.

A provision was made, by the Subsidiary CEMAR, for losses deriving from items which have not been used for over 180 days, with amount on June 30, 2008 is of R$ 958 (R$ 958 on March 31, 2008). The balance of fixed assets in progress for distribution is net of this provision.

In March 2008 Light finalized the sale of a plot of land for R$ 4,070, which was recorded under nonoperating income.

(In thousand of Reais, unless when specified)

(b) Depreciation rates

The main annual depreciation rates, according to ANEEL Resolution 44, of March 17, 1999, as amended by ANEEL Resolution 473, of March 06, 2006, are as follows:

Generation	**%**	**Distribution**			
		Lines, networks and substations - voltage < 69KV	%	Lines, networks and substations - voltage > 69KV	%
Generator	3,3				
Buildings	4,0	Condenser banks	6,7	Condenser banks	5,0
Gas turbines	5,0	Switches	6,7	Switches	3,3
Generator sets	5,9	Conductors	5,0	Conductors	2,5
Internal combustion engines	6,7	Buildings	4,0	Buildings	4,0
		Structures	5,0	Structures	2,5
Sales/administration/	**%**	Regulators	4,8	Regulators	3,5
Furniture and fixtures	10,0	Re-connectors	4,3	Re-connectors	4,3
Buildings	4,0	Transformers	5,0	Power Transformers	2,5
Vehicles	20,0	Meters	4,0	Meters	3,0

ANEEL Normative Resolution 240, issued December 05, 2005 and effective as from January 1st, 2007, determined that the same annual deprecation rates should be used for distribution and transmission assets with similar characteristics and uses. It is estimated that there will be a reduction in the annual depreciation expense for fixed assets in service of approximately 6.8%, and the consequent positive effects on results will be reflected in the fees as from the next pricing cycle.

(c) Concession obligations

The obligations related to the Public Electricity Service concession represent the amounts received from the Federal Government, State Governments, Municipal Governments and consumers, donations not dependent on a return in favor of the donator and allocations to investments in public electricity services, specifically distribution operations. The maturity date for these liabilities is established by the regulatory body for power distribution and supply concessions, and settlement will be made by the end of the concession period.

The contributions from consumers refer to funds received to execute the services required to meet electricity supply requests. In the Subsidiary CEMAR, the donations and subsidies are mainly the amounts provided by ELETROBRÁS to finance the "Programa Luz para Todos", to the amount of R$ 427,415 until June 30, 2008 (R$ 427,415 on March 31, 2008), net of taxes. Government participation refers to federal funds received to execute electrical projects linked to the Public Electricity Service.

In the indirect subsidiary Light SESA, the balance for special obligations (R$ 55,888 at June 30, 2008) arises from the "Reserve for Reversal", constituted until 1971, which, until that date, was applied in expanding the public electricity services, and also the contributions received from various consumers to undertake the enterprises necessary to meet the requests for electricity supplies.

Because of their nature, these accounts are not financial obligations and therefore should not be included as liabilities for the purposes of determining the financial indicators.

Stated as offsets to property, plant and equipment, obligations related to the concession mainly refer to funds received from consumers to implement ventures necessary to meet electricity orders. These obligations are directly related to the public electricity service concession. According to SFF/ANEEL Circular 1,314/2007, issued June 27, 2007, they shall be amortized as from the 2nd periodical tariff review (August 28, 2008) at a rate to be specified by ANEEL corresponding to the average rate of the assets in service.

(In thousand of Reais, unless when specified)

14 Suppliers

	Parent Company		Consolidated	
	06/30/08	**03/31/08**	**06/30/08**	**03/31/08**
Current				
Foreign currency - Repasse Itaipú	-	-	18,567	19,977
UTE Norte Fluminense	-	-	15,635	16,157
Charges for the use of the electricity network	-	-	21,413	17,587
Sales within the CCEE ambit	-	-	886	25,769
Charges of system services	-	-	554	554
Free energy - Compensation of generators (Note 04)	-	-	259	248
Energy auctions	-	-	61,462	61,214
Others	-	-	1,561	1,744
		-	120,337	143,250
Material and services	239	-	121,534	92,180
Total	239	-	241,871	235,430

	Parent Company		Consolidated	
	06/30/08	**03/31/08**	**03/31/08**	**03/31/08**
Non-current				
Free energy - Compensation of generators	-	-	-	55,516
(-) Provision for free energy	-	-	-	(55,516)
Total	-	-	-	-

(In thousand of Reais, unless when specified)

15 Loans and financing

	06/30/08				03/31/08			
	Current				Current			
	Charges	**Principal**	**Noncurrent**	**Total**	**Charges**	**Principal**	**Noncurrent**	**Total**
Foreign currency								
National treasury	871	4,326	33,465	38,662	1,910	4,819	40,055	46,784
Financial Institutions	5	1,403	1,132	2,540	49	1,539	1,928	3,516
	876	5,729	34,597	41,202	1,959	6,357	41,983	50,300
Local currency								
ELETROBRÁS	1,452	36,887	276,228	314,569	808	38,852	275,571	315,231
IFC	5,227	-	135,056	140,283	1,371	-	135,056	136,427
BNB	2,285	14,361	131,467	148,113	1,611	9,935	132,877	144,423
Financial Institutions	13,122	11,691	257,996	282,809	8,591	6,305	197,625	212,521
	22,086	62,939	800,747	885,774	12,381	55,092	741,129	808,602
Debts to FASCEMAR	-	4,406	23,557	27,963	-	4,249	23,871	28,121
Total	22,962	73,074	858,901	954,939	14,340	65,700	806,982	887,023
Other debts								
Debentures	16,228	8,833	511,284	536,345	5,651	18,582	506,906	531,139
	16,228	8,833	511,284	536,345	5,651	18,582	506,906	531,139
Total of debt	39,192	81,908	1,370,184	1,491,283	19,991	84,282	1,313,889	1,418,162

a. Covenants

The subsidiaries have borrowing and financing (CEMAR-BNDES and 3rd issue of debentures, indirect subsidiary Light SESA - 5th issue of debentures, CCB Bradesco and BNDES-Finen) that determine that indexes have to be maintained for the indebtedness and to cover interest. In the quarterly information ended on June 30, 2008, the subsidiaries achieved all of the contractual indexes.

(In thousand of Reais, unless when specified)

b. Scheduling of the installments of loans, financing and long-term debentures (no include financial charges

The maturity dates for installments for the principal sum for the borrowings and financing are as follows:

	Consolidated					
	06/30/08			03/31/08		
	Local currency	**Foreign currency**	**Total**	**Local currency**	**Foreign currency**	**Total**
2008	30,828	2,922	33,750	41,385	6,247	47,632
2009	36,518	2,806	39,324	17,958	110	18,068
Total short term	67,346	5,728	73,074	59,343	6,357	65,700
2009	36,698	2,556	39,255	47,564	5,719	53,283
2010	101,461	3,909	105,370	85,912	4,201	90,113
2011	101,793	3,478	105,271	86,219	3,512	89,731
2012	115,719	2,572	118,291	100,067	2,517	102,584
2013	109,094	1,666	110,760	98,264	1,541	99,805
after 2013	331,005	20,415	351,420	319,985	24,494	344,479
Total long term	795,770	34,596	830,367	738,011	41,984	779,995
Total (short and long term)	863,116	40,324	903,441	797,354	48,340	845,695

(In thousand of Reais, unless when specified)

c. Composition by index and currency (no include financial charges)

	Consolidated			
	30/6/08		03/31/08	
	R$	**%**	**R$**	**%**
USD	39,767	4.4%	47,647	5.6%
Currency basket BNDES	559	0.1%	692	0.1%
Foreign currency (short and long terms)	40,326	4.5%	48,339	5.7%
CDI	273,003	30.2%	274,351	32.4%
TJLP	157,607	17.4%	90,766	10.7%
Others	432,506	47.9%	432,238	51.1%
Local currency (short and long terms)	863,116	95.5%	797,355	94.3%
Total (short and long terms)	903,441	100.0%	845,695	100.0%

d. Statement of debt (without debentures)

	Consolidated				
Financing	**Date of sign**	**Currency**	**Financial charges**	**06/30/08**	**03/31/08**
TN - Par Bond	29/04/1996	*US$*	6,0000%	15,689	17,502
TN - Escrow - Par Bond	29/04/1996	*US$*	U$ Treasury	(7,314)	(7,123)
TN - Discount Bond	29/04/1996	*US$*	Libor + 13/16	10,951	12,229
TN - Caução - Discount Bond	29/04/1996	*US$*	U$ Treasury	(5,132)	(5,004)
TN - Flirb	29/04/1996	*US$*	Libor + 13/16	400	670
TN - C. Bond	29/04/1996	*US$*	8,0000%	8,034	9,081
TN - Debit. Conv.	29/04/1996	*US$*	Libor + 7/8	5,978	7,511
TN - New Money	29/04/1996	*US$*	Libor + 7/8	394	660
TN - Bib	26/04/1996	*US$*	6,0000%	268	290
BNDES - Importação	27/03/1998	*Umbndes*	BNDES basket + 4%	561	695

(In thousand of Reais, unless when specified)

	Consolidated				
Financing	**Date of sign**	**Currency**	**Financial charges**	**06/30/08**	**03/31/08**
Societe Generale II	20/07/2000	*US$*	Libor + 0,65%	1,126	1,675
KFW III , IV, e V - Tranche A/B/C	03/11/2000	*US$*	Libor + 0,65%	852	1,146
TN - Par Bond	15/04/1994	*US$*	US$ + 6% p .a	3,562	4,061
TN - Discount Bond	15/04/1994	*US$*	US$ + (Libor/Sem + 13/16% p. y.)	2,477	2,822
TN - Flirb	15/04/1994	*US$*	US$ + (Libor/Sem + 13/16% p. y.)	90	69
TN - C. Bond	15/04/1994	*US$*	US$ + 8% p .y	1,823	2,308
TN - Debit. Conv.	15/04/1994	*US$*	US$ + (Libor/Sem + 7/8% p. y.)	1,352	1,639
TN - New Money	15/04/1994	*US$*	US$ + (Libor/Sem+ 7/8% p. y.)	89	68
Foreign currency				41,200	50,299
ELETROBRÁS	Various	UFIR	5% p.y.	2,431	2,713
BNDES - FINEM	05/11/2007	TJLP	TJLP + 4,3% p.y.	79,876	60,910
CCB Bradesco	18/10/2007	CDI	CDI + 0,85%	122,114	118,496
BNDES II	11/03/2008	TJLP	TJLP + 3,6% p. Y.	68,224	-
ELETROBRÁS	27/04/2004	RGR, FINEL e IGP-M	Various	312,138	312,518
BNDES - FINEN	10/04/2007	TJLP	TJLP + 4,8%p. y.	8,424	28,852
BNB	23/11/2005	FNE	9,78% p. y.	134,741	134,737
FASCEMAR	20/04/2001	CDI	102%CDI	27,963	28,123
FINEP	13/06/2006	TJLP	TJLP + 2% p. y.	1,031	1,088
FINAME	20/04/2006	TJLP	TJLP + 9,5% p. y.	284	328
BNB - New head office	06/12/2007	FNE	9,78% p. y.	9,714	4,825
BNB - Turn	19/12/2007	FNE	(50% * 9,78% p. y.) + (50% * 1,15% p. m)	3,658	4,862
IFC	01/02/2008	CDI	90,9% do CDI + 1,5% p. y.	140,283	136,427
Local currency				910,881	833,879
SWAP				2,857	2,846
Total				954,938	887,024
Current				96,037	80,040
Non-current				858,901	806,982

e. *Universal Rural Power Supply Program*

By way of Resolution 223 dated April 29, 2003, as amended by Resolutions 52 dated March 25, 2004 and 175 dated November 28, 2005, ANEEL established the general conditions for drawing up Electricity Universalization Plans to serve new consumer units, or raise loads, governing the provisions established by articles 14 and 15 of Law 10,438, dated April 26, 2002, and established the responsibilities of public electricity distribution service concessionaires and authorized entities. Law 10762 dated November 11, 2003 altered the priority for serving municipalities, placing the emphasis on municipalities with a lower rate of electrification and limiting these services to new units, on a low-voltage connection (below 2.3 kV) with an installed load of up to 50 KW.

Since the start of the Program, on 2004, CEMAR has invested R$ 634,551 until June 30, 2008 (R$ 594,042 until March 31, 2008) in the Universalization Program.

“Programa Luz para Todos” - "Light for All"

Presidential Decree 4873 dated November 11, 2003, introduced the “Programa Luz para Todos” within the Universalization Plan, which aims to provide electricity to the sections of the Brazilian rural population which do not yet have access to this public service by 2008.

The Program is coordinated by the Ministry of Mines and Energy - MME and operated with the participation of Centrais Elétricas Brasileiras S.A. - ELETROBRÁS and the companies comprising the ELETROBRÁS system.

In May 2004 a Commitment was executed by the Government (Ministry of Mines and Energy), the state of Maranhão and CEMAR, with ANEEL and ELETROBRAS as intervening parties, to establish the premises for introducing the “Programa Luz para Todos” in CEMAR’s area of concession, providing electricity to 249,000 new consumers in the rural zone between 2004 and 2008. This instrument specifies the annual service targets and financial participation percentages of each of the sources of funds.

ANEEL Ordinance 416, dated August 31, 2005, approved Version 2 of the Operating Manual which establishes technical and financial criteria, procedures and priorities.

CEMAR is a party to the Financing and Subsidy Contract - ECFS 027/2004, signed on June 2, 2004 with ELETROBRÁS, and the amendments thereto (ECFS 027-A/2004, ECFS 027-B/2004 and ECFS 027-C. This contract and the amendments thereto envisage the supply of electricity to 47,043 families. The contract totals R$ 234,201.

In March 2006 CEMAR signed a Financing and Subsidy Contract with ELETROBRÁS designated as "ECFS 140/2006 - 2nd Stage", related to the 2nd stage of the Program, which envisages the supply of electricity to 79,722 consumers. The contract totals R$ 272,183.

In April 2007, CEMAR also signed with Eletrobrás, contract ECFS 176/2007 - 3rd stretch, which refers to the third stage of the program, aimed at attending more than 73,059 consumers. The total value of the contract is up to R$ 291,012.

The ELETROBRAS funds will be applied as follows:

- An amount equivalent to up to 13.34% of the total cost of the works in progress, estimated at R$ 797,396, not including labor expenses, transportation and management, will be obtained through funds from the Global Reversal Reserve - RGR, which corresponds to a loan of in the amount of R$ 106,373; and

- An amount equivalent to up to 86.66% of the total cost of the respective works, not including labor expenses, transportation and management, will be obtained through funds from the Energy Development Account (CDE), which corresponds to an extension of credit amounting to R$ 691,023, as an economic subsidy, in accordance with Law 10762, dated November 11, 2003.

Since the start of the program CEMAR has received R$ 122,347 under the ECF-027/2004 agreement, with R$ 16,316 coming from RGR funds and R$ 106,031 from CDE funds; and R$ 244,965 under the ECFS-140/2006 agreement, with R$ 32,662 from RGR funds and R$ 212,303 from CDE funds and R$ 145.506, which refers to contract ECFS-176/2007, with R$ 19,401 arising from funds from RGR and R$ 126,105 from CDE.

16 Debentures

a. *Third Debenture Issue - CEMAR*

On March 28, 2007 the public distribution ended of the 3rd issuance of CEMAR's non-convertible debentures.

The funds obtained for the amount of R$ 267,300 were initially allocated to make prepayments for existing debts that had more onerous terms for the Company, and the remaining funds were allocated to implement CEMAR's investment program. During April 2007, pre-payments were made for the following contracts:

Contracts	**Value (R$ 000)**
ELETROBRÁS (2035/00)	87,073
ELETRONORTE (Protocol)	91,065
ELETRONORTE (Supply)	56,919
2nd Debenture issuance	16,953
CCV Agreement	2,946
CCV Fund	2,946
Total	257,902

b. *Debenture Issue - Indirect Susbsidiary Light SESA*

Sixth Debenture Issue - Interruption of the process of emission

As a result of the worsening in the conditions on the international market, which reflected on the local market, the understanding of management from Light and the coordinators of the debenture issue was that it would not be possible to conclude this issue under the terms initially planned. Thus, on April 11, 2008, Light registered with the CVM a request for the interruption of 60 business days to the period to comply with the requirements made by the CVM to conclude this Offer. Because market conditions remained unfavorable at the end of this period, Light decided to cancel the Offering and discontinued the issue proceedings at the CVM.

(In thousand of Reais, unless when specified)

c. *Amendment to the 5th Debenture Issue*

Given that the banks coordinating the 6th debenture issue of Light SESA also represented the majority of the debenture holders of the 5th issue, at the same time as the request to interrupt the period for complying with the requirements for the 6th debenture issue, it was negotiated with these banks the following alterations to the registration of the 5th issue, approved in the General Meeting of the Debenture holders, realized on May 14, 2008:

I. Alteration to the amortization flow for the principal sum for the debentures

II. Maintenance of the Amortization Premium of 0.25% until January 2009, and definition of an Amortization Premium of 0.20% valid from January 2009 to July 2009.

	Consolidated						
		06/30/08		03/31/08			
Financing	**Date of Sign**	**Principal**	**Charges**	**Principal**	**Charges**	**Currency**	**Financial Charges**
BNDES - 1st Debentures issuance (RME)	16/2/1998	7,666	374	7,660	183	TJLP	TJLP + 4% p.y.
BNDES - 4th Debentures issuance (RME)	30/6/2005	1,402	-	1,401	1	TJLP	TJLP + 4% p.y.
5th Debentures issuance (RME)	22/1/2007	243,750	5,786	246,875	5,467	CDI	CDI + 1,50%
3rd Debentures issuance (CEMAR)	21/3/2007	267,300	10,068	269,552	-	CDI	105,8% CDI
Local currency		520,118	16,228	525,488	5,651		
Current		8,833	16,228	18,582	5,651		
Non-current		511,284	-	506,906	-		

17 Regulatory fees

	Consolidated	
	06/30/08	**03/31/08**
Current		
Quota in Fuel Consumption Account - CCC	6,643	5,863
Energy Development Account - CDE	4,655	4,655
Quota in Global Reversion Reserve - RGR	2,634	2,669
Capacity and emergency purchase charges	18,348	19,399
Fiscalization Fee - ANEEL	198	198
	32,478	32,784

(In thousand of Reais, unless when specified)

18 Taxes payable

	Parent Company		Consolidated	
	06/30/08	**03/31/08**	**06/30/08**	**03/31/08**
Current				
IRRF	-	-	1	8
Deferred income and social taxes	-	-	5,391	4,725
ICMS	-	-	15,823	14,867
PIS/COFINS	-	-	19,461	21,935
PIS/COFINS - Installment PAES (Refis II) (a)	-	-	777	817
INSS - installment PAES (Refis II) (a)	-	-	2,029	2,001
REFIS/PAES (c)	-	-	1,850	1,851
Provision for income and social taxes	1,463	345	51,618	45,938
Social charges and others	43	27	2,350	28,596
Others	-	-	2,887	2,705
Total	1,506	372	102,187	123,443
Non-current				
Deferred income and social taxes	-	-	57,112	50,304
Deferred income and social taxes -capital gain	-	-	547	547
ICMS	-	-	-	-
Income and social taxes - unearned overseas profits (b)	-	-	56,615	57,683
PIS/COFINS - installment PAES (Refis II) (a)	-	-	3,106	3,473
REFIS/PAES (c)	-	-	12,711	13,072
PIS / COFINS	-	-	30,501	-
Others	-	-	579	597
INSS - installment PAES (Refis II) (a)	-	-	8,093	8,504
Total	-	-	169,264	134,180

a. Tax recovery Program - REFIS/special installments - PAES

On May 31, 2003, Law 10,684/03 (Special Installments -PAES) of the Federal Government authorized payment in installments (over a period of up to 180 months) of debts owed to the Federal Revenue Office, National Treasury Prosecutor's Department and the National Social Security Institute (INSS). In RME the period for the option for installment payments was originally established for July 31, 2003, and subsequently extended to August 29, 2003.

a. In the indirect subsidiary Light SESA the balance at June 30, 2008 was R$ 3,883 (R$ 4,290 on March 31, 2008).

With respect to the National Institute for Social Security - INSS, the Subsidiary registered a "request for installment payments" on July 31, 2003, according to protocol number 60.213.452-8. The value of the debt included in the PAES was R$ 14,994 (net of a reduction to the fine of 50%), which is being legally disputed in order to recover the amounts paid as SAT - Employment Accident Insurance. The payment is being made in 120 installments, and consolidation of the amount due has been approved by the INSS. At June 30, 2008, 57 installments had been paid by RME. The value of the installments was calculated based on the total value of the debt over the period for the installment payments and corrected based on the variation in the long term interest rate - TJLP. The balance at June 30, 2008 was R$ 10,122 (R$ 10,505 on March 31, 2008).

b. On February 20, 2003, a court injunction was filed, number 2003.51.01.005514-8, with a request for a preliminary junction, in order that Light would not be required to pay IRPJ and CSLL due on:

- The profits earned by the companies Light Overseas Investment Limited (LOI) and LIR Energy Limited (LIR) prior to being effectively available, avoiding application of the rule provided in the single paragraph of article 74 of Provisionary Measure 2158-35, of 24.08.2001 (MP 2.158-35), for the period from 1996 to 2001; and

- The profits earned by the companies Light Overseas Investment Limited (LOI) and LIR Energy Limited (LIR) prior to being effectively available, avoiding the application of the rule provided in the single paragraph of article 74, caput, of MP 2158-35/01, for the calendar year 2002 onwards.

Light was granted the injunction, which was subsequently rejected in the sentence that was passed. The appeal against this sentence was received with double effect The State filed an interlocutory appeal against this decision, which was accepted. Consequently, Light filed an internal appeal, which was judged in its favor in March 2007, thus reestablishing suspension of the demand for the tax credit. The State filed a special appeal against this decision, which is pending judgment.

Currently, based on the effects of the decision given preliminary in court injunction number 2003.51.01.005514-8, which suspended the charge for IRPJ and CSLL, management is awaiting the decision by the Federal Regional Court from the 2nd Region, of the appeal filed by the National Treasury.

Based on this judicial decision, Light SESA suspended payment of Income Tax and Social Contribution, due on taxable profit for 2004, 2005, 2006 and 2007, calculated in virtue of the addition, to these tax calculation bases, of the profits earned by the companies located overseas. The provision recorded was for the amount of R$ 56,615.

As part of the process of closing the company Light Overseas Investment Limited (LOI), the investee liquidated its assets and liabilities and distributed dividends of US$ 26,494, corresponding to R$ 44,100, of which R$ 32,709 was distributed in March and R$ 11,391 in April 2008. This distribution of dividends is considered to be a provision of income for the purposes of IRPJ and CSLL tax.

Consequently, the amounts of R$ 7,785 on March and R$ 2,711 on April, respectively, were calculated and paid for IRPJ and CSLL, due on the dividend distribution.

c. On November 29, 2000, CEMAR entered into the Tax Recovery Program - REFIS. This Program regulates government credits, taxes and contributions administrated by the Federal Tax Office - SRF and the National Social Security Institute - INSS, relating to tax events occurring up to February 28, 2000. The Program established that tax credits deriving from tax losses and the negative social contribution base were to be used to settle amounts corresponding to the fines and interest included in the Program, and that the balance was to be corrected based on the variation posted by the Long-term Interest Rate - TJLP. Payment of the tax debt ascertained, in the case of CEMAR, was being made in 60 monthly installments from March 2000, in accordance with REFIS rules. In the event the debt to REFIS is executed, the credits deriving from electricity sales were put up as a guarantee.

On May 30, 2003, Law 10,684/03 (Special Installments -PAES) of the Federal Government authorized payment in installments (over a period of up to 180 months) of debts owed to the Federal Revenue Office, National Treasury Prosecutor's Department and the National Social Security Institute (INSS), maturing until February 28, 2003 (whether or not enrolled the active debt), including debts at the stage of tax enforcement or which had been subject to previous payment in installments, subject to monetary correction according to the TJLP. On July 31, 2003 CEMAR joined this Program opting for payment in 120 months, including the tax debts where judicial and administrative proceedings were discontinued.

Upon entering the Program, CEMAR assumed certain legal obligations, as follows:

- Authorization of unrestricted access, by the Federal Tax Office - SRF, to the information concerning its financial movement;

- Specific tax monitoring, with periodical delivery of data on electronic media, including revenue information;

- Full compliance with obligations to the Employee Severance Fund - FGTS and the Tax on Rural Territorial Property - ITR; and

The exclusion of a company from PAES will result in the immediate enforcement of the entire debt acknowledged and as yet unpaid and automatic execution of the guarantee provided.

(In thousand of Reais, unless when specified)

19 Provision for contingences

	Consolidated					
	06/30/08			03/31/08		
Nature of dispute	**Value**	**Judicial deposits**	**Net provision**	**Value**	**Judicial deposits**	**Net provision**
Civil and tax	217,580	11,125	206,455	324,152	15,329	308,823
Labor	57,107	23,925	33,182	54,251	14,999	39,252
Regulatory	2,117	-	2,117	6,336	-	6,336
Other	19,886	-	19,886	15,641	-	15,641
	296,689	35,050	261,640	400,380	30,328	370,052
Current	12,191	3,628	8,563	15,649	10,484	5,165
Non-current	284,498	31,421	253,077	384,731	19,844	364,887
	296,689	35,049	261,640	400,380	30,328	370,052

Provisions for contingencies are intended to cover any losses evaluated as probable by Subsidiaries' legal department and by external advisers, for labor, tax and civil claims at an administrative and judicial level. The Company and its Subsidiaries managements consider that the provision for contingencies is sufficient to cover probable losses from the proceedings in progress, as described below:

Labor claims

Claims filed by former employees against CEMAR, including claims for overtime, hazardous activities, additional remuneration, salary parity/reclassification and others, in addition to claims brought by former employees of CEMAR's contractors (joint liability) involving claims for indemnification and others.

In the indirect subsidiary Light SESA there are 3,999 labor claims in progress (4,010 on March 31, 2008) in which the company figures as the defendant. The main demands under the labor claims involve the following matters: danger supplement, equal salary, indemnity provided in Law 9.029/98, joint/individual responsibility for employees from out sourced companies, difference from fine of 40% of FGTS arising from correction for hyperinflation and overtime.

In December 2007 Light SESA was served process regarding a civil action brought by the Office of the 1st District Public Prosecutor for Labor Affairs, contesting the legality of outsourcing services related to the company's supporting activities and core business activities. A ruling in favor of the prosecutor's office was handed down on April 4, 2008. The Company's chances of winning an appeal were rated as ‘possible’ by the Company’s legal advisers.

Civil and tax

The most representative individual provision corresponds to an “Action for Rendering of Accounts in connection with the Public Lighting Fee - TIP”, brought by the Municipal Government of São Luís against CEMAR, claiming amounts derived from collection and questioning the pass-through and investments made in the city’s public lighting network. CEMAR simultaneously filed a similar lawsuit, the records of which are attached to the court office for a single decision. The official expert has already submitted the accounting report and the parties have issued statements on the documents they submitted, and are awaiting the commencement of the evidentiary stage. A number of appeals are in progress before the Court of Appeal, where an appeal ruled to have grounds gave CEMAR the right to have its accounting assessed by the courts. CEMAR management therefore made a provision of R$ 19,500 (R$ 19,500 on March 31, 2008).

In addition to the losses provisioned for above, there are other civil contingencies monitored by management, based on the assessment of Equatorial and CEMAR’s legal department and external advisers, for which the chance of loss is rated as possible or remote, amounting to R$ 45,127 and R$ 13,228, respectively (R$ 45,166 and R$ 12,569, respectively, on March 31, 2008) therefore no provision for these losses has been recorded.

CEMAR is subject to environmental protection laws and the respective municipal, state and federal regulations. The Company and its Subsidiary consider that exposure to environmental risks, based on the assessment of the figures available, in compliance with the applicable laws and regulations, and does not present a material impact on its quarterly information or the income from its operations.

The indirect subsidiary Light SESA figures as the defendant in approximately 35,372 883 processes of a civil nature (33,883 on March 31, 2008), of which 9,228 are with the common State and Federal courts (Civil Claims), with requests that amount to R$ 91,281 and also 6,536 claims that are filed with Special Civil Courts, involving the total amount of R$ 72,342 (R$ 66,770 on March 31, 2008).

The provision for Civil Claims includes processes in which Light SESA is the defendant, with the majority related to claims for moral and material damage, as well as questioning of the amounts paid by consumers, which have been assessed as representing probable losses, according to the evaluations prepared by the lawyers responsible.

Light also has civil claims in which Management, based on the opinion of its legal advisors, believes that the risks of loss are possible, and consequently, no provision has been recorded for these claims. The amount involved from these possible claims was R$ 65,803 (R$ 63,480 on March 31, 2008).

The subsidiary light is also part to Public and Popular Civil Actions related to service rates, fees and charges, contracts, equipment, cross plans, interest and other subject matters. On June 30, 2008 the Company was unable to estimate the amounts involved in each of these actions based on the nature, scope and the chances of having to settle these claims.

The majority of the claims with the Special Civil Court refer to discussions concerning consumer relations, such as incorrect charges, incorrect electricity cuts, cuts from defaults on payments, problems with the network, various irregularities, complaints about bills, complaints about the meter measurements and problems with transferring the addressee responsible. There is a limit of 40 minimum salaries for claims being judged by the Special Civil Court. The provision recorded is based on the moving average for the previous 12 months for the value of the sentence.

There are processes of a civil nature for which some industrial consumers are questioning in the judicial sphere, the increase in the electricity tariffs approved in 1986 by DNAEE ("Cruzado Plan").

PIS/COFINS: Light SESA is part to two judicial proceedings concerning the application of these taxes under Law 9718/98, as follows:

In the first proceeding Light SESA contests the changes introduced by this Law related to (i) the expansion of the calculation base for these taxes and (ii) the COFINS tax rate increase from 2% to 3%. Light SESA's appeal to the STF was stayed pending a ruling on the leading case, for which reason the company partially withdrew from the appeal specifically concerning the tax rate increase, allowing the proceedings to continue. With respect to the expansion of the calculation base, the appeal was ruled in favor of the company and Law 9718/98(1)(3) was declared to be unconstitutional. The Company is currently awaiting expiry of the period in which the Tax Authority is entitled to file an appeal.

In the second case, Light SESA claims that the amounts charged in a Collection Letter issued by the Federal Internal Revenue Department are barred by statute of limitations. An injunction was granted suspending collection of these amounts. This injunction was upheld by the Regional Federal Court and is currently pending a decision by the Higher Courts. A ruling on the merits is yet to be handed down by the lower court, and the company's legal advisors believe that an unfavorable ruling is possible.

As concerns the expansion of the calculation base for PIS and COFINS tax, due to the decision of the Higher Federal Court and the precedents of the Supreme Court, which incidentally were mentioned by the reporting panel judge in his decision, the company reversed the corresponding provisions of R$ 432,358 against the “financial expense” item in the income statement for that quarter, which resulted in an addition of R$ 108,090 to Equatorial’s shareholders equity.

As of June 30, 2008, the provision of R$ 52,027 for the COFINS tax rate increase remained.

PIS/COFINS - RGR and CCC: This contingency provision corresponds to the portion not included in the PAES installment payments arising from a dispute over a fine. Although unsuccessful in administrative proceedings, the Company has secured a favorable decision in judicial proceedings and is awaiting a decision on an appeal. This amount also includes a portion corresponding to the COFINS tax rate increase for the period from April/99 to Dec/00, which is currently under litigation.

INSS - ACT Bonus: In August 2006, following the advice of its legal advisers, Light SESA established a provision of R$ 3,679 related to bonuses paid by the company to its employees in compliance with provisions contained in Collective Labor Agreements, covering the period from 2001 to 2005. In December 2007, based on a second assessment, a reversal of R$ 1,589 was made owing to the fact that the Tax Authority’ right to charge these amounts had been barred by the statute of limitations As of June 30, 2008, the remaining provision was R$ 2,614.

INSS - tax assessment notice: In December 1999 the INSS issued tax assessment notices claiming that the subsidiary is responsible for withholding tax on the services of contractors and that INSS contribution is payable on profit sharing. The legal advisors of Light S.A. and its subsidiaries believe that only part of these amounts represent sufficient risk to establish a provision. The increase seen from June 30, 2008 to March 31, 2008 is due to correction at the SELIC rate.

INSS - quarterly basis: Light SESA is contesting the legality of Law 7787/89, which increased the social security contribution rate on payroll, arguing that the law also changed the calculation base for social security contributions during the period from July to September 1989. Under preliminary awards, the amounts payable by the Company as Social Security contribution were offset. Following the advice of legal advisors, company management established a provision for the entire amount stated in the tax assessment notices issued by the INSS. The increase seen from June 30, 2008 to March 31, 2008 is due to correction at the SELIC rate.

Law 8200/91: The provision established is related to the fact that depreciation expenses for the financial years 1991 and 1992 were fully utilized, contrary to the provisions contained in Law 8200/91(3)(I). Rulings in favor of the Company have been handed down by first and second level courts. The case is currently pending a decision on an appeal brought by the Government. Base on the advice of legal advisors and an assessment of the amounts involved in the tax assessment notices, Light SESA believes that only part of these amounts represent sufficient risk to establish a provision. The increase seen from June 30, 2008 to March 31, 2008 is due to correction at the SELIC rate.

ICMS: This provision is mainly related to a judicial dispute over the applicability of State Law 3188/99, which restricted the manner of appropriating ICMS credits derived from the acquisition of fixed assets, requiring companies to appropriate these credits in portions, when this restriction is not provided in Supplementary Law 87/96. There are other tax assessment notices being disputed administratively and judicially. Based on the advice of legal advisors and an assessment of the amounts involved in the tax assessment notices, Light SESA's Management believes that only part of these amounts represent sufficient risk to establish a provision and has done so accordingly.

Social Contribution: This provision is related to (i) a dispute over the deduction of the amount paid to shareholders as interest on shareholders' equity in 1996 from the calculation base for CSLL tax, in which an injunction and a writ of mandamus have been granted pending a ruling on the Government's appeal; and (ii) failure to add to the CSLL calculation base amounts related to a PIS/COFINS provision, when the requirement to pay these amounts had been suspended. The Company's voluntary challenge and appeal have been denied, and the Company is considering the possibility of litigation.

Contribution for Intervention in the Economic Domain (CIDE): This refers to a provision related to CIDE and payments made to offshore companies for services. The lower court decision was unfavorable, and Light SESA is awaiting a ruling on its appeal. In December 2003 the subsidiary began paying the amounts due.

The Company and its subsidiaries are also part to tax, administrative and judicial proceedings in which the chances of loss are rated as possible by the Company's legal advisors, for which reason no provision has been established. The amount involved in these proceedings is R$ 136,625 (R$ 124,025 as of March 31, 2008).

Descriptions of tax proceedings rated as ‘possible’ and which are highly relevant or in which there were developments in the second quarter of 2008 are provided by the Subsidiary Light below:

Possible

(i) IN 86. Light SESA was assessed by the Federal Internal Revenue Department for late performance of the notification to submit computer files for the financial years 2003 through 2005. The contestation was rejected and the Voluntary Appeal filed by Light is currently awaiting judgment. The value of the assessment restated up to June 2008 is R$ 52,475.

(ii) ICMS (Aluvale). This refers to tax enforcements disputing the deferral of ICMS on electricity supplies to the consumer ALUVALE, as this is a major industrial consumer of electricity. A motion was filed against these enforcements, and is pending judgment before the lower court. As of June 30, 2008 these tax assessments involve an amount of R$ 38,925.

(iii) Others. In addition to these cases, there are several other judicial and administrative disputes that the legal advisers have rated as possible, including (a) ICMS on low income subsidies (b) transfer of ICMS credit (company RHEEM); (c) Voluntary Disclosure of PIS, COFINS, IRPJ and CSLL; (d) ISS on regulated services. As of June 30, 2008 these disputes involve an amount of R$ 34,975.

Regulatory claims

Between November 27, 2006 and December 01, 2006 ANEEL/SFE audited the Research and Development Programs in 2002/2003 (three projects) and 2003/2004 (two projects) approved by ANEEL Orders 476 dated July 26, 2003 and 828 dated October 14, 2004 and the Energy Efficiency Program in 2002/2003 (one project) and in 2003/2004 (three projects) approved by ANEEL Orders 256 dated May 08, 2003, 854 dated October 26, 2004 and 1222 dated September 15, 2005 based on the physical and financial schedules and the requisites of ANEEL's Electrical Efficiency Audit Manual. In the period December 06 to December 16, 2005, ANEEL/SFE also evaluated CEMAR's technical and commercial procedures.

ANEEL's audit issued three assessment notices referring to the violation of procedures stipulated in the R&D and Electrical Efficiency Manual, and violation of technical and commercial procedures. In order to clarify the facts and prove it correctly used the funds under these programs and complied with technical and commercial procedures, CEMAR filed appeals before ANEEL, presenting supplementary information about the matters reported by the audit and requesting the cases be shelved. As of February and April 2008, ANEEL issued favorable outcomes, in part, for CEMAR reducing the value of the assessments from R$ 9,424 to R$ 6,336, resulting in a reversal of the provision for contingences of R$ 3,089.

In view of this and in accordance with the best accounting practices, CEMAR decided to make a provision to cover any losses resulting from the three assessment notices in question.

The Subsidiary Light has drawn attention to the regulatory contingencies deriving from administrative disputes with ANEEL:

Low income - Audit Report RF-LIGHT-04/2007-SFE issued in August 2007 by ANEEL conducted between July 02, 2007 and July 13, 2007 questioned the awarding of the corporate tariff to certain consumers in the period and consequently considered part of the subsidies approved and received by Light SESA from Eletrobrás amounting to R$ 66,595 to be improper. The Company made a provision of R$ 13,345 (R$ 9,044 as of March 31, 2008) to cover the risk of having to refund part of the subsidies received.

ANEEL Assessment Notice 009/2005 - The notice was issued on March 15, 2005 on the grounds that Light SESA: (i) incorporated the subsidiaries LIR Energy Limited and Light Overseas Investments (R$ 286) without the prior consent of ANEEL (ii) conducted transactions with these companies without the consent ANEEL - (total of R$ 572) and (iii) failed to comply with ANEEL's instruction to cancel the transactions and cease the company's activities - (total of R$ 858). The company appealed and the fine related to item (iii) was cancelled and the fines related to items (i) and (ii) were upheld. The fine related to item (ii) has been paid. Judicial proceedings have been filed in relation to the fine referring to item (i) and a judicial deposit of R$ 414 has been made (principal restated by the SELIC interest rates until the date the deposit was made). The company is awaiting judgment of its appeal under the writ of mandamus filed. The amount as of June 30, 2008 is R$ 456 (R$ 443 as of March 31, 2008)

20 Deferred income

Law 11638 dated December 28, 2007 eliminated the capital reserves intended for investment subsidies and donations, which now have to be recorded as revenue in the financial year they are realized in. However, according to CVM Instruction 469 issued May 02, 2008, donations and subsidies deriving from transactions and events occurring after said law was introduced shall be temporarily recorded in specific deferred income accounts until the Brazilian Securities Commission - CVM issues a specific regulation regarding the matter. In compliance with this instruction, as of June 30, 2008 the subsidiary CEMAR has recorded Deferred Income of R$ 18,940 referring to tax incentives previously recorded as capital reserves.

The subsidiary RME presents deferred income of R$ 83,121 referring to negative goodwill on the investments Light S/A (R$ 78,759) and Lidil Comercial Ltda (R$ 4,362).

(In thousand of Reais, unless when specified)

21 Shareholders' equity

a. Capital

At June 30, 2008, the composition of Company's capital consisted as following:

Shareholders	**Total**	**%**	**Ordinary**	**%**
PCP Latin America Power Fund Ltd.	38.328.002	36,28	38,328,002	36.28
BRASIL ENERGIA I LLC	20.343.559	19,26	20,343,559	19.26
Others	46.966.469	44,46	46,966,469	44.46
Total	105.638.030	100,00	105,638,030	100.00

In April 2008 38,411 common shares were subscribed at the price of R$ 16,1409 per share, by the recipients of the Second Stock Option Plan. The Company's share capital therefore rose from R$ 987,029 to R$ 987,649, consisting of 105,611,641 common, nominative, book-entry shares, with no par value.

On May 12, 2008 26,388 common shares were subscribed by the recipients of the Company's First Stock Option Plan. The Company's share capital then consisted of 105,638,030 common, nominative shares, with no par value.

Change in equity interest

On May 05, 2008 11,516,766,933 common shares of CEMAR were subscribed by the recipients of the Stock Option Plan. After the grouping had been approved at the General Shareholders Meeting held April 17, 2008 at the rate of 100,000 for each share, the share capital stood at a total of 115,117 common shares, The share capital therefore consisted of 161,151,762 common shares, 1,239,231 preferred Class A shares with no voting rights and 1,625,729 preferred Class B shares with no voting rights, all nominative with no par value. Equatorial's interest in its subsidiary accordingly changed from 65.221% to 65.17%.

b. *Retained earnings/Accumulated losses*

In compliance with Law 11638/07, in the 2nd quarter of 2008 the indirect subsidiary Light SESA recorded R$ 4,828 (R$ 3,187 net of IRPJ and CSLL - see note 3), resulting from the restatement of noncurrent assets.

As this adjustment entails a change to accounting practices, the amount of R$ 4,405 (R$ 2,908 net of IRPJ and CSLL - see note 3) was recorded retroactively as of December 31, 2007, as established by CVM Resolution 506/06.

In compliance with Normative Resolution 176 issued by ANEEL on November 28, 2005 and the approvals of the Energetic Efficiency and Research and Development Program Manuals which amended the accounting recognition criteria of said programs, in 2005 and 2006 Light SESA recorded the expenses incurred on R&D - Research and Development and PEE - Energetic Efficiency Program referring to the years 2003, 2004 and 2005 in the Shareholders' Equity. For tax purposes, these expenses were not deducted from the IRPJ and CSLL calculation base. However, our analysis concluded that these expenses could be deducted from the calculation base. As this involves a prior year adjustment, the tax effect was also recorded in the shareholders' equity for this period. The amount of R$ 6,591 was accordingly recorded under retained earnings in the 2nd quarter of 2008.

c. *Legal reserve*

In compliance with Law 6404/76, the reserve was recorded at the rate of 5% of the net profit before tax and Interest on shareholders’ equity for the year, up to the limit of 20% of the capital.

d. *Unrealized revenue reserves*

At December 31, 2005, as provided in Law 6404/76, based on equity in the net income of the Subsidiary, Management proposed that the income for that year, after constituting the legal reserve and allocating dividends (amounting to R$ 163,053), be allocated to unrealized revenue reserves. As reported in item “a”, the Ordinary and Extraordinary General Meeting held on March 10, 2006, approved the capitalization of this reserve.

At the end of 2006, part of the income for the year, after making the transfers to the legal reserve and dividends, amounting to R$ 5,363, was allocated to unrealized revenue reserves. This amount was entirely allocated to the declaration of dividends in the 2007 financial year.

e. *Corporate reorganization*

On February 12, 2008, the Extraordinary Shareholders General Meeting approved the following issues: (a) the conversion of the Company’s entire preferred stock into common stock, to the proportion of one preferred share to one common share; (b) the grouping of shares to the proportion of one common share for each three common shares; (c) the adhesion to the rules of Bovespa’s New Market (Novo Mercado) and the listing of Equatorial’s shares in this segment; and (d) a change to the Company’s by-laws to ensure the highest standards of corporate governance.

On February 29, 2008, the Special General Meeting ratified for the holders of the preference shares the conversion of all of the preference shares into ordinary shares.

f. *Stock option program*

First option plan for the acquisition of shares

On February 2, 2006 the Extraordinary General Meeting approved (and ratified on February 13, 2006) Equatorial’s Stock Option Plan, for management and employees of the Company and its subsidiaries, comprising two programs - the First and Second Stock Option Programs, which include common shares and preferred shares in Equatorial. This plan may be discontinued at any time by rule of the Company’s Board of Directors.

- **Equatorial's Stock Option Plan Number 1 ("SOP 1")**

  The First Program provides options for subscription of 2,934 thousands (two millions, nine hundred thirty four thousands) common shares and 5,868 thousands (five millions, eight hundred sixty eight thousand) preferred shares in Equatorial. On March 31, 2008, 2,908 thousands (two millions, nine hundred eight thousand) common shares and 5,815 thousands (five millions, eight hundred fifteen thousands) preferred shares in Equatorial have been subscribed under SOP 1. The share subscription price in this Program is R$ 1.00 (one real) per batch of 100,000 (one hundred thousand) shares, restated by the General Market Prices Index published by Fundação Getúlio Vargas ("IGP-M/FGV").

  On April 07, 2008 the Company's share capital was changed to 105,573,000 (one hundred and five million five hundred and seventy-three thousand) common shares, after the conversion and share grouping approved at the Extraordinary General Meeting held February 12, 2008 at which 1 (one) preferred share was converted into 1 (one) common share and 3 (three) common shares were subsequently grouped into 1 (one) common share.

  On May 12, 2008 26,000 (twenty-six thousand) common shares of the Company were subscribed under Program 1, at the overall price of R$ 1.00 (one real). On this date the share's market value was R$ 17.05 (seventeen reais and five cents).

  Following the subscription, there are no more shares left for subscription under Program 1.

- **Equatorial's Stock Option Plan Number 2 ("SOP 2")**

  Program 2 consists of options to subscribe 2,272,000 (two million two hundred and seventy-two thousand) common shares and 4,544,000 (four million five hundred and forty-four thousand) preferred shares issued by Equatorial. When paying in the shares acquired or subscribed under Program 2, the recipients shall only use the shares subscribed or acquired under the CEMAR Plan. The subscription price of the shares stipulated in this Program shall be equal to the average price of the Company's common and preferred shares traded on the São Paulo Stock Exchange ("BOVESPA") in the 30 (thirty) days before the respective options are exercised.

By March 31, 2008, 1,434,000 (one million four hundred and thirty-four thousand) common shares and 2,927,000 (two million nine hundred and twenty-seven thousand) preferred shares have been subscribed through the payment of 276,788,833,000 (two hundred and seventy-six billion seven hundred and eighty-eight million eight hundred and thirty-three thousand) common shares issued by CEMAR.

On April 07, 2008 the Company’s share capital was changed to 105,573,000 (one hundred and five million five hundred and seventy-three thousand) common shares, after the conversion and share grouping approved at the Extraordinary General Meeting held February 12, 2008 at which 1 (one) preferred share was converted into 1 (one) common share and 3 (three) common shares were subsequently grouped into 1 (one) common share.

No share subscriptions were exercised under Program 2 in the period April 01 and June 30, 2008.

As of June 30, 2008 the balance of share options to be subscribed under Program 2 is 838,000 (eight hundred and thirty-eight thousand) common shares, following the aforesaid grouping.

According to the Plan, recipients of shares that have been subscribed or acquired under the Plan may only sell, transfer or by any other means dispose of the Company's shares, after the Company has been offered the pre-emptive rights to acquire them.

The Company's pre-emptive right shall only be exercised, if it so desires, to acquire all of the Shares offered by the Recipient, where the recipient undertakes to sell them to the Company at the subscription price defined above, restated by the IGP-M/FGV price index between the subscription date and the date the share price is paid, even if another purchaser is offering a better price.

Second option plan for the acquisition of shares

On April 5, 2007, the creation of a Second Option Plan for the acquisition of Equatorial shares by the management and employees of the Company and subsidiaries was approved at an Extraordinary Shareholders’ General Meeting.

The recipient should use at least 50% (fifty percent) of the Profit Share, Performance Bonus or any other means of variable annual compensation (“PL”) they are entitled to, net of income tax and other applicable charges, in the subscription of the shares in the lots for which an option has been awarded. The recipients shall also use all of the dividends and interest on shareholders' equity received on their shares acquired under the Plan to subscribe the shares in the lots for which an option has been awarded.

The holder of the shares may only sell, transfer or by any other means dispose of the Company's shares originally subscribed or acquired under the Plan after the term of 2 (two) years has expired as from the date the Plan was approved by the General Shareholders Meeting.

This Plan comprises the options for the subscription of 1,111 (one million, one hundred eleven thousands) common shares and 2,222 (two millions, two hundred twenty two thousands) preferred shares issued by Equatorial. As of April 5, 2007, the price of these shares for the acquisition or subscription by the beneficiaries, due to the exercise of the option, was determined by the committee in R$ 5.00 (five reais), price equivalent to 1/3 (one third) of 90% of the UNITs price weighted average at São Paulo Stock Exchange (BOVESPA) in the prior 30 days. This price will be accrued of monetary correction based on the Market General Price Index (IGPM/FGV), or another index based on a similar base of assessment that might be chosen by the Committee, in case the referred index stops being available or applicable, in the shortest frequency interval accepted by law, between the dates of signature and effective date of the exercise of the options.

No shares have been subscribed under Plan Two since it was created on March 31, 2008.

On February 12, 2008 the Extraordinary General Meeting approved the conversion of 1 (one) preferred share into 1 (one) common share of the Company and the share grouping, by which 3 (three) common shares were grouped into 1 (one). The Company's share capital consisted of 105,573,000 (one hundred five million five hundred and seventy three thousand) common shares after the share grouping on April 07, 2008.

Under Plan Two, 38,000 (thirty-eight thousand) common shares of the Company were subscribed on April 07, 2008 at the price of R$ 16.14 (sixteen reais and fourteen cents) per share. At the close of the subscription date the share's market value was R$ 17.70 (seventeen reais and seventy cents).

As of June 30, 2008 the balance to be subscribed under Plan Two was 1,073,000 (one million and seventy-three thousand) common shares, following the aforesaid grouping.

Information on the stock option plans is summarized below:

	First Plan				Second Plan		
	Program 1		Program 2				
In thousand of stocks	**ON**	**PN**	**ON**	**PN**	**ON**	**PN**	**Total**
Number of Purchase options	2,934	5,868	2,272	4,544	1,111	2,222	18,952
Options exercised until June 30, 2007	(2,275)	(4,547)	(1,041)	(2,141)	-	-	(10,004)
Options not exercised until June 30, 2007	660	1,321	1,231	2,402	1,111	2,222	8,948
Options exercised between July 01, 2007 and March 31, 2008	(634)	(1,267)	(393)	(786)	-	-	(3,080)
Options not exercised until March 31, 2008	26	53	838	1,616	1,111	2,222	5,868
Options exercised between April 01, 2008 and June 30, 2008	(26)	-	-		(38)		(64)
Options not exercised until June 30, 2008(*)	-	-	838	-	1,073	-	1,911

(*) The balance of PN shares was altered as a result of the share grouping on April 07, 2008.

Potential for dilution

According to the rules for each option plan, the potential issue of the remaining options would result in an additional dilution for the existing shareholders of Equatorial Energia S.A. equivalent to a maximum of 1.08%, not considering the potential dilution of the stock option plans of CEMAR and Light.

According to the rules of each stock option plan of our investees, CEMAR and Light, the potential issuance of the remaining options would result in further dilution for its current shareholders equal to a maximum of 0.09% and 3.3% respectively.

(In thousand of Reais, unless when specified)

Administration of plans

The purchase option plans include ordinary and preference shares representing capital, to be managed by a committee consisting of three members of the Company's Board of Directors. The Committee has powers to establish appropriate rules with respect to granting options, every year, through the Share Options Programs.

22 Management's compensation

For the second quarterly ended on June 30, 2008, Equatorial's management received compensation in the amount of R$ 192 (R$ 250 on June 30, 2007), recorded as staff and management expenses.

23 Power supply

A breakdown of power supply by consumer class of Subsidiaries on June 30, 2008, is provided below:

	Consolidated			
	MWh (*)		**R$**	
	06/30/2008	**06/30/2007**	**06/30/2008**	**06/30/2007**
Residential	1,644,152	645,525	570,582	237,778
Industrial	424,105	207,189	114,247	64,004
Commercial	1,052,604	300,246	366,284	127,465
Rural	57,686	56,286	14,813	13,752
Government	269,777	102,174	85,063	43,058
Public lighting	194,942	104,545	38,112	23,224
Public service	232,201	99,653	57,554	29,234
Own consumption	11,230	2,113	-	-
Supply MAE and CEPISA	-	-	374	935

(In thousand of Reais, unless when specified)

	Consolidated			
	MWh (*)		R$	
	06/30/2008	06/30/2007	06/30/2008	06/30/2007
Low income consumers	-	-	41,685	34,685
RTD	-	-	(7,124)	9,331
CVA-PLPT	-	-	(144)	(17,738)
Others	-	-	12,258	7,708
Billed power supply	3,886,697	1,517,731	1,293,704	573,436
ICMS	-	-	338,873	88,250
Unbilled power supply	-	-	(13,129)	(121)
Total of Supply	3,886,697	1,517,731	1,619,448	661,565

(*) Information not reviewed by independent auditors.

24 Operating results

The operating costs and expenses, segregated by nature, are presented below:

	Parent Company					
	Cost of Services		Operating charges		06/30/08	06/30/07
	Electric Energy	For operation	Sales	Administrative		
Cost/expense's nature						
Energy purchased for resale	-	-	-	-	-	-
Personnel and management's	-	-	-	(2,528)	(2,528)	(2,000)
Material	-	-	-	-	-	(2)
Outsourced services	-	-	-	(1,000)	(1,000)	(1,220)
Allowance for doubtful debts	-	-	-	-	-	-
Provision for contingences	-	-	-	-	-	-

	Parent Company					
	Cost of Services		**Operating charges**		**06/30/08**	**06/30/07**
	Electric Energy	**For operation**	**Sales**	**Administrative**		
Charges on use of transmission system	-	-	-	-	-	-
Others	-	-	-	(1,027)	(1,027)	(549)
Financial results	-	-	-	-	9,946	12,194
	-	-	-	(4,555)	5,391	8,423
Depreciation and amortization	-	-	-	(49)	(49)	-
Total	-	-	-	(4,604)	5,342	8423

	Consolidated					
	Cost of Services		**Operating charges**		**06/30/08**	**06/30/07**
	Electric Energy	**For operation**	**Sales**	**Administrative**		
Cost/expense's nature						
Energy purchased for resale	(526,837)	-	-	-	(526,837)	(128,768)
Personnel and management's	-	(24,381)	(6,798)	(21,950)	(53,129)	(23,138)
Material	-	(4,354)	(881)	(781)	(6,016)	(2,426)
Outsourced services	-	(26,387)	(21,189)	(26,339)	(73,915)	(32,626)
Allowance for doubtful debts	-	-	(40,474)	-	(40,474)	(11,670)
Provision for contingences	-	-	-	(23,176)	(23,176)	(5,028)
Charges on use of transmission system	-	(30,959)	-	-	(30,959)	(25,813)
Others	-	(2,835)	(1,954)	(13,467)	(18,256)	(1,525)
Financing results	-	-	-	-	(103,106)	(899)
	(526,837)	(88,916)	(71,296)	(85,713)	(772,762)	(231,893)
Depreciation and amortization	-	(70,357)	(136)	(10,068)	(80,561)	(31,719)
Total	(526,837)	(159,273)	(71,432)	(95,781)	(853,323)	(263,612)

25 Employees pension fund

a. Details of the retirement plan CEMAR

CEMAR sponsors the CEMAR Employee Security and Assistance Fund - FASCEMAR, a private, non-profit entity founded to provide and manage benefits in supplementation of government pension plans, as a closed supplementary pension fund.

The corporate structure of FASCEMAR was reorganized in 2005, and a new pension plan was implemented (Plano Misto de Benefícios I) as from May 2006, under the defined contribution system. Since its implementation, 98% of the active participants of the Defined Benefit Plan (BD I) and employees that had no pension benefits have subscribed to the "Plano Misto de Benefícios I".

At present, BD I is used mainly by retirees and participants using the benefit in April 2006.

In accordance with CVM Resolution 371 dated December 13, 2000, as from the year 2001, listed companies have been required to include in their financial statement the liabilities deriving from the benefits to which employees are entitled based on the rules established in NPC 26 issued by the Brazilian Institute of Independent Auditors (IBRACON).

CEMAR does not have a balance to cover pension fund obligations, since the actuarial calculations prepared at December 31, 2006, in accordance with CVM Decision 371, did not identify the existence of an actuarial liability.

b. Details of the retirement plan of indirect Subsidiary

Light SESA, indirect subsidiary of RME, is the sponsor of the Social Security Foundation - BRASLIGHT, a closed complementary social security entity, a non profit making entity, the purpose of which is to guarantee retirement income to employees from the Light Group related to the Foundation and pensions to their dependents.

(In thousand of Reais, unless when specified)

BRASLIGHT was established in April 1974, and has three Plans - A, B and C - implanted in 1975, 1984 and 1998 respectively, with approximately 96% of the active participants from the plans A and B transferring to plan C.

At the moment the effective plans are Plans A and B, which are defined benefit plans and C, which is mixed benefit.

On October 02, 2001, the Secretary for Complementary Social Security approved the contract for balancing the technical deficit and the refinancing of the reserves for amortization, which are being paid in 300 monthly installments, as from July 2001, corrected by the variation in the IGP-DI (with one month difference) and actuarial interest of 6% per annum.

The movements reported during this quarter to the net actuarial liability, are as follows:

	Consolidated	Current	Non-current
Pension Plan at December 31, 2007	222,979	18,396	204,583
Amortization in the Quarter	(5,044)	(5,044)	-
Restatement in the Quarter	9,699	800	8,899
Transfer from noncurrent to current	-	6,157	(6,157)
Current contributions	33	33	-
Pension Plan at March 31, 2008	227,667	20,342	207,325
Amortization in the Quarter	(5,381)	(5,381)	-
Restatement in the Quarter	11,876	1,060	10,816
Transfer from noncurrent to current	-	5,062	(5,062)
Current contributions	25	25	-
Pension Plan at June 30, 2008	234,187	21,108	213,079

According to the actuarial evaluation report issued on May 09, 2008, the actuarial deficit of Braslight at April 30, 2008 was R$ 261,900, which, net of the contractual liability value stated previously, resulted in recognition of an additional actuarial liability of R$ 33,461 on June 30, 2008.

26 Insurance

The main insurance coverage obtained by the Company and its Subsidiary CEMAR are described below:

Equatorial's Insurance

Risks	Terms	Amount insured (R$ 000)	Premium (R$ 000)
Civil Responsibility - D&O	08/07/2008	10,000	95

CEMAR's Insurance

Risks	Terms	Amount insured (R$ 000)	Premium (R$ 000)
Risks named - substations and inventories	01/01/2009	105,701	160
General civil liability - Operations	01/01/2009	7,000	227
Vehicles (a)	From 01/02/08 to 01/02/09	(b)	47

(a) The company has one vehicle insurance policies. We detailed above the period covered by this policies.

(b) 19 Vehicles - Market value

The Company and its Subsidiary have the practice of taking out insurance coverage for the assets subject to risk at amounts considered sufficient to cover any incidents, considering the nature of its activity. The Company's and its Subsidiary's insurance contracts are made in accordance with the risk management and insurance fundamentals generally employed by power distribution companies.

The indirect subsidiary, Light SESA, at June 30, 2008, had insurance coverage for its main assets, which included:

- Insurance against Operational Risks - covers material damage to assets caused by fire, explosion, debris, floods, earthquake, breakage to machinery and electrical damage.

- All of the assets from the Light Group are insured against Operational Risks, with “All Risks” coverage, with the exception of the transmission and distribution lines.

- Civil Responsibly for Management and Directors (D&O) - The objective is to protect the executives against losses and damage arising from their activities as advisors, directors and managers of the Company.

- Civil and General Responsibility - for the purpose of paying indemnity in the event the Company has to bear civil responsibility under sentence passed in court or an agreement authorized by the insurance company, regarding reimbursement for involuntary damage, physical damage to individuals and/or material damage caused to third parties and related to pollution, contamination or unexpected leakages.

- Insurance for International Transport - Embarkation of cargo/equipment, Financial Guarantee Insurance - Sale of Energy (6 policies) and Fire insurance - leased real estate.

At June 30, 2008, the insurance coverage contracted by Light SESA, considered sufficient by Management, has been summarized as follows:

	Term		**Amount**	**Premium**
Risk	**From**	**To**	**insured (US$'000)**	**(US$'000)**
Operating risks	10/31/2007	10/31/2008	1,017.50	626
Directors & Officers (D&O)	08/10/2007	08/10/2008	30.00	123
Civil and General Responsibility	09/25/2007	09/25/2008	10.00	299

Given their nature, the risk assumptions adopted do not comprise the scope of a quarterly information review, and were not therefore reviewed by our independent auditors.

27 Financial Instruments - CVM Instruction 235

a. *General considerations*

The Company's financial instruments are restricted to Marketable securities loans and financing and debentures, with any gains and losses obtained from these operations recorded on an accruals basis.

The purpose of using instruments and derivative operations involving indexers is to protect the results from operations involving the Company's assets and liabilities. The Company does not currently undertaken derivative operations, however RME (through Light SESA) has derivative financial instruments.

b. *Market value of financial instruments*

The book value of the financial instruments presented in the balance sheet, when compared to the amounts that could be obtained if they were traded in an active market or, when this data is not available, to the net present value (adjusted using the market interest rate), are substantially similar to their market value.

The valuation of the main financial instruments is as follows:

Assets Marketable securities	The values of these instruments are close to market value due to their short-term maturity.
Liabilities Loans and financing	These credit operations are corrected in Brazil and overseas by the original currencies up to the balance sheet date; the charges are provisioned for based on fixed or floating rates in force as of March 31, 2008, both for the domestic and the international market.

(In thousand of Reais, unless when specified)

In compliance with CVM Instruction 235/95, the accounting balances and the market values of the financial instruments included in the balance sheet at March 31, 2008 are shown below:

Consolidated

	06/30/08		03/31/08	
Description	**Book value**	**Market value**	**Book value**	**Market value**
Marketable securities	473.612	473.612	616.748	616.748
Loans and financing	931.975	931.975	879.259	884.193
Debentures	536.345	536.345	525.488	525.488

c. *Risk factors - CVM Instruction 235*

By way of Directive nº 235 dated March 23, 1995, the Brazilian Securities Commission (CVM) established the means for disclosing in notes the risk factors of the Company and its Subsidiary and the market value of the financial instruments, whether recognized or not in the quarterly information.

As a holding company, the Company's main risks are related to the performance of its Subsidiary as detailed below:

- **Credit risk -** The high amounts and ageing of Government receivables constitute a risk to the liquidity and the capital structure of its Subsidiaries. Management monitors outstanding situations and records provisions for the necessary cases in accordance with ANEEL's guidance;

- **Market risk -** Pursuant to the regulations established by Decree Law 5163 dated June 30, 2004, CEMAR will acquire the energy required to serve its market at 100% of the contractual coverage, through the existing contracts (initial contract and 2002 auction) and the regulated environmental auction. Therefore, the configuration of the power market, especially relating to any rise in demand during the period 2005 to 2006, represents a risk for CEMAR. The current context of the amounts receivable deriving from CCEE transactions should also be observed;

- **Interest rate risk -** This risk originates from the possibility of the Company suffering losses due to variations of the interest rates, which increase financial expenses on loans and financing obtained in the market.

  CEMAR has not executed derivative contracts to perform a swap against this risk. However, CEMAR does continuously monitor the market interest rates in order to assess any requirement to use derivatives to protect itself against the risk of variation to these rates. CEMAR considers that the high cost associated with fixed interest rates and the prospects of lower domestic interest rates due to the macroeconomic scenario in Brazil justifies its option for loan operations contracted at floating interest rates.

  RME, thorough Light SESA, has foreign currency financing and borrowings, and uses derivative financial instruments (swap operations) to reduce the risks from foreign exchange variations, which reported a loss of R$ 2,112 during the 2nd quarter of 2008 (loss of R$ 8,114 during the 2nd quarter of 2007). The net value of the swap operations, effective June 30, 2008 is negative, for the amount of R$ 2,849 (negative, R$ 9,954 on June 30, 2007).

- **Risk of early maturity -** CEMAR has loan agreements, financing and debentures with restrictive clauses which in general require the maintenance of economic and financial indexes at certain levels. Noncompliance with these restrictions could result in early maturity of the debt; and

- **Risk of power shortage -** The energy acquired and sold by its Subsidiaries is generated mainly by hydroelectric power plants. A prolonged scarcity of rain could reduce the volume of water in the power plant reservoirs thereby resulting in losses due to the increased cost of acquiring energy or falling revenue due to the adoption of a new rationing Program. Due to the current level of the reservoirs, the National Electricity System Operator - ONS, has not forecast a new rationing Program for the upcoming years.

28 Subsequent events

a. New investments - GERANORTE

The Management Board for Equatorial approved the proposal to purchase 25% of the shares representing the capital in the company Geradora de Energia do Norte S.A. (GERANORTE). GERANORTE is the company responsible for implanting and operating the thermo-electric plants at Tocantinópolis and Nova Olinda, in the State of Maranhão, with installed capacity of 330 MW, which will provide energy for the National Interconnected System. The purchase is dependent on: (i) performing a legal and financial audit, by Equatorial, at GERANORTE, (ii) finalization of the negotiations of the terms and conditions of the operation between the parties; and (iii) previous authorization by the National Electricity Agency - ANEEL."

b. Corporate Reorganization

On July 10, 2008 Equatorial's controlling shareholders conducted a corporate reorganization which consisted of the successive closure of the following companies (i) PCP Power LLC; (ii) PCP Latin America Power Fund Limited; (iii) Equatorial Energia Holdings LLC; and (iv) Brasil Energia I LLC.

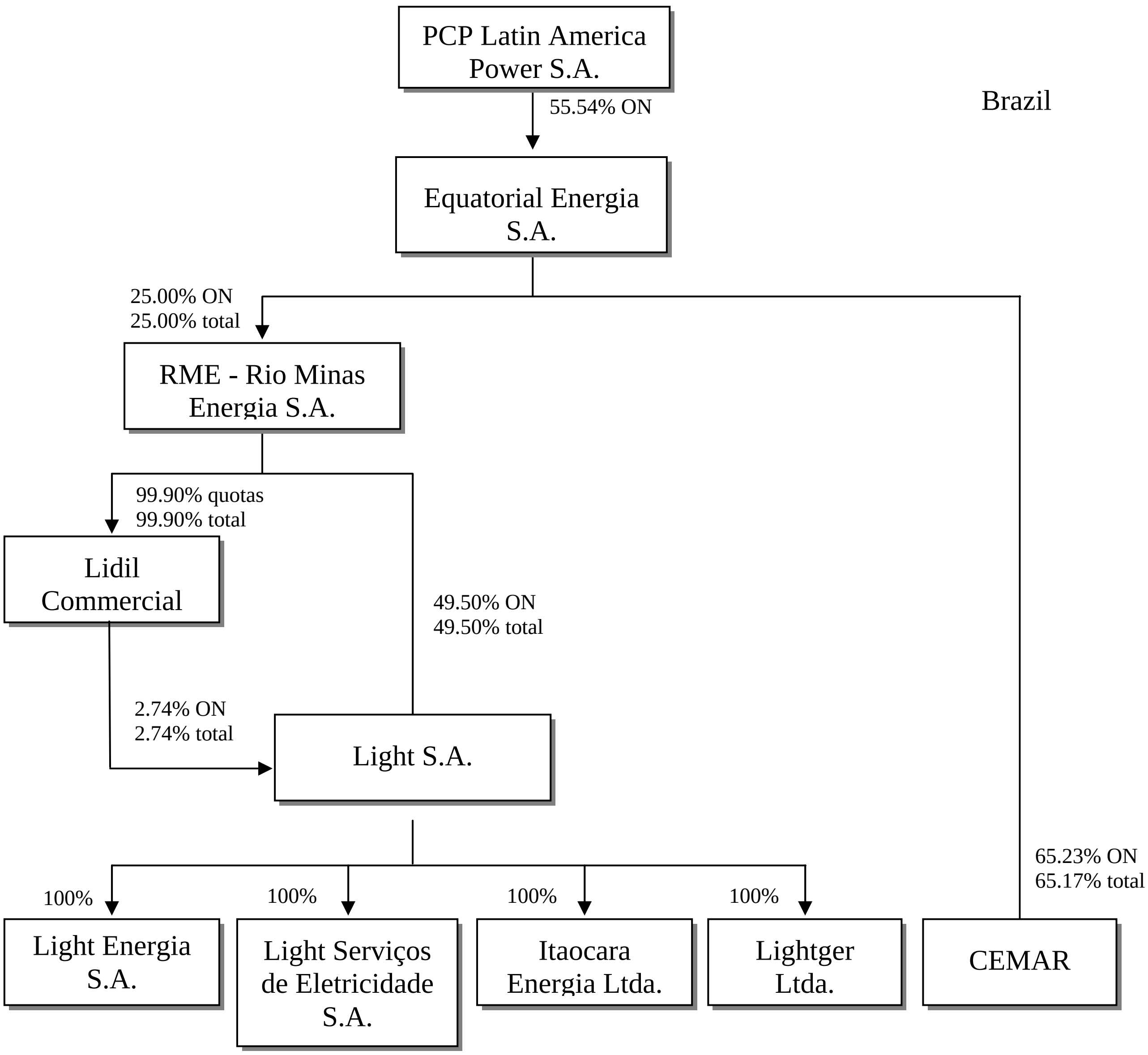
The corporate reorganization did not result in any change to Equatorial's share control, as PCP Latin America Power S/A, which already held an indirect interest in Equatorial of 55.54%, maintained this interest percentage, although now it holds it directly. Following the aforementioned corporate reorganization, PCP Group's interest in the Concessionaires and the Licensee was structured as follows:

Equatorial Energia S.A.

(Publicly-held Company)

Notes to the financial statements

(In thousand of Reais, unless when specified)



(In thousand of Reais, unless when specified)

29 Adhesion to the new market

Equatorial Energia transferred from Level 2 of BOVESPA corporate governance to the New Market on April 23, 2008, given the adherence to best corporate governance practices and demonstrating its commitment to transparency towards its investors and shareholders.

30 Statements of cash flows

	Parent Company		Consolidated	
	06/30/2008	**06/30/2007**	**06/30/2008**	**06/30/2007**
Cash flows from operating activities				
Net income	75,651	32,673	71,975	34,123
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation and amortization	37	-	41,254	18,900
Monetary variation	-	-	-	(836)
CVA	-	-	-	2,634
Credits from income tax and social	-	-	-	28,808
Minority interest	-	-	-	16,590
Amortization of goodwill	(1,113)	(456)	(47)	(456)
Others	-	-	-	7,471
	(1,076)	**(456)**	**41,207**	**73,111**
Changes in assets and liabilities	-	-		
Increase in accounts receivable	-	-	25,142	(37,039)
Increase (decrease) in inventories	-	-	(2,808)	(1,187)
Increase (decrease) in recoverable taxes	(2,000)	(2,475)	(71,584)	(25,324)
Increase (decrease) in other accounts receivable	111,734	(57)	51,558	(21,779)
Increase (decrease) in supplies	239	-	6,442	(2,268)
Increase (decrease) in taxes payable	1,134	1,136	13,829	50,835
Increase (decrease) in other accounts payable and provisions	675	107,678	(1,544)	(177)
	111,782	**106,282**	**21,035**	**(36,939)**
Net cash provided by operating activities	**186,357**	**138,499**	**134,217**	**70,295**

(In thousand of Reais, unless when specified)

	Parent Company		Consolidated	
	06/30/2008	**06/30/2007**	**06/30/2008**	**06/30/2007**
Cash flows from investment activities				
Purchases of property, plant and equipment	(280)	-	(152,945)	(86,627)
Investments	(74,170)	-	(1)	-
Goodwill and negative goodwill	2,225	-	1,160	-
Deferred charges	37	-	1,335	-
Intangibles	-	-	(1,883)	-
Others		(29,851)	-	1,164
Net cash used in investment activities	**(72,188)**	**(29,851)**	**(152,334)**	**(85,463)**
Cash flows from financing activities				
Capital integralization	620	-	620	-
Profit reserve - subsidy	-	-	-	-
Dividends paid	(148,717)	(107,820)	(208,953)	(164,848)
Loans Payment	-	-	73,122	(204,438)
Subsidy	-	-	(4,750)	122,309
Net cash provided by (used in) financing activities	(148,097)	(107,820)	(139,961)	(246,977)
Net cash in the period	**(33,928)**	**828**	**(158,078)**	**(262,145)**
Increase in cash and cash equivalents				
At beginning of year	221,566	190,283	652,810	625,114
At end of year	187,638	191,111	494,732	362,969
Increase (decrease) in cash and cash equivalents	**(33,928)**	**828**	**(158,078)**	**(262,145)**

Equatorial Energia S.A.

(Publicly-held Company)

Composition of the Management Board
Gilberto Sayão da Silva
Alessandro Monteiro Morgado Horta
Firmino Ferreira Sampaio Neto
Ana Marta Horta Veloso
Paulo Jerônimo Bandeira de Mello Pedrosa
Darlan Dórea Santos
Alexandre Gonçalves Silva

Board of Directors
Carlos Augusto Leone Piani -President
Leonardo Duarte Dias - Finance Directos and Investor Relationship
Patricia Pugas de Azevedo Lima - Director
Tinn Freire Amado - Director

Geovane Ximenes de Lira
Accountant PE-012996-O-S