

CEMAR RECEIVES ABRADÉE AWARD IN THE BEST PERFORMANCE GROWTH CATEGORY

Equatorial Energia's management model and resumed investments allowed the company to recover losses and improve quality ratios

São Paulo, August 03, 2006 –Equatorial Energia S/A (Bovespa: EQTL11) announces that its subsidiary, Cemar - Companhia Energética do Maranhão S/A, has won Abradee Award 2006 in the “Best Performance Growth” category. In the past two years, with the implementation of Equatorial Energia’s management model, Cemar went through a recovery process which improved its financial and operating performance. Cemar moved up from a R\$ 53.0 million loss in 2003 to a R\$ 359.6 million profit in 2005 and net income jumped 60%, from R\$ 422.6 million to R\$ 665.4 million in the same period. As to the operating performance, the DEC efficiency index, which measures the annual duration of power interruption per consumer in hours, fell 19.7%, from 68.0 in 2003 to 54.6 in 2005, while FEC, which measures the annual frequency of power interruptions per consumer, dropped 16.3%, from 37.3 in 2003 to 32.9 in 2005. Cemar has completely restructured its *call center*; it was formerly based on a 12 workstation structure which only handled power interruptions in the São Luis area and took 55,000 calls a month, but now it has 50 workstations and takes an average of 220,000 calls a month, being able to render a wider range of customer services and covering the whole state of Maranhão.

Cemar is the second largest Electricity Supplier in the Northeast in terms of concession area and has 1.3 million clients. The Company’s recovery, supported by Equatorial Energia, is based on a new management model which prioritizes profitability to resume investments in quality and energy loss reduction through organizational restructuring, financial discipline, technological update and service quality.

The result of the Abradee Award was announced at a ceremony at Copacabana Palace, in Rio de Janeiro. Cemar was running against three other finalists in this category: CEB (Companhia Energética de Brasília), Coelce (Companhia Energética do Ceará) and Saelpa (Sociedade Anônima de Eletrificação da Paraíba).

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