

EQUATORIAL ENERGIA S.A.
Corporate Taxpayers' ID (CNPJ/MF) 03.220.438/0001-73
Authorized Capital Publicly-Held Company
Company Registry (NIRE) 2130000938-8

MATERIAL FACT

In compliance with the provisions in CVM Instruction 358, of January 3, 2002, Equatorial Energia S.A. hereby informs its shareholders and the market that, pursuant to CVM Instruction 384, of March 17, 2003, it has hired PACTUAL CORRETORA DE TÍTULOS E VALORES MOBILIÁRIOS S.A., a joint-stock company headquartered in the City and State of São Paulo, at Avenida Brigadeiro Faria Lima, 3729, 9th floor – Itaim Bibi, inscribed in the corporate roll of taxpayers (CNPJ/MF) under no. 43.815.158/0001-22, to be the market maker of its UNITS (“EQTL11”), listed on the BOVESPA - São Paulo Stock Exchange’s Level 2 of Corporate Governance, for a six-month period, automatically extendable for a further indeterminate period, should there be no objection by either party, in order to promote the liquidity of the aforementioned UNITS. The Company also announces that, under the terms of CVM Instruction 10, of February 14, 1980, it has a free float of 38,224,503 UNITS and further declares that it does not have any agreement regulating the exercise of voting rights or the purchase and sale of its securities with the market maker dealt with herein.

Leonardo Dias
CFO and Investor Relations Officer
EQUATORIAL ENERGIA S.A.