

**Quarterly Information
(ITR) Report**

Equatorial Energia S/A

June 30, 2011

Equatorial Energia S.A.

Quarterly Information-ITR
at June 30, 2011

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Rio de Janeiro, July 29, 2011 - Equatorial Energia S.A. (BM&FBOVESPA: EQTL3) announces its results for the second quarter (2Q11) and first half (1H11) of 2011.

Equatorial is a holding company with investments in Companhia Energética do Maranhão (CEMAR), Geramar and Equatorial Soluções. Equatorial holds a 65.11% interest in CEMAR, the electricity distributor for the entire state of Maranhão. It also holds a 25% interest in Geramar, the company responsible for the construction and operation of two thermal plants in Maranhão with a joint installed capacity of 330MW. Non-financial information relating to Equatorial Energia and its subsidiaries and the PLPT ("Light for All Program"), as well as Management's expectations regarding the future performance of the Company and its subsidiaries were not reviewed by the independent auditors. In the service segment, Equatorial holds a 100% interest in Equatorial Soluções.

DEMAND FOR ENERGY INCREASES BY 4.6% IN 2Q11. CONSOLIDATED ADJUSTED EBITDA TOTALS R\$120.3 MILLION IN THE QUARTER.

1. FINANCIAL AND OPERATING HIGHLIGHTS

- ▶ **Net operating revenues (NOR)** totaled R\$467.3 million in 2Q11, 7.7% up on 2Q10, reflecting an 8.0% increase by CEMAR.
- ▶ CEMAR's **billed energy volume** stood at 1,067.3 GWh in 2Q11, 4.6% more than in 2Q10.
- ▶ Second-quarter **adjusted EBITDA** came to R\$120.3 million, 17.0% down on 2Q10.
- ▶ **Adjusted Net income** totaled R\$44.7 million in the quarter, 22.4% less year-on-year.
- ▶ Equatorial's consolidated **investments** amounted to R\$110.7 million in 2Q11, 14.8% up year-on-year. CEMAR's investments (excluding direct investments in the PLPT program) totaled R\$63.8 million, up by 47.1%, and investments in the PLPT program stood at R\$46.8 million.
- ▶ CEMAR's last-12-month **DEC and FEC** indices came to 19.6 hours and 11.5 times, respectively, in 2Q11, 14.9% and 23.0% down on the 2Q10 figures.
- ▶ CEMAR's last-12-month **energy losses** totaled 21.4% of required energy in 2Q11, 0.8 p.p. less than the 2Q10 ratio.
- ▶ Given the shorter deadline to disclose quarterly information (changing from the current 45 days to one month after the end of the quarter), effective as of 2012, the Company decided to proceed with the mandatory replacement of its independent auditors (also due in 2012) in order to give it more time to adjust to the reduced deadline. Consequently, the Company hired **Ernst & Young** as its auditors.

FINANCIAL DATA (R\$MM)	2Q10	1Q11	2Q11	Chg.	1S10	1S11	Chg.
Total Net Operating Revenue	433.8	412.4	467.3	7.7%	808.0	879.7	8.9%
EBITDA	145.0	112.3	123.3	-14.9%	254.3	235.7	-7.3%
<i>EBITDA Margin (% net revenues)</i>	33.4%	27.2%	26.4%	-7 p.p.	31.5%	26.8%	-4,6 p.p.
Net Income	57.6	34.2	44.3	-23.0%	110.1	78.5	-28.7%
<i>Profit Margin (% net revenues)</i>	13.3%	8.3%	9.5%	-3,7 p.p.	13.6%	8.9%	-4,7 p.p.
Net Income per Share (R\$ / share)	0.53	0.31	0.41	-23.5%	1.01	0.72	-29.2%
Investments							
CEMAR	43.4	42.6	63.8	47.1%	81.7	106.4	30.3%
PLPT (CEMAR)	45.7	37.7	46.8	2.5%	78.8	84.5	7.3%
Geramar	7.4	0.2	0.0	-99.5%	13.7	0.2	-98.4%
Total	96.5	80.4	110.7	14.8%	174.2	191.2	9.8%
Net Debt	775.7	752.8	994.2	28.2%	775.7	994.2	28.2%
Net Debt / EBITDA (LTM)	1.5	1.5	2.1	0,5 x	1.5	2.1	0,5 x

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2. OPERATING PERFORMANCE

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

2.1 OPERATING PERFORMANCE – CEMAR

ENERGY SALES

In 2Q11, energy sales moved up by 4.6% over 2Q10 to 1,067.3 GWh, for three main reasons: (i) Maranhão's economic growth; (ii) the addition of new clients to the consumer base; and (iii) the Company's stronger efforts to fight energy losses.

Unlike in the first half of 2010 when rainfall in Maranhão was below the historical average, with a positive impact on energy consumption, in the first six months of 2011 rainfall was close to the recent average.

CONSUMPTION SEGMENTS * (GWh)	2Q10	1Q11	2Q11	Chg.	1S10	1S11	Chg.
Residential	474.562	467.658	497.243	4.8%	923.992	964.901	4.4%
Industrial	105.575	102.055	107.058	1.4%	202.854	209.113	3.1%
Commercial	200.466	198.137	213.087	6.3%	390.855	411.224	5.2%
Other	239.887	229.735	249.898	4.2%	461.135	479.634	4.0%
TOTAL	1,020,490	997,586	1,067,286	4.6%	1,978,837	2,064,872	4.3%

(*) Does not consider own consumption and sales to CEPISA.

Consumers	2Q10	1Q11	2Q11	Chg.
Residential	1,542,031	1,630,483	1,658,162	7.5%
Industrial	9,746	9,695	9,622	-1.3%
Commercial	120,803	124,005	124,914	3.4%
Other	86,058	90,716	90,838	5.6%
TOTAL	1,758,638	1,854,899	1,883,536	7.1%

ENERGY BALANCE

The volume of energy required by CEMAR's system came to 1,334 GWh in 2Q11, 3.8% up on the same period in 2010. It is worth noting that despite the higher volume of required energy, losses remained virtually flat over 2Q10.

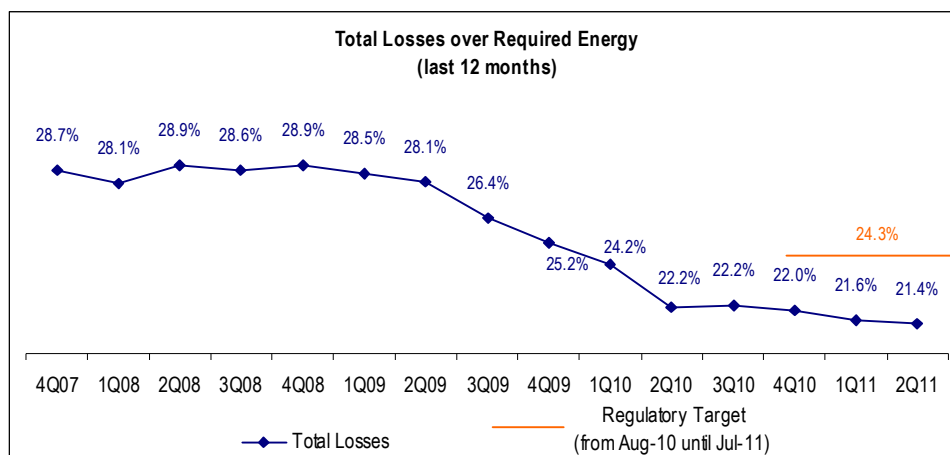
ENERGY BALANCE (GWh)	2Q10	1Q11	2Q11	Chg.	1S10	1S11	Chg.
Required Energy	1,286	1,258	1,334	3.8%	2,526	2,592	2.6%
Sold Energy (*)	1,022	999	1,069	4.6%	1,982	2,069	4.4%
Losses	264	259	265	0.4%	544	524	-3.7%

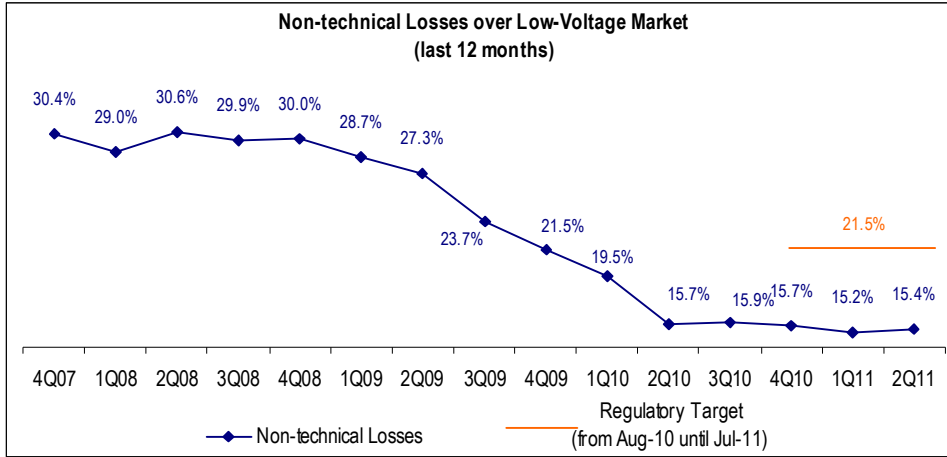
(*) Considers sale to the segments, own consumption and sales to CEPISA

ENERGY LOSSES

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

CEMAR's energy losses for the last 12 months ended 2Q11 at 21.4% of required energy, while non-technical losses in the low-voltage market stood at 15.4%. Although we believe the Company can cut its energy losses even further, the reduction has been occurring at a slower pace in recent quarters, given that the lower the level of the energy losses, the harder it is to combat them. Consequently, CEMAR has been investing in improving its intelligent energy-recovery target-selection systems, thereby ensuring greater accuracy and returns from the inspections.



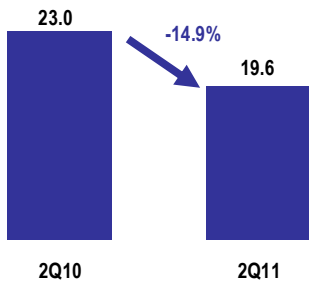


QUALITY INDICES – DEC AND FEC

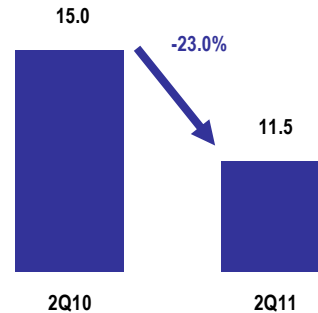
The quality and efficiency of the distribution concessionaires' networks is measured by the DEC and FEC indices. DEC refers to the equivalent length of interruptions per consumer, measured in hours per consumer for a given period, while FEC refers to the equivalent frequency of interruptions per consumer,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

At the close of 2Q11, last-12-month DEC stood at 19.6 hours, a 14.9% improvement over the 23.0 hours recorded at the close of 2Q10, while LTM FEC came to 11.5 times, a 23.0% year-on-year reduction.

DEC (hours): last 12 months



FEC (times): last 12 months

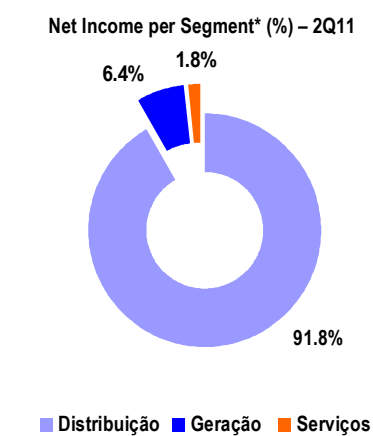
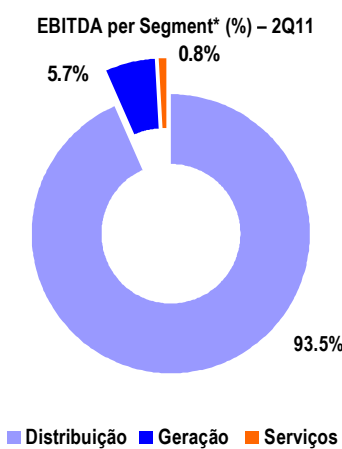
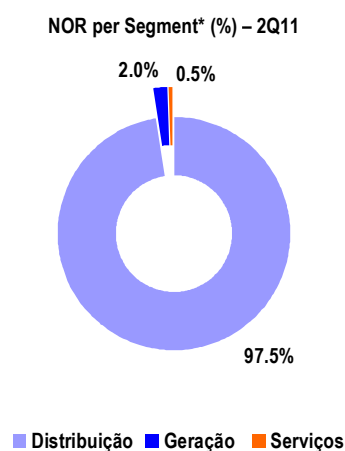
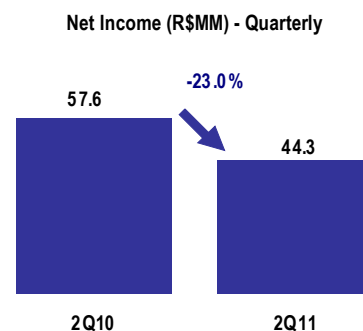
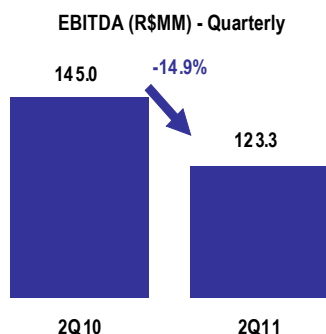
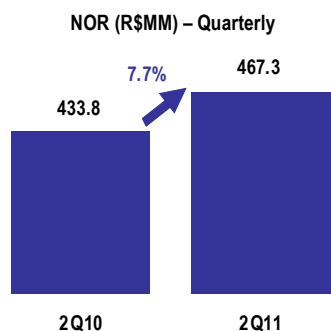


3. FINANCIAL PERFORMANCE

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

3.1 FINANCIAL PERFORMANCE – CONSOLIDATED

Consolidated Income Statement (R\$MM)	2Q10	1Q11	2Q11	Chg.	1S10	1S11	Chg.
Gross Operating Revenues (GOR)	566.8	544.2	608.1	7.3%	1,064.5	1,152.3	8.2%
Net Operating Revenues (NOR)	433.8	412.4	467.3	7.7%	808.0	879.7	8.9%
Electric Energy Cost	(219.2)	(217.3)	(261.4)	19.2%	(408.9)	(478.7)	17.1%
Operating Costs / Expenses	(69.6)	(82.8)	(82.6)	18.6%	(144.8)	(165.4)	14.2%
EBITDA	145.0	112.3	123.3	-14.9%	254.3	235.7	-7.3%
Other Operating Revenues/Expenses	(4.1)	(0.5)	(2.0)	-51.8%	(2.7)	(2.5)	-8.6%
Depreciation	(23.3)	(27.0)	(20.9)	-10.3%	(46.5)	(47.8)	3.0%
Service Income (EBIT)	117.6	84.8	100.5	-14.6%	205.1	185.3	-9.6%
Financial Result	(17.8)	(7.9)	(20.5)	14.9%	(24.8)	(28.4)	14.2%
Operating Income	99.8	77.0	80.0	-19.9%	180.2	157.0	-12.9%
Goodwill Amortization	(2.3)	(2.1)	(2.1)	-7.4%	11.2	(4.2)	-137.3%
Earnings Before Taxes (EBT)	97.5	74.9	77.9	-20.1%	191.5	152.8	-20.2%
Income Tax / Social Contribution	(9.2)	(22.3)	(9.7)	5.1%	(26.5)	(32.1)	20.8%
Minority Interests	(30.7)	(18.4)	(23.9)	-22.4%	(54.8)	(42.2)	-23.0%
Net Income	57.6	34.2	44.3	-23.0%	110.1	78.5	-28.7%



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

3.1.1 – OPERATING REVENUE

OPERATING REVENUE - CONSOLIDATED (R\$ MM)	2Q10	1Q11	2Q11	Chg.	1S10	1S11	Chg.
Gross Operating Revenue	420.3	403.3	439.3	4.5%	803.8	842.6	4.8%
Residential	204.7	197.1	215.2	5.2%	391.7	412.3	5.2%
Industrial	37.9	36.4	39.2	3.4%	72.0	75.7	5.1%
Commercial	95.6	92.3	99.6	4.2%	184.5	191.9	4.0%
Others	82.1	77.4	85.3	3.8%	155.5	162.7	4.6%
Supply	1.8	19.2	1.5	-21.1%	3.4	20.7	505.3%
Network Usage	0.1	0.1	0.1	34.2%	0.2	0.2	7.1%
Other Revenues	40.0	31.5	33.4	-16.3%	74.2	64.9	-12.5%
Low Income	31.2	24.9	24.2	-22.4%	61.5	49.1	-20.1%
Other Operating Revenues	8.8	6.6	9.2	5.5%	12.7	15.8	24.7%
Construction Revenues	90.9	78.4	120.4	32.4%	160.3	198.8	24.1%
Gross Operating Revenue - Distribution	553.1	532.5	594.7	7.5%	1,041.8	1,127.2	8.2%
Generation	9.9	10.3	10.3	4.4%	18.2	20.7	13.6%
Services	3.7	1.4	3.1	-17.5%	4.5	4.5	-1.9%
Gross Operating Revenue - Consolidated	566.8	544.2	608.1	7.3%	1,064.5	1,152.3	8.2%
ICMS	(71.7)	(68.8)	(74.0)	3.3%	(138.4)	(142.9)	3.3%
PIS/Cofins	(43.9)	(41.7)	(44.7)	1.9%	(83.5)	(86.4)	3.5%
Consumer Charges	(17.3)	(21.2)	(22.1)	27.3%	(34.6)	(43.2)	24.9%
Net Operating Revenue - Consolidated	433.8	412.4	467.3	7.7%	808.0	879.7	8.9%

Consolidated net operating revenues (NOR) totaled R\$467.3 million in 2Q11 (when CEMAR recognized R\$120.4 million under revenue from construction), 7.7% up on the R\$433.8 million recorded in 2Q10. This account is mainly impacted by the distribution segment, which accounts for 97.5% of consolidated NOR, followed by generation (2.0%) and services (0.5%). In company terms, the percentages are respectively 97.4%, 2.3% and 0.2%, with CEMAR representing distribution, Geramar, generation, and, Equatorial Soluções, services. (For further information on NOR, see CEMAR and Geramar's Financial Performance sections).

3.1.2 – COSTS AND EXPENSES

Consolidated operating costs and expenses came to R\$366.8 million in 2Q11, 16.0% more than in 2Q10. This account comprises non-manageable costs and expenses (the purchase and transportation of energy, sector charges and construction costs), which stood at R\$259.4 million and increased by 19.6%, and manageable costs and expenses which climbed by 8.2% to R\$107.4 million.

Operating Costs / Expenses	2Q10	1Q11	2Q11	Chg.	1S10	1S11	Chg.
Non-manageable Costs	216.9	215.3	259.4	19.6%	403.5	474.7	17.7%
PMSO	53.4	67.5	67.0	25.4%	107.6	134.5	25.0%
Provisions and Other Operating Expenses	15.9	11.0	13.0	-18.1%	25.9	24.0	-7.4%
Depreciation	22.1	25.8	19.7	-10.8%	44.4	45.5	2.3%
CEMAR	308.3	319.6	359.1	16.5%	581.4	678.7	16.7%
CUST + Generation costs	2.3	2.0	2.0	-14.2%	5.4	4.0	-26.8%
PMSO	0.7	0.4	0.4	-47.9%	1.3	0.7	-44.8%
Depreciation	1.2	1.2	1.2	1.3%	1.9	2.4	21.4%
Geramar	4.2	3.5	3.5	-15.4%	8.6	7.0	-18.7%
PMSO	1.1	0.6	1.4	21.4%	1.5	2.0	31.3%
Depreciation	0.0	0.0	0.0	NA	0.0	0.0	N/A
Equatorial Soluções	1.1	0.6	1.4	21.8%	1.5	2.0	N/A
PMSO	2.6	3.9	2.9	9.7%	11.3	6.7	-40.1%
Depreciation	0.0	-	-	N/A	0.1	-	N/A
Equatorial (holding)	2.7	3.9	2.9	8.2%	11.3	6.7	-40.5%
Equatorial Consolidated	316.2	327.6	366.8	16.0%	602.9	694.4	15.2%

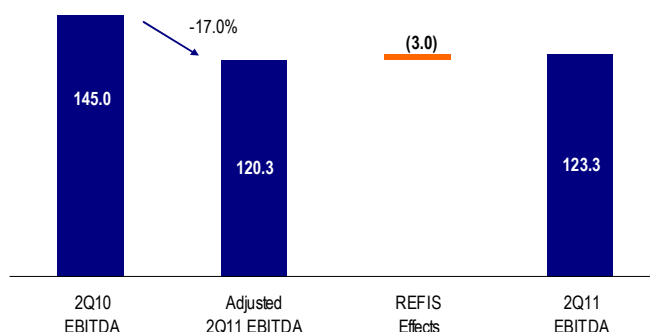
For further information on costs and expenses per Company, see CEMAR and Geramar's Financial Performance sections.

3.1.3 – EBITDA

Consolidated EBITDA totaled R\$123.3 million in 2Q11, 14.9% down on 2Q10. However, discounts arising from CEMAR's adherence to the REFIS tax recovery program had a positive impact on EBITDA of R\$3.0 million. Excluding this non-recurring effect, EBITDA fell 17.0% year-on-year.

Consolidated EBITDA (R\$ million)	2Q10	1Q11	2Q11	Chg.	1S10	1S11	Chg.
Service Income	117.6	84.8	100.5	-14.6%	205.1	185.3	-9.6%
Depreciation and Amortization	23.3	27.0	20.9	-10.3%	46.5	47.8	3.0%
Other Operating Revenues/Expenses	4.1	0.5	2.0	-51.8%	2.7	2.5	-8.6%
EBITDA	145.0	112.3	123.3	-14.9%	254.3	235.7	-7.3%
REFIS Effects	-	-	(3.0)	N/A	-	(3.0)	N/A
Adjusted EBITDA	145.0	112.3	120.3	-17.0%	254.3	232.7	-8.5%

ADJUSTED EBITDA



3.1.4 – FINANCIAL RESULT

Financial Result (R\$ MM)	2Q10	1Q11	2Q11	Chg.	1S10	1S11	Chg.
Financial income	10.1	14.0	12.1	20.2%	18.9	26.1	38.2%
Fine charged on energy sale	11.8	17.3	15.0	27.1%	24.4	32.3	32.2%
Other financial revenues	(2.6)	1.3	1.9	-174.0%	2.8	3.2	15.7%
Financial Revenue	19.3	32.6	29.0	50.5%	46.1	61.6	33.7%
Interest on loans and financing	(21.0)	(23.8)	(23.4)	11.4%	(41.5)	(47.2)	13.8%
Monetary and foreign exchange variation	(6.7)	(6.9)	(2.3)	-65.0%	(13.5)	(9.3)	-31.5%
Other financial expenses	(9.4)	(9.7)	(23.8)	152.0%	(15.9)	(33.5)	110.8%
Financial Expenses	(37.1)	(40.4)	(49.5)	33.4%	(70.9)	(89.9)	26.9%
Net Financial Result	(17.8)	(7.9)	(20.5)	14.9%	(24.8)	(28.4)	14.2%

In 2Q11, the consolidated financial result was an expense of R\$20.5 million, versus an expense of R\$12.9 million in 2Q10.

The main variations per company were:

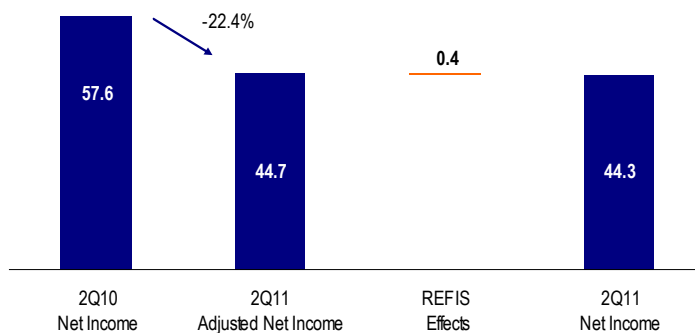
- ▶ **CEMAR:** Net financial expense of R\$18.3 million, 8.4% higher than the R\$16.9 million expense recorded in 2Q10. Financial expenses increased by 33.6% to R\$45.5 million, while financial revenue grew by 58.5%. Note that in 2Q11 financial expenses were influenced by the R\$3.6 million expense due to the ratification of the Company's adherence to the REFIS program.
- ▶ **Geramar:** The company recognized a net financial expense of R\$3.0 million as a result of the loans taken out during the construction of the plants.
- ▶ **Equatorial (holding):** Positive result of R\$0.4 million, basically arising from the utilization of the Company's available cash.

3.1.5 – NET INCOME

The Company posted 2Q11 net income of R\$44.3 million, 23.0% down on the 2Q10 figure. Excluding the total negative impact of R\$0.4 million in 2Q11, net income fell by 22.4%.

In 2Q11, Equatorial's earnings per share totaled R\$0.41, versus R\$0.53 in the same quarter the year before.

ADJUSTED NET INCOME

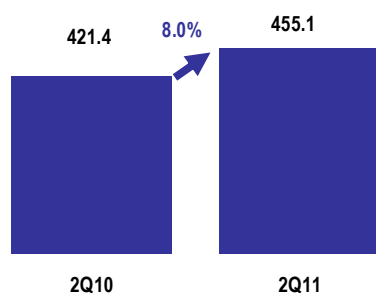


3.2 FINANCIAL PERFORMANCE – CEMAR

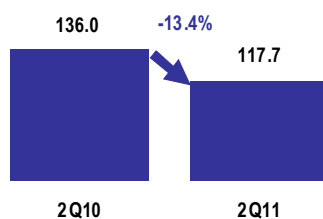
The information in this section reflects 100% of CEMAR's operations.

INCOME STATEMENT - CEMAR (R\$MM)	2Q10	1Q11	2Q11	Chg.	1S10	1S11	Chg.
Gross Operating Revenues (GOR)	553.1	532.5	594.7	7.5%	1,041.8	1,127.2	8.2%
Net Operating Revenues (NOR)	421.4	401.9	455.1	8.0%	787.4	857.0	8.8%
Electric Energy Cost	(216.9)	(215.3)	(259.4)	19.6%	(403.5)	(474.7)	17.7%
Operating Costs / Expenses	(68.6)	(78.0)	(78.0)	13.8%	(130.8)	(156.0)	19.3%
EBITDA	136.0	108.6	117.7	-13.4%	253.1	226.3	-10.6%
Other Operating Revenues/Expenses	(0.7)	(0.5)	(2.0)	177.4%	(2.7)	(2.5)	-8.6%
Service Income (EBIT)	113.2	82.2	96.1	-15.1%	205.9	178.3	-13.4%
Financial Result	(16.9)	(7.4)	(18.3)	8.4%	(23.7)	(25.7)	8.6%
Lucro Antes da Tributação (EBT)	96.3	74.9	77.8	-19.3%	182.3	152.6	-16.3%
Income Tax / Social Contribution	(8.3)	(22.1)	(9.4)	13.8%	(25.1)	(31.5)	25.5%
Net Income	88.0	52.7	68.4	-22.4%	157.1	121.1	-22.9%

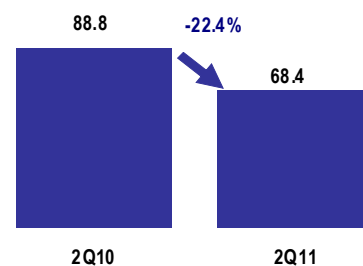
NOR (R\$MM) – Quarterly



EBITDA (R\$MM) - Quarterly



Net Income (R\$MM) – Quarterly



3.2.1 – OPERATING REVENUES

OPERATING REVENUE - CEMAR	2Q10	1Q11	2Q11	Chg.	1S10	1S11	Chg.
Energy Sales (MWh)*	1,020,490	997,586	1,067,286	4.6%	1,978,837	2,064,872	4.3%
Number of Clients**	1,758,638	1,854,899	1,883,536	7.1%	1,758,638	1,883,536	7.1%
KWh per Client	580.3	537.8	566.6	-2.3%	1,125.2	1,096.3	-2.6%
Gross Operating Revenue (R\$ MM)	420.3	403.3	439.3	4.5%	803.8	842.6	4.8%
Residential	204.7	197.1	215.2	5.2%	391.7	412.3	5.2%
Industrial	37.9	36.4	39.2	3.4%	72.0	75.7	5.1%
Commercial	95.6	92.3	99.6	4.2%	184.5	191.9	4.0%
Other Classes	82.1	77.4	85.3	3.8%	155.5	162.7	4.6%
Supply (R\$ MM)	1.8	19.2	1.5	-21.1%	3.4	20.7	505.3%
Other Revenues (R\$ MM)	40.1	31.6	33.6	-16.2%	74.4	65.1	-12.4%
Subventions for Low Income	31.2	24.9	24.2	-22.4%	61.5	49.1	-20.1%
Network Usage	0.1	0.1	0.1	34.2%	0.2	0.2	7.1%
Other Operating Revenues	8.8	6.6	9.2	5.5%	12.7	15.8	24.7%
Construction Revenues	90.9	78.4	120.4	32.4%	160.3	198.8	24.1%
Deductions from Operating Revenues (R\$ MM)	(131.7)	(130.6)	(139.6)	6.0%	(254.5)	(270.2)	6.2%
Net Operating Revenue (R\$ MM)	421.4	401.9	455.1	8.0%	787.4	857.0	8.8%
Low Income	23.4	23.5	21.2	-9.3%	23.4	21.2	-9.3%

*Does not consist own consumption and supply to CEPISA

** Excludes own consumption facilities

In 2Q11, gross revenue from energy sales grew by 4.5% over the same period last year, largely due to the 4.6% increase in energy sales volume. Net revenue, in turn, totaled R\$455.1 million (R\$334.7 million, excluding revenue from construction) 8.0% up on 2Q10 (or 1.3% up excluding revenue from construction).

Due to the convergence of Brazilian accounting rules with international financial reporting standards (IFRS), in 2010 revenue from construction was recognized under gross revenue, with an impact on NOR, but no impact on EBITDA or net income, as the same amount is discounted in a specific line under Non-manageable costs. In 2Q11, R\$120.4 million was recognized, versus R\$90.9 million in 2Q10.

3.2.2 – COSTS AND EXPENSES

In 2Q11, costs and expenses (manageable and non-manageable, excluding depreciation and amortization) totaled R\$339.3 million (R\$219.0 million excluding construction costs), equivalent to 74.6% of net revenue, 6.7 p.p. up on the 67.9% recorded in 2Q10.

Manageable Operating Costs and Expenses

Manageable costs and expenses, represented by personnel, materials, outsourced services and others (PMSO), excluding provisions for doubtful accounts and contingencies, as well as other non-operating costs, totaled R\$67.0 million in 2Q11, 25.4% up year-on-year.

Personnel expenses came to R\$19.2 million, 11.9% up on 2Q10, partially due to the 5.39% pay rise following the collective bargaining agreement in November 2010. The period increase in provisions for profit sharing from R\$2.7 million, in 2Q10, to R\$4.1 million, also contributed to the upturn.

Expenses with materials amounted to R\$1.2 million, 35.4% lower than in 2Q10. The main item in this line was the purchase of materials for electricity system operations and maintenance, totaling R\$1.1 million.

Expenses from outsourced services moved up by 32.8% over 2Q10 to R\$43.5 million, fueled by the substantial 7.1% increase in the number of clients, improvements to the quality of the distribution system, and the Company's program to reduce energy losses. The main accounts composing this item were: i) standby emergency services, with technical support and electrician teams (R\$5.4 million); ii) fraud-combat services, as part of the Company's loss reduction program (R\$5.3 million); and iii) other smaller expenses, such as those from collection agents, maintenance of live lines, disconnection and metering services, the call center and maintenance of software licenses, among others.

R\$ MM	2Q10	1Q11	2Q11	Chg.	1S10	1S11	Chg.
Personnel	17.1	19.4	19.2	11.9%	34.7	38.6	11.1%
<i>Profit Sharing (included in Personnel)</i>	2.7	4.1	4.1	54.0%	5.4	8.2	54.0%
Material	1.9	1.6	1.2	-35.4%	3.9	2.8	-28.5%
Third Party Services	32.7	43.6	43.5	32.8%	63.4	87.1	37.5%
Others	1.6	3.0	3.1	92.2%	5.7	6.0	6.9%
PMSO	53.4	67.5	67.0	25.4%	107.6	134.5	25.0%
<i>% Net Revenues</i>	<i>12.7%</i>	<i>16.8%</i>	<i>14.7%</i>	<i>2.0 p.p.</i>	<i>13.7%</i>	<i>15.7%</i>	<i>2.0 p.p.</i>
Provisions	15.2	10.4	11.0	-27.2%	23.2	21.5	-7.3%
PDA and Losses	13.0	8.5	6.7	-48.7%	18.8	15.2	-19.2%
<i>% Gross Operating Revenue (without construction revenues)</i>	<i>2.4%</i>	<i>1.6%</i>	<i>1.1%</i>	<i>-1.2 p.p.</i>	<i>1.8%</i>	<i>1.3%</i>	<i>-0.5 p.p.</i>
Provision for Contingencies and Other Provisions	2.2	1.9	4.4	102.9%	4.3	6.3	44.6%
Other Operating Expenses/Revenues	0.7	0.5	2.0	177.4%	2.7	2.5	-8.6%
MANAGEABLE COSTS AND EXPENSES	69.3	78.5	80.0	15.4%	133.5	158.5	18.7%
<i>% Net Revenues</i>	<i>16.4%</i>	<i>19.5%</i>	<i>17.6%</i>	<i>1.1 p.p.</i>	<i>17.0%</i>	<i>18.5%</i>	<i>1.5 p.p.</i>
Electricity Purchased	125.2	136.0	138.1	10.3%	241.8	274.2	13.4%
Construction Costs	90.9	78.4	120.4	32.4%	160.3	198.8	
Other Costs	0.7	0.9	0.9	18.1%	1.5	1.7	18.1%
NON-MANAGEABLE COSTS AND EXPENSES	216.9	215.3	259.4	19.6%	403.5	474.7	17.7%
<i>% Net Revenues</i>	<i>51.5%</i>	<i>53.6%</i>	<i>57.0%</i>	<i>5.5 p.p.</i>	<i>51.2%</i>	<i>55.4%</i>	<i>4.2 p.p.</i>
TOTAL	286.2	293.8	339.3	18.6%	537.0	633.2	17.9%
TOTAL (%Net Revenues)	67.9%	73.1%	74.6%	6.6 p.p	68.2%	73.9%	5.7 p.p

In 2Q11, provisions for doubtful accounts (PDA) and losses came to R\$6.7 million, or 1.4% of gross operating revenues (GOR), 1.4 p.p. down on 2Q10. Revenue from construction is deducted from gross revenue when calculating these ratios.

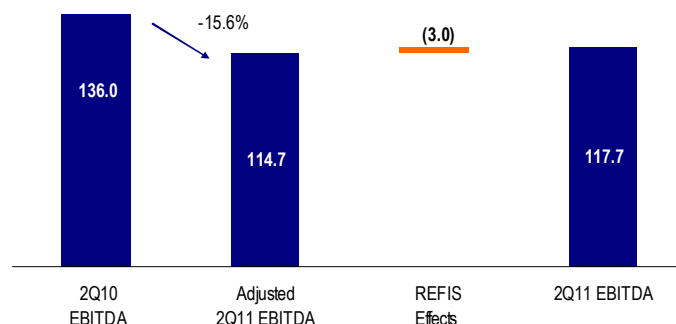
CEMAR reached 1,600 clients per employee in 2Q11, an improvement on the 1,362 recorded in 2Q10, while PMSO per client increased by 17.1% to R\$35.6.

3.2.3 - EBITDA

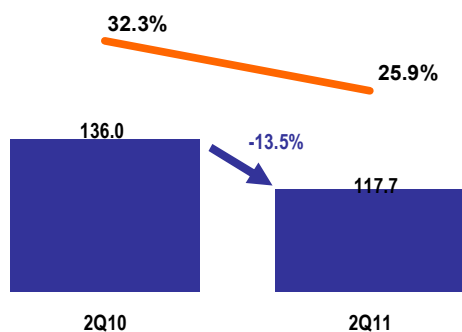
EBITDA totaled R\$117.7 million in 2Q11, 13.4% down on the R\$136.0 million recorded in 2Q10. Due to the ratification of CEMAR's adherence of to the REFIS tax recovery program, 2Q11 EBITDA was positively influenced by R\$3.0 million. Excluding this non-recurring effect, second-quarter EBITDA fell by 15.6% year-on-year.

EBITDA (R\$ million)	2Q10	1Q11	2Q11	Chg.	1S10	1S11	Chg.
Service Income	113.2	82.2	96.1	-15.1%	205.9	178.3	-13.4%
Depreciation and Amortization	22.1	25.8	19.7	-10.8%	44.4	45.5	2.3%
Other Operating Revenues/Expenses	0.7	0.5	2.0	177.4%	2.7	2.5	-8.6%
EBITDA	136.0	108.6	117.7	-13.4%	253.1	226.3	-10.6%
REFIS Effects	-	-	(3.0)	N/A	-	(3.0)	N/A
Adjusted EBITDA	136.0	108.6	114.7	-15.7%	253.1	223.3	-11.8%

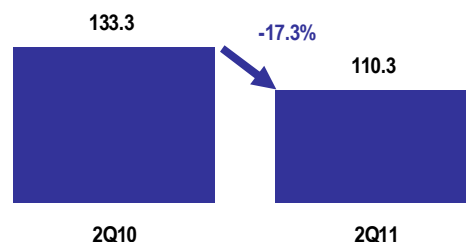
ADJUSTED EBITDA



EBITDA (R\$MM) e Margem EBITDA: Trimestral



EBITDA (R\$) por MWh: Trimestral



3.2.4 – FINANCIAL RESULT

In 2Q11, the net financial result was an expense of R\$18.3 million, 8.4% higher than the R\$16.9 million expense recorded in 2Q10. Financial expenses increased by 33.6% to R\$45.5 million, while financial revenue grew by 58.5%. Note that in 2Q11 financial expenses were influenced by the R\$3.6 million expense from the ratification of the Company's adherence to the REFIS program.

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

Financial Result (R\$ MM)	2Q10	1Q11	2Q11	Chg.	1S10	1S11	Chg.
Financial income	8.0	11.5	10.3	29.3%	14.7	21.8	48.6%
Fine charged on energy sale	11.8	17.3	15.0	27.1%	24.4	32.3	32.2%
Other financial revenues	(2.6)	1.3	1.9	-174.0%	2.8	3.2	15.7%
Financial Revenue	17.2	30.1	27.2	58.5%	41.9	57.3	36.9%
Interest on loans and financing	(21.0)	(23.8)	(23.4)	11.4%	(41.5)	(47.2)	13.8%
Monetary and foreign exchange variation	(6.7)	(6.9)	(2.3)	-65.0%	(13.5)	(9.3)	-31.5%
Other financial expenses	(6.4)	(6.7)	(19.8)	209%	(10.5)	(26.6)	152%
Financial Expenses	(34.1)	(37.5)	(45.5)	33.6%	(65.5)	(83.0)	26.7%
Net Financial Result	(16.9)	(7.4)	(18.3)	8.4%	(23.7)	(25.7)	8.6%

3.2.5 – INCOME TAX AND SOCIAL CONTRIBUTION

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

Breakdown of Income Tax and Social Contribution Effective Rates

Income Tax/ Social Contribution (R\$MM)	2Q10	1Q11	2Q11	1S10	1S11
EBT (1)	96.3	74.9	77.8	182.3	152.6
Income Tax/ Social Contribution Expenses	(11.8)	(22.5)	9.4	(25.1)	(31.9)
(-) Deferred Tax Assets	1.8	16.7	0.6	8.3	17.3
= Tax Payable	(10.0)	(5.8)	(8.8)	(16.8)	(14.6)
(+) Fiscal Credits	2.7	-	3.0	4.3	3.0
= Tax - Cash Basis (2)	(7.4)	(5.8)	(5.9)	(12.6)	(11.6)
Effective Tax Rate = (2) / (1)	7.7%	7.7%	7.5%	6.9%	7.6%

In 2Q11, income tax and social contribution represented an expense of R\$9.4 million. Considering the utilization of deferred tax assets, CEMAR paid R\$5.9 million in these taxes, corresponding to an effective rate of 7.5%.

3.2.6 – NET INCOME

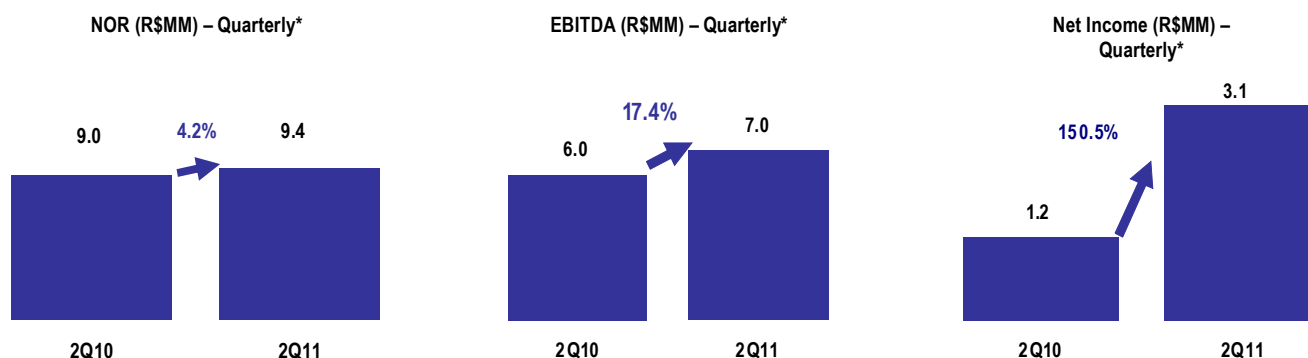
CEMAR posted 2Q11 net income of R\$68.4 million, 22.4% down on the R\$88.0 million reported in 2Q10.

Earnings per share stood at R\$0.42, 22.2% less than the R\$0.54 recorded in 2Q10.

3.3 FINANCIAL PERFORMANCE - Geramar

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

INCOME STATEMENT - GERAMAR (R\$MM)	2Q10	1Q11	2Q11	Chg.	1S10	1S11	Chg.
Gross Operating Revenues (GOR)	9.9	10.3	10.3	4.4%	18.2	20.7	13.6%
Net Operating Revenues (NOR)	9.0	9.4	9.4	4.2%	16.5	18.7	13.6%
Electric Energy Cost	(2.3)	(2.0)	(2.0)	-14.2%	(5.4)	(4.0)	-26.8%
Operating Costs / Expenses	(0.7)	(0.4)	(0.4)	-47.9%	(1.3)	(0.7)	-44.8%
EBITDA	6.0	7.0	7.0	17.4%	9.8	14.1	43.6%
Depreciation	(1.2)	(1.2)	(1.2)	1.3%	(1.9)	(2.4)	21.4%
Service Income (EBIT)	4.8	5.9	5.8	21.2%	7.9	11.7	49.0%
Financial Result	(3.0)	(2.8)	(2.7)	-9.0%	(5.3)	(5.5)	4.5%
Earnings Before Taxes (EBT)	1.8	3.1	3.1	71.3%	2.6	6.2	141.7%
Income Tax / Social Contribution	(0.6)	(0.0)	(0.0)	-98.8%	(0.0)	-	-100.0%
Net Income	1.2	3.0	3.1	150.5%	2.5	6.2	142.3%



3.3.1 – OPERATING REVENUES

In 2Q11, NOR totaled R\$9.4 million, resulting entirely from fixed revenues from plant availability, as no dispatch was requested by the National System Operator (ONS) during the quarter. The revenue increase was mainly influenced by the adjustment of fixed revenues by the IPCA consumer price index last November.

3.3.2 – COSTS AND EXPENSES

In 2Q11, the total costs incurred by the plants amounted to R\$3.5 million, comprising costs related to the use of the transmission system (CUST), generation costs (purchase of fuel and plant operation and maintenance, among others) and, to a lesser extent, costs related to personnel, materials, outsourced services and others (PMSO).

Operating Costs / Expenses	2Q10	1Q11	2Q11	Chg.	1S10	1S11	Chg.
CUST + Generation costs	2.3	2.0	2.0	-14.2%	5.4	4.0	-26.8%
PMSO	0.7	0.4	0.4	-47.9%	1.3	0.7	-44.8%
Depreciation	1.2	1.2	1.2	1.3%	1.9	2.4	21.4%
Geramar	4.2	3.5	3.5	-15.4%	8.6	7.0	-18.7%

3.3.3 - EBITDA

Geramar's EBITDA totaled R\$7.0 million in 2Q11, an improvement of 17.4% over 2Q10, for the same reason as the upturn in NOR.

3.3.4 – FINANCIAL RESULT

The 2Q11 financial result was a net expense of R\$2.7 million, arising from interest on loans taken out to finance the construction of the plants.

3.3.5 – NET INCOME

Geramar posted 2Q11 net income of R\$3.1 million.

4. DEBT

Equatorial closed the second quarter with consolidated gross debt (including charges) of R\$1,317.8 million, 0.7% up on the R\$1,308.5 million recorded at the close of the previous quarter.

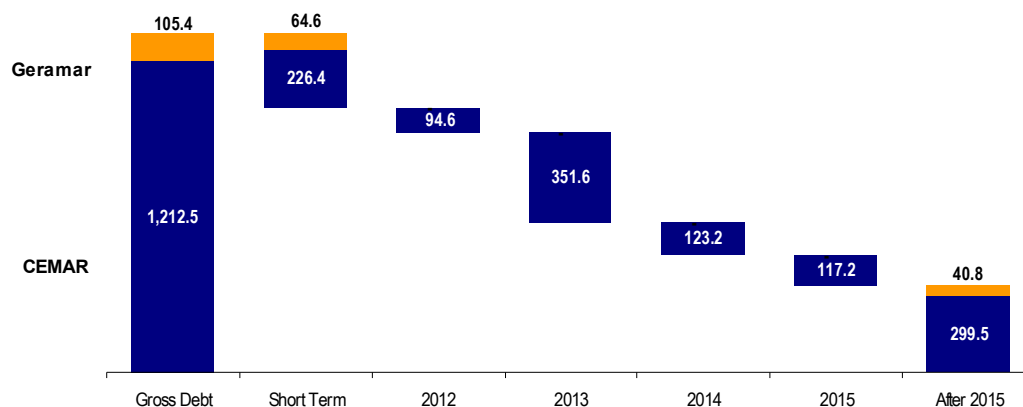
In June 2011, only 0.5% of Equatorial's consolidated gross debt, corresponding to R\$7.2 million, was denominated in foreign currency (mostly U.S. dollars). Thanks to their low exchange exposure, neither CEMAR nor Equatorial has any hedge protection against the devaluation of the Real against other currencies.

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

Index	Average Charges (p.a.)	Average Due Date (month/year)	Average Period (years)	Part. (%)	Maturity	CEMAR	Geramar	Consolidated	% of Total
Foreign Currency					Short Term	226.4	64.6	291.0	22.1%
Libor	1.3%	nov-22	11.2	0.2%	Long Term	986.1	40.8	1,026.9	77.9%
Fixed (US\$)	6.4%	mar-22	11.0	0.3%	2012	94.6	-	94.6	7.2%
TOTAL (CEMAR)	4.4%		11.1	0.5%	2013	351.6	-	351.6	26.7%
Domestic Currency					2014	123.2	-	123.2	9.4%
CEMAR	9.9%		6.3	91.5%	2015	117.2	-	117.2	8.9%
IGP-M	12.6%	dec-23	13.0	12.4%	After 2015	299.5	40.8	340.3	25.8%
TJLP	10.5%	oct-13	2.6	11.7%	Gross Debt	1,212.5	105.4	1,317.8	100.0%
Fixed (R\$)	8.3%	jul-19	8.4	18.9%	Cash	273.4	9.3	282.7	
RGR	6.5%	dec-17	6.8	18.8%	Cash - Holding			11.9	
FINEL(**)	11.5%	dec-15	4.9	3.0%	Cash - Equatorial Soluções			5.6	
CDI	11.6%	mar-14	3.1	26.8%	Net Reg. Assets	23.4		23.4	
GERAMAR	8.4%		0.5	8.0%	Net Debt	915.7	96.0	994.2	
CDI	13.7%	aug-11	0.4	58.9%					
TJLP	0.6%	sep-10	0.7	40.5%					
TOTAL	9.8%		5.8	99.5%					
TOTAL	9.7%		5.9	100.0%					

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

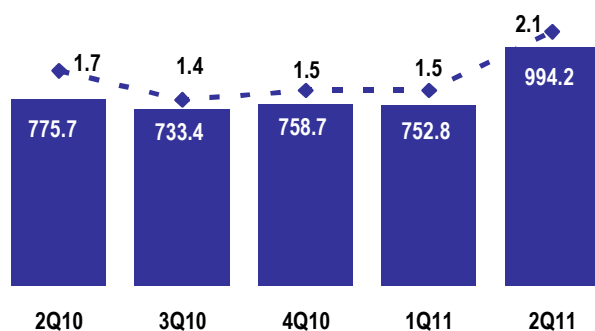
Gross Debt Maturity Schedule (R\$ million)



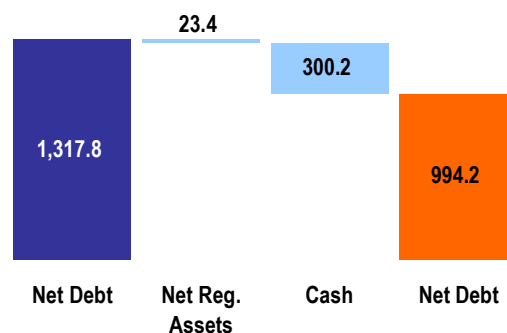
Net debt, including cash and cash equivalents and net regulatory assets, totaled R\$994.2 million in 2Q11, 32.0% higher than the R\$752.8 million reported at the close of 1Q11, representing a last-12-month net debt/EBITDA ratio of 2.1x, due to the payment of dividends amounting to R\$196.6 million in 1Q11.

¹ For more details, see Annex 4 – Indebtedness.

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

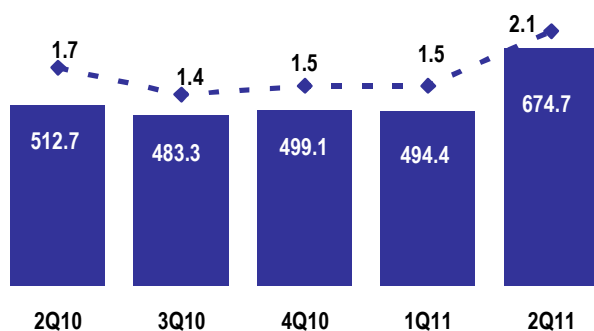


Net Debt Reconciliation (R\$MM) - Consolidated (100% CEMAR + 25% Geramar)

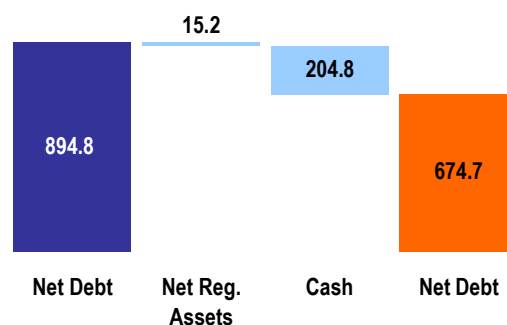


Consolidated net debt, adjusted by Equatorial's interest in CEMAR (65.11%) and Geramar (25%), totaled R\$674.7 million at the close of June, representing a last-12-month consolidated net debt/EBITDA ratio of 2.1x.

Net Debt (R\$MM)(*) and Net Debt/ EBITDA (LTM) - Adjusted Consolidated (65.11% CEMAR + 25% Geramar)



Net Debt Reconciliation (R\$MM) - Adjusted Consolidated (65.11% CEMAR + 25% Geramar)



5. INVESTMENTS

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

INVESTMENTS (R\$MM)	2Q10	1Q11	2Q11	Chg.	1S10	1S11	Chg.
CEMAR							
Own (*)	43.4	42.6	63.8	47.1%	81.7	106.4	30.3%
Light For All Program	45.7	37.7	46.8	2.5%	78.8	84.5	7.3%
Total	89.1	80.3	110.7	24.3%	160.5	191.0	19.0%
Geramar							
Generation	7.4	0.2	0.0	-99.5%	13.7	0.2	-98.4%
TOTAL	96.5	80.4	110.7	14.8%	174.2	191.2	9.8%

(*) Including indirect Light For All Program investments

5.1 - CEMAR

CEMAR invested R\$63.8 million in 2Q11, excluding direct investments related to the PLPT, 47.1% up on 2Q10. Of this total, R\$37.5 million was allocated to the expansion of the distribution network in Maranhão, R\$14.7 million to maintenance of the existing network and the remaining R\$11.6 million to equipment, systems and others.

Investments in the PLPT

At the close of the 2Q11, 290,800 consumers were connected to CEMAR's distribution network through the PLPT, directly benefiting more than 1.4 million inhabitants. The PLPT is already present in all of Maranhão's municipalities, contributing to the development of areas isolated from the urban centers and generating wealth in these localities. In 2Q11, direct investments in the program, which include expenses with materials, freight and outsourced services, totaled R\$46.8 million, 2.4% up on 2Q10.

5.2 – Geramar

Investments in 2Q11 essentially refer to plant maintenance, given that construction was concluded in 1Q10.

6. CAPITAL MARKET

Equatorial Energia's shares closed 2Q11 at R\$11.90, 8.2% up on the R\$11.00 recorded at the end of 1Q11. The shares are already being traded ex-dividends, given that payment occurred in April 2011.

Daily traded volume averaged R\$2.0 million in the 60 trading sessions ended June 30, 2011. The Company's shares are listed in the BM&FBOVESPA's Novo Mercado trading segment and in the IEE, ITAG and IGC indices.

7. NEW PROJECTS

Equatorial continues to seek investment opportunities in the distribution and generation segments, in line with its corporate strategy of playing a leading role in the consolidation of electricity distributors in Brazil and Latin America and in supplying the country's future generation needs.

8. SERVICES PROVIDED BY THE INDEPENDENT AUDITORS

The Company has not hired Ernst & Young Terco Auditores Independentes, its external auditors, for any other services beyond the independent audit and those services required by ANEEL. The Company's hiring policy is designed to ensure the independence of the auditors in line with the prevailing regulations. Essentially, these determine that the auditors may not audit their own work, nor exercise any managerial function for their clients or promote their clients' interests.

The following information was not reviewed by the independent auditors: i) CEMAR's operating information (including that related to the PLPT); ii) pro-forma financial information and its comparison with the results presented in the period, and; iii) Management's expectations regarding the future performance of the companies.

9. DISCLOSURE CALENDAR

CONFERENCE CALL IN ENGLISH (SIMULTANEOUS TRANSLATION)

Tuesday, August 5, 2011
 12:00 pm (Brasília time)
 11:00 am (New York time)
 Telephone: +1 (516) 300-1066
 Code: Equatorial
 Replay: +55 (11) 3127-4999
 Replay code: 19466374

CONFERENCE CALL IN PORTUGUESE

Tuesday, August 5, 2011
 12:00 pm (Brasília time)
 11:00 am (New York time)
 Telephone: +0 XX (11) 3127-4971
 Code: Equatorial
 Replay: +0 XX (11) 3127-4999
 Code: 17035851

- ▶ Participants should connect up approximately 10 minutes before the start of the call.
- ▶ **SLIDES AND WEBCAST:** The presentation slides will be available for viewing and download on the Investor Relations section of our website <http://www.equatorialenergia.com.br/ri> as of the date of the calls. The calls will be transmitted live on the internet on the same site, remaining available after the event.

CONTACTS

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ADDITIONAL INFORMATION ON CEMAR

Further information on CEMAR, including a more detailed breakdown of financial and operating results, can be found in the company's Earnings Release at the following address:

- ▶ **CEMAR:** www.cemar-ma.com.br/ri

DISCLAIMER

Forward-looking statements are subject to risks and uncertainties, and are based on the expectations of our management and on the information currently available to the Company. Forward-looking statements include information on our current intentions, beliefs or expectations, as well as those of the Board of Directors and the Executive Board.

The reservations concerning forward-looking statements include information related to presumed or possible operating results, as well as declarations preceded, followed by or including such expressions as "believe", "can", "will", "continue", "expect", "forecast", "intend", "estimate" or similar.

Since they refer to future events and are therefore dependent on circumstances which may or may not occur, such statements are not a guarantee of performance. Future results and the creation of shareholder value may differ substantially from those expressed or suggested by said forward-looking statements, since many of the factors determining these results are outside the Company's control.

Accounting criteria adopted:

The information contained herein is presented in consolidated figures, pursuant to Brazilian Corporate Law, based on revised financial information. The consolidated financial information represents 100% of CEMAR's results, excluding 34.89% related to minority interests, 25% of Geramar's results and 100% of Equatorial Soluções' results.

The consolidated operating information represents 100% of CEMAR's, 25% of Geramar's and 100% of Equatorial Soluções' results.

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

ANNEX 1 – PERIOD CONSOLIDATED INCOME STATEMENT (R\$ MILLION)

INCOME STATEMENT (R\$ MM)	2Q10	1Q11	2Q11	1S10	1S11
GROSS OPERATING REVENUES	566.8	544.2	608.1	1,064.5	1,152.3
Electricity Sales to Final Consumer	461.4	440.6	475.2	883.5	915.8
Electricity Supply	1.8	19.2	1.5	3.4	20.7
Construction Revenues	90.9	78.4	120.4	160.3	198.8
Other Revenues	25.2	15.9	24.7	17.4	17.0
DEDUCTIONS FROM OPERATING REVENUES	(132.9)	(131.7)	(140.8)	(256.5)	(272.6)
NET OPERATING REVENUES	433.8	412.4	467.3	808.0	879.7
ELECTRICITY COSTS	(219.2)	(217.3)	(261.4)	(408.9)	(478.7)
Electricity Purchased for Resale	(106.7)	(114.4)	(114.4)	(205.3)	(228.8)
Transmission and Distribution Network Usage Charges	(20.9)	(23.6)	(25.7)	(41.9)	(49.4)
Construction Costs	(90.9)	(78.4)	(120.4)	(160.3)	(198.8)
Other non-manageable expenses	(0.7)	(0.9)	(0.9)	(1.5)	(1.7)
OPERATING COSTS/EXPENSES	(69.6)	(82.8)	(82.6)	(144.8)	(165.4)
Personnel	(18.7)	(23.0)	(20.9)	(43.8)	(43.9)
Material	(2.0)	(1.7)	(1.2)	(4.1)	(2.8)
Services	(34.6)	(44.2)	(45.7)	(66.1)	(89.9)
Provisions	(15.2)	(10.4)	(11.0)	(23.2)	(21.5)
Others	0.9	(3.4)	(3.8)	(7.6)	(7.3)
EBITDA	145.0	112.3	123.3	254.3	235.7
Other Operating Revenue/Expenses	(4.1)	(0.5)	(2.0)	(2.7)	(2.5)
Depreciation and Amortization	(23.3)	(27.0)	(20.9)	(46.5)	(47.8)
SERVICE INCOME	117.6	84.8	100.5	205.1	185.3
EQUITY INCOME	(2.3)	(2.1)	(2.1)	11.2	(4.2)
Equity Income	-	-	-	14.4	-
Goodwill Amortization	(2.3)	(2.1)	(2.1)	(3.2)	(4.2)
FINANCIAL INCOME	(17.8)	(7.9)	(20.5)	(24.8)	(28.4)
Financial Revenue	19.3	32.6	29.0	46.1	61.6
Financial Expenses	(37.1)	(40.4)	(49.5)	(70.9)	(89.9)
RESULT BEFORE INCOME TAX	97.5	74.9	77.9	191.5	152.8
Social Contribution	(10.3)	(5.8)	(8.9)	(17.2)	(14.7)
Income Tax	(15.3)	(9.6)	(11.6)	(26.2)	(21.3)
Deferred Taxes	1.8	(16.4)	(0.6)	(8.3)	(16.9)
SUDENE Incentive	14.6	9.5	11.4	25.1	20.9
MINORITY INTERESTS	(30.7)	(18.4)	(23.9)	(54.8)	(42.2)
NET INCOME	57.6	34.2	44.3	110.1	78.5

ANNEX 2 – EFFECTS OF THE ADOPTION OF IFRS ON CEMAR's INCOME STATEMENT

The table below shows the impacts from the adoption of IFRS on **CEMAR's** 2Q10 and 2Q11 results:

- ▶ Recognition of **Construction Revenues** totaling R\$120.4 million under gross revenue, in 2Q11. This figure is entirely offset by the recognition of the same amount as non-manageable construction costs, influencing NOR, but with no impact on EBITDA and net income.
- ▶ All impacts of applying IFRS, except for revenue and construction costs, positively impact net sales in R\$12.2 million, R\$13.9 million EBITDA, and R\$18.2 million in net income for 2Q11.
- ▶ Costs with **profit sharing** of employees and the management were transferred to personnel, reducing EBITDA, but with no impact on NOR or net income (R\$4.1 million in 2Q11).

INCOME STATEMENT (R\$ MM)	Original		IFRS 2Q10	Original		IFRS 2Q11
	2Q10	Adjusts		2Q11	Adjusts	
GROSS OPERATING REVENUES	434.085	119.051	553.136	459.680	135.042	594.722
Electricity Sales to Final Consumer	423.482	28.117	451.599	450.214	14.654	464.868
Electricity Supply	1.843		1.843	1.453		1.453
Emergency Capacity Charge	1		1	(1.232)		(1.232)
Construction Revenues	-	90.934	90.934	-	120.387	120.387
Other Revenues	8.760		8.760	9.245		9.245
DEDUCTIONS FROM OPERATING REVENUES	(130.651)	(1.038)	(131.689)	(137.186)	(2.412)	(139.598)
NET OPERATING REVENUES	303.435	118.013	421.448	322.494	132.630	455.123
ELECTRICITY COSTS	(130.492)	(86.414)	(216.906)	(144.790)	(114.607)	(259.398)
Electricity Purchased for Resale	(109.183)	4.520	(104.663)	(118.376)	5.780	(112.596)
Transmission and Distribution Network Usage Charges	(20.580)		(20.580)	(25.553)		(25.553)
Construction Costs	-	(90.934)	(90.934)	-	(120.387)	(120.387)
Other non-manageable expenses	(729)		(729)	(862)		(862)
OPERATING COSTS/EXPENSES	(65.874)	(2.676)	(68.550)	(73.876)	(4.123)	(77.999)
Personnel	(14.461)	(2.676)	(17.137)	(15.054)	(4.123)	(19.177)
Material	(1.914)		(1.914)	(1.236)		(1.236)
Services	(32.748)		(32.748)	(43.479)		(43.479)
Provisions	(15.153)		(15.153)	(11.036)		(11.036)
Others	(1.598)		(1.598)	(3.071)		(3.071)
EBITDA	107.068	28.923	135.991	103.828	13.899	117.727
Other Operating Revenue/Expenses	(704)		(704)	(1.953)		(1.953)
Depreciation and Amortization	(22.095)		(22.095)	(19.706)		(19.706)
SERVICE INCOME	84.269	28.923	113.192	82.169	13.899	96.069
EQUITY INCOME	(16.705)	(189)	(16.894)	(18.524)	212	(18.312)
Equity Income	17.370	(189)	17.181	27.013	212	27.225
Goodwill Amortization	(34.075)		(34.075)	(45.536)		(45.536)
RESULT BEFORE INCOME TAX	67.564	28.734	96.298	63.645	14.111	77.757
Social Contribution	(10.041)		(10.041)	(8.843)		(8.843)
Income Tax	(3.886)	(10.679)	(14.565)	(11.418)		(11.418)
Deferred Taxes	1.782		1.782	(554)		(554)
SUDENE Incentive	14.565		14.565	11.418		11.418
MINORITY INTERESTS	(2.676)	2.676	-	(4.123)	4.123	-
NET INCOME	67.308	20.731	88.039	50.126	18.234	68.360

ANNEX 3 – INCOME STATEMENT PER COMPANY (R\$ MM)

- ▶ The following table reflects Equatorial's consolidation process, i.e. the sum of Equatorial Holding + 100% of Equatorial Soluções + 100% of CEMAR + 25% of Geramar+ eliminations.
- ▶ The "Minority Interest" line contains an adjustment so that the net income of each company in Equatorial's consolidated result reflects its real stake in the companies (65.11%).

INCOME STATEMENT PER COMPANY (R\$MM)	Equatorial Holding	Geramar 25%	Equatorial Soluções 100%	CEMAR 100%	Eliminations	Equatorial Consolidated
GROSS OPERATING REVENUES	0.4	10.3	2.6	594.7	-	608.1
Electricity Sales to Final Consumer	-	10.3	-	464.9	-	475.2
Electricity Supply	-	-	-	1.5	-	1.5
Emergency Capacity Charge	-	-	-	(1.2)	-	(1.2)
Construction Revenues	-	-	-	120.4	-	120.4
Other Revenues	0.4	-	2.6	9.2	-	12.3
DEDUCTIONS FROM OPERATING REVENUES	(0.1)	(1.0)	(0.2)	(139.6)	-	(140.8)
NET OPERATING REVENUES	0.4	9.4	2.4	455.1	-	467.3
ELECTRICITY COSTS	-	(2.0)	-	(259.4)	-	(261.4)
Electricity Purchased for Resale	-	(1.8)	-	(112.6)	-	(114.4)
Transmission and Distribution Network Usage Charges	-	(0.2)	-	(25.6)	-	(25.7)
Construction Costs	-	-	-	(120.4)	-	(120.4)
Other Non-Manageable Expenses	-	-	-	(0.9)	-	(0.9)
OPERATING COSTS/EXPENSES	(2.9)	(0.4)	(1.4)	(78.0)	-	(82.6)
Personnel	(1.2)	(0.1)	(0.5)	(19.2)	-	(20.9)
Material	(0.0)	0.1	(0.0)	(1.2)	-	(1.2)
Services	(1.2)	(0.1)	(0.9)	(43.5)	-	(45.7)
Provisions	-	-	-	(11.0)	-	(11.0)
Others	(0.5)	(0.3)	0.0	(3.1)	-	(3.8)
EBITDA	(2.5)	7.0	1.1	117.7	-	123.3
Other Operating Revenue/Expenses	-	-	-	(2.0)	-	(2.0)
Depreciation and Amortization	-	(1.2)	(0.0)	(19.7)	-	(20.9)
SERVICE INCOME	(2.5)	5.8	1.1	96.1	-	100.5
EQUITY INCOME	46.4	-	-	-	(48.5)	(2.1)
Equity Income	48.5	-	-	-	(48.5)	-
Goodwill Amortization	(2.1)	-	-	-	-	(2.1)
FINANCIAL INCOME	0.4	(2.7)	0.2	(18.3)	-	(20.5)
Financial Revenue	1.4	0.2	0.2	27.2	-	29.0
Financial Expenses	(1.0)	(2.9)	(0.0)	(45.5)	-	(49.5)
RESULT BEFORE INCOME TAX	44.3	3.1	1.2	77.8	(48.5)	77.9
Social Contribution	0.0	-	(0.1)	(8.8)	-	(8.9)
Income Tax	0.1	-	(0.3)	(11.4)	-	(11.6)
Deferred Taxes	-	(0.0)	-	(0.6)	-	(0.6)
SUDENE Incentive	-	-	-	11.4	-	11.4
MINORITY INTERESTS	-	-	-	-	(23.9)	(23.9)
NET INCOME	44.3	3.1	0.9	68.4	(72.3)	44.3

ANNEX 4 – BALANCE SHEET (R\$ MM)

ASSETS (R\$ MM)	2Q10	3Q10	4Q10	1Q11	2Q11
CURRENT	988.9	992.8	1,132.6	1,115.2	890.1
Cash and Cash Equivalents	490.8	444.7	550.1	511.9	300.2
Consumers and Resellers	374.7	400.7	409.9	406.3	412.3
Inventory	5.8	5.8	8.0	8.0	7.7
Taxes Recoverable	58.3	70.1	85.4	95.9	66.5
Low Income	23.4	24.9	17.4	23.5	21.2
Other Accounts Receivable	35.9	46.8	61.8	69.6	82.2
LONG TERM ASSETS	377.1	381.5	421.0	379.1	338.0
Consumers and Resellers	61.8	58.6	58.2	60.5	67.8
Taxes Recoverable	49.5	51.5	51.4	45.5	47.0
Deferred Taxes - Income Tax / Social Contribution	225.9	221.4	252.6	242.2	200.8
Indemnifiable Financial Asset	30.5	41.4	50.4	22.6	14.3
Other Accounts Receivable	9.4	8.7	8.4	8.2	8.1
FIXED ASSETS	1,603.3	1,686.4	1,748.6	1,771.5	1,810.7
Investments	0.2	0.2	0.2	0.2	0.2
Goodwill	1,603.1	1,686.2	1,748.4	1,771.3	1,810.5
TOTAL ASSETS	2,969.2	3,060.7	3,302.3	3,265.7	3,038.9
LIABILITIES AND SHAREHOLDERS' EQUITY (R\$ MM)	2Q10	3Q10	4Q10	1Q11	2Q11
CURRENT	542.2	587.4	690.0	657.4	626.4
Suppliers	150.2	174.8	174.0	144.8	177.5
Salaries	8.8	9.9	7.7	11.7	9.3
Dividends / Interest on Equity	0.4	0.4	61.2	61.2	0.5
Taxes and Social Contribution	56.4	69.8	75.1	79.0	57.3
Loans and Financing	192.1	188.7	195.8	208.0	227.0
Debentures	61.8	55.7	66.9	59.4	63.9
Public Lighting	14.6	13.2	13.5	13.3	11.9
Provision for Contingencies	1.6	2.7	27.4	26.2	24.7
Others	56.3	72.2	68.4	53.8	54.2
LONG TERM LIABILITIES	1,217.5	1,194.3	1,341.8	1,283.5	1,225.3
Taxes and Social Contribution	151.5	153.7	188.9	194.8	151.1
Debentures	257.4	258.1	253.1	200.4	201.2
Loans and Financing	784.6	757.6	849.9	840.8	825.7
Provision for Contingencies	3.4	4.4	16.9	14.8	14.3
Others	20.6	20.5	33.0	32.8	33.0
MINORITY INTERESTS	293.8	319.8	316.8	335.2	308.6
SHAREHOLDERS EQUITY	915.8	959.2	953.8	989.6	878.6
Capital Stock	566.8	566.8	566.8	566.8	566.8
Profit Reserves	280.4	280.4	414.0	415.4	260.2
Retained Earnings/Accumulated Deficit	68.6	112.0	(27.1)	7.4	51.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	2,969.2	3,060.7	3,302.3	3,265.7	3,038.9

ANNEX 5 – INDEBTEDNESS

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

LOANS AND FINANCING LINES (R\$ MM)	2Q10				2Q11			
	S. T. - Charges	S. T. - Principal	L. T.	Total	S. T. - Charges	S. T. - Principal	L. T.	Total
FOREIGN CURRENCY	87	725	8,243	9,055	69	630	6,531	7,230
National Treasury	87	725	8,243	9,055	69	630	6,531	7,230
Others	-	-	-	-	-	-	-	-
DOMESTIC CURRENCY	8,391	182,891	819,911	1,011,193	10,110	218,329	859,950	1,088,390
Eletrobrás	20	40,988	378,580	419,588	-	55,552	394,667	450,219
Financial Institutions	8,371	136,596	421,429	566,396	10,110	156,702	448,576	615,389
Debt with Pension Fund	-	5,307	19,902	25,209	-	6,075	16,707	22,782
SUB TOTAL - LOANS AND FINANCING	8,478	183,616	828,154	1,020,248	10,179	218,959	866,481	1,095,620
Debentures	-	61,825	213,840	275,665	-	61,839	160,380	222,219
DEBT TOTAL	8,478	245,441	1,041,994	1,295,913	10,179	280,798	1,026,861	1,317,839

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

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

LOANS AND FINANCING LINES (R\$ MM)	2Q10				2Q11			
	S. T. - Charges	S. T. - Principal	L. T.	Total	S. T. - Charges	S. T. - Principal	L. T.	Total
FOREIGN CURRENCY	57	472	5,367	5,896	45	410	4,252	4,707
National Treasury	57	472	5,367	5,896	45	410	4,252	4,707
Others	-	-	-	-	-	-	-	-
DOMESTIC CURRENCY	5,548	141,733	549,017	696,298	7,068	164,191	574,139	745,397
Eletrobrás	13	26,687	246,489	273,188	-	36,169	256,963	293,132
Financial Institutions	5,535	111,590	289,571	406,696	7,068	124,066	306,298	437,432
Debt with Pension Fund	-	3,455	12,958	16,413	-	3,955	10,878	14,833
SUB TOTAL - LOANS AND FINANCING	5,605	142,205	554,384	702,194	7,113	164,601	578,391	750,104
Debentures	-	40,253	139,228	179,482	-	40,263	104,421	144,684
DEBT TOTAL	5,605	182,458	693,613	881,675	7,113	204,863	682,812	894,788

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

ANNEX 6 – CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW (R\$MM)	2Q10	3Q10	4Q10	1Q11	2Q11
Cash and Cash Equivalents - Initial Balance	235.8	490.8	444.7	550.1	511.9
CF from Operating Activities					
<i>Net Income</i>	57.7	43.4	35.2	34.2	44.3
<i>(+) Non Cash Expenses</i>	146.4	126.4	171.7	63.9	42.1
<i>Changes in Assets</i>	(59.3)	(70.6)	2.0	(40.2)	25.0
<i>Changes in Liabilities</i>	33.4	16.5	(54.9)	230.8	(12.0)
(=) Cash Flow from Operating Activities	178.3	115.7	154.0	288.8	99.5
CF from Investments					
Fixed Assets	(97.5)	(126.5)	(114.2)	(73.5)	(111.8)
Others	(3.8)	4.1	10.6	(246.1)	(2.7)
(=) Cash Flow from Investments	(101.3)	(122.4)	(103.6)	(319.6)	(114.5)
CF from Financing					
<i>Own Financing Activities</i>					
Loans and Financing	5.0	(39.5)	100.0	(9.4)	69.7
Dividends	(129.0)	(0.0)	-	(0.0)	(199.9)
Adjustment in Shareholders Equity (Law 11,638/2007)	0.0	-	(44.9)	-	-
Capital Increase	14.5	0.1	(0.1)	2.0	(66.4)
Subsidies	-	-	-	-	-
(=) Cash Flow from Financing	(109.6)	(39.4)	54.9	(7.4)	(196.6)
(=) Quarterly Cash Flow	(32.6)	(46.1)	105.4	(38.2)	(211.6)
Cash and Cash Equivalents - Final Balance	490.8	444.7	550.1	511.9	300.2



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A free translation from Portuguese into English of Independent Auditor's Review Report on Quarterly Information –ITR prepared in accordance with accounting practices adopted in Brazil

INDEPENDENT AUDITOR'S REVIEW REPORT

The Shareholders, Board of Directors and Officers
Equatorial Energia S.A.
São Luis – MA

Introduction

We have reviewed the individual and consolidated interim financial information contained in the Quarterly Information Form (ITR) of Equatorial Energia S.A. ("Company") for the quarter ended June 30, 2011, comprising the balance sheet and the related statements of income, of comprehensive income, of changes in equity and of cash flows for the quarter and six-month period then ended, including accompanying notes.

Management is responsible for the preparation of the interim financial information in accordance with CPC 21 – Interim Financial Reporting and with IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion on the individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the quarterly information referred to above is not fairly presented, in all material respects, in accordance with CPC 21 applicable to the preparation of interim financial information, consistently with the standards issued by the Brazilian Securities and Exchange Commission applicable to Quarterly Information (ITR).

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the quarterly information referred to above is not fairly presented, in all material respects, in accordance with CPC 21 applicable to the preparation of interim financial information, consistently with the standards issued by the Brazilian Securities and Exchange Commission applicable to Quarterly Information (ITR).

Emphasis of a matter

As mentioned in Note 2, the individual interim financial information was prepared in accordance with the accounting practices adopted in Brazil. In the case of Equatorial Energia S.A., these practices differ from IFRS applicable to separate financial statements solely with respect to the measurement of investments in subsidiaries and affiliates, under the equity method, while such investments would be measured at cost or fair value for IFRS purposes.

Other matters

Interim statements of value added

We also reviewed the interim statements of value added (DVA), for the six-month period ended June 30, 2011, whose presentation in the interim financial information is required by the standards issued by the Brazilian Securities and Exchange Commission- CVM applicable to preparation of Quarterly Financial Information (ITR) and considered supplementary information under IFRS, which do not require DVA presentation. These statements were submitted to the same review procedures previously described and, based on our review, we are not aware of any fact that would make us believe that they were not prepared, in all material respects, in accordance with the overall interim accounting information.



Audit and review of corresponding prior-year amounts

The amounts for the year ended December 31, 2010 and quarter and six-month period ended June 30, 2010, presented for purposes of comparison, were previously audited and reviewed by other independent auditors who issued reports dated March 29, 2011 and April 29, 2011 (restated), respectively, unmodified and with emphasis paragraph about measurement of investments in subsidiaries and affiliates by the equity pickup method.

Recife (PE), July 28, 2011

ERNST & YOUNG TERCO
Auditores Independentes S.S.
CRC 2SP015199/O-6-S-MA

A handwritten signature in black ink, appearing to read "Carlos Santos Mota Filho".

Carlos Santos Mota Filho
Accountant CRC – PE 020.728/O-7-S-MA

A handwritten signature in black ink, appearing to read "Francisco da Silva Pimentel".

Francisco da Silva Pimentel
Accountant CRC–1SP 171230/O-7-S-MA

Balance sheets
at June 30, 2011
(In thousands of reais)

Assets	Note	Company		Consolidated	
		6/30/2011	12/31/2010	6/30/2011	12/31/2010
Current assets					
Cash and cash equivalents	4	11.877	80.730	300.213	550.077
Consumers	5	(4)	(4)	459.097	455.783
Low income	6	-	-	21.212	17.418
Services requested		-	-	71.792	55.335
Allowance for doubtful accounts	5 (a)	-	-	(46.802)	(45.831)
Taxes recoverable	7	-	-	38.309	42.050
Income and social contribution taxes	7	3.176	2.710	28.184	43.360
Prepaid expenses		-	-	2.187	959
Inventories		-	-	7.720	7.965
Dividends receivable		4.673	37.911	-	-
Other receivables		18	14	8.233	5.506
		19.740	121.361	890.145	1.132.622
Noncurrent assets					
Consumers (net of ADA)	5	-	-	67.755	58.177
Taxes recoverable	7	-	-	36.659	40.529
Income and social contribution taxes	7	10.366	10.613	10.366	10.454
Deferred income and social contribution taxes	7	-	109	200.808	252.604
Concession financial asset - net	10	-	-	14.319	50.409
Other receivables		-	-	8.103	8.842
Property, plant and equipment		298	298	140.069	141.838
Investments	9	851.280	866.487	233.380	237.575
Intangible assets	11	-	-	1.437.278	1.369.227
		861.944	877.507	2.148.737	2.169.655
Total assets		881.684	998.868	3.038.882	3.302.277

See accompanying notes.

Liabilities and equity	Note	Company		Consolidated	
		6/30/2011	12/31/2010	6/30/2011	12/31/2010
Current liabilities					
Suppliers	12	146	151	177.473	174.047
Payroll, provision for vacation pay and social charges		136	72	9.288	7.651
Loans and financing	13	-	-	218.256	186.806
Debentures	14	-	-	63.932	66.941
Regulatory charges		-	-	5.571	5.434
Taxes and contributions payable	15	261	107	40.090	35.350
Income and social contribution taxes	15	1.497	1.485	17.231	39.704
Dividends and interest on equity capital	17	79	41.468	492	61.155
Provision for contingencies	16	-	-	24.738	27.444
Public lighting charge		-	-	11.920	13.493
Research, development and energetic efficiency	18	-	-	20.133	15.890
Profit sharing		900	1.744	9.567	18.538
Other accounts payable		36	36	18.942	28.516
Debt charges		-	-	8.789	9.009
		3.055	45.063	626.422	689.978
Noncurrent liabilities					
Loans and financing	13	-	-	825.680	849.877
Debentures	14	-	-	201.181	253.139
Taxes and contributions payable	15	-	-	40.109	84.329
Deferred taxes and contributions payable	15	50	50	110.976	104.577
Provision for contingencies	16	-	-	14.290	16.899
Research, development and energetic efficiency	18	-	-	28.438	28.111
Other accounts payable		-	-	4.578	4.857
		50	50	1.225.252	1.341.789
Equity					
Capital	19	566.831	566.831	566.831	566.831
Capital reserve		13.293	11.936	13.293	11.936
Income reserves		246.930	402.098	246.930	402.098
Net income for the period		51.525	(27.110)	51.525	(27.110)
Noncontrolling shareholders		-	-	308.629	316.755
Total equity		878.579	953.755	1.187.208	1.270.510
Total liabilities and equity		881.684	998.868	3.038.882	3.302.277

See accompanying notes.

Equatorial Energia S.A.

Income statements
 Periods ended June 30, 2011 and 2010
 (In thousands of reais)

		<u>Company</u>	<u>Company</u>	<u>Consolidated</u>	<u>Consolidated</u>
	Note	6/30/2011	6/30/2010	6/30/2011	6/30/2010
Operating revenue	25	1.239	856	1.152.325	1.064.524
Electric energy provision		-	-	914.325	883.614
Electric energy supply		-	-	20.640	3.417
Emergency capacity charge		-	-	(2.029)	-
Construction revenue		-	-	198.820	160.258
Other revenues		1.239	856	20.568	17.235
Deductions from operating revenue		(177)	(122)	(272.578)	(256.543)
ICMS on electric energy sale		-	-	(142.892)	(138.384)
PIS and COFINS		(115)	(79)	(86.243)	(83.317)
Consumer charges		-	-	(35.988)	(25.400)
Global Reversal Reserve -RGR charge		-	-	(1.105)	(8.915)
ISS		(62)	(43)	(667)	(535)
Emergency capacity charge		-	-	(5.684)	8
Net operating revenue	21	1.062	734	879.746	807.981
Cost of electric energy services		-	-	(545.336)	(483.651)
Electric energy cost	22	-	-	(469.949)	(413.910)
Electric energy purchased for resale		-	-	(228.649)	(211.715)
Construction cost		-	-	(198.820)	(160.258)
Transmission and distribution system use charge		-	-	(42.479)	(41.937)
Operating cost	22	-	-	(75.387)	(68.903)
Operating cost - Personnel		-	-	(10.148)	(9.121)
Operating cost - Material		-	-	(2.743)	(2.780)
Operating cost - Third party services		-	-	(23.827)	(17.287)
Operating cost - Depreciation and amortization		-	-	(40.032)	(39.238)
Operating cost - Lease and rent		-	-	(667)	(43)
Other		-	-	2.030	(434)
Cost of services rendered to third parties	22	-	-	-	(838)
Cost of services rendered - third party services		-	-	-	(836)
Other		-	-	-	(2)
Gross profit		1.062	734	334.410	324.330
Selling expenses		-	-	(52.664)	(27.272)
Administrative expenses		(1.514)	(1.783)	(44.241)	(34.768)
Personnel expenses and management fees		(4.414)	(8.433)	(7.026)	(16.344)
Allowance for doubtful and uncollectible accounts		-	-	(15.207)	(18.826)
Set up (reversal) of provision for contingencies		-	-	(8.510)	(3.313)
Depreciation and amortization		-	-	(7.816)	(7.080)
Other operating expenses/revenues		(816)	(1.040)	(11.122)	(8.796)
Other non-recurring expenses/revenues		-	-	(2.494)	(2.729)
Result from services		(5.682)	(10.522)	185.330	205.202
Financial income (expenses)		2.549	3.957	(28.365)	(24.184)
Financial income		3.608	3.801	27.665	21.414
Arrears charge on electric energy sold		-	-	32.263	23.641
Debt charges		-	-	485	-
Monetary and exchange variation		-	-	(169)	1.514
Interest on loans and financing		-	-	(55.096)	(57.642)
Interest on equity capital		-	-	-	-
Other		(1.059)	156	(33.512)	(13.111)
Equity pickup	22	81.626	117.611	(4.195)	11.232
Operating income (expenses)		78.493	111.046	152.770	192.250
Operating income		78.493	111.046	152.770	192.250
Income before income and social contribution taxes		78.493	111.046	152.770	192.250
Provision for taxes		-	(422)	(32.028)	(26.785)
Social contribution	7(c)	-	(57)	(14.738)	(17.152)
Income tax	7(c)	-	(365)	(9.847)	(26.187)
Tax incentive - SUDENE	7(c)	-	-	9.486	25.127
Deferred taxes	7(c)	-	-	(16.929)	(8.573)
Net income before noncontrolling shareholders		78.493	110.624	120.742	165.465
Noncontrolling shareholders		-	-	(42.249)	(54.841)
Net income for the period	23	78.493	110.624	78.493	110.624
Earnings per share (R\$)		0,72	1,02	0,72	1,02
Number of shares at period end		109.227	108.481	109.227	108.481

See accompanying notes.

Equatorial Energia S.A.

Comprehensive income statements
Periods ended June 30, 2011 and 2010
(In thousands of reais)

	<u>Company</u>	<u>Company</u>	<u>Consolidated</u>	<u>Consolidated</u>
	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2010</u>
Net income for the period	<u>78.493</u>	<u>110.624</u>	<u>78.493</u>	<u>110.624</u>
Comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	78.493	110.624	78.493	110.624
Basic and diluted earnings per share	<u>0,72</u>	<u>1,02</u>	<u>0,72</u>	<u>1,02</u>
Number of shares at period end	<u>109.227</u>	<u>108.481</u>	<u>109.227</u>	<u>108.481</u>

See accompanying notes.

Equatorial Energia S.A.

Statements of changes in equity
at June 30, 2011 and 2010
(In thousands of reais)

	Income reserves							Company's equity and noncontrolling shareholders		
	Capital	Capital reserve	Legal reserve	Investment and expansion reserve	Proposed dividend distribution	Result from discontinued operations	Retained earnings		Company's equity	Noncontrolling shareholders
Balances at January 1, 2010	907,485	5,003	39,013	230,040	1,169	209,095	(112,360)	1,279,445	247,334	1,526,779
Approval of proposed dividends	-	-	-	-	(1,169)	-	-	(1,169)	(8,396)	(9,565)
Recognized options granted	(359,165)	6,301	-	-	-	-	-	6,301	-	6,301
Partial assets spin-off as per CSGM of 04/29/2010	18,511	-	-	-	-	(124,379)	(14,386)	(497,930)	-	(497,930)
Capital increase	-	-	-	-	-	-	-	18,511	-	18,511
Difference in accounting practices between company and subsidiary	-	-	-	-	-	-	6,583	6,583	-	6,583
Net income for the period	-	-	-	-	-	14,436	96,188	110,624	54,831	165,455
Result from discontinued operations	-	-	-	-	-	(6,599)	-	(6,599)	-	(6,599)
Balances at June 30, 2010	566,831	11,304	39,013	230,040	-	92,553	(23,975)	915,766	293,769	1,209,535
Balances at January 1, 2011	566,831	11,336	47,737	199,193	155,168	-	(27,110)	953,755	316,755	1,270,510
Net income for the period	-	-	-	-	-	-	78,493	78,493	42,338	120,831
Recognized options granted	-	1,357	-	-	-	-	-	1,357	-	1,357
Additional dividends	-	-	-	-	(155,168)	-	-	(155,168)	(50,464)	(205,632)
Difference in accounting practices between company and subsidiary	-	-	-	-	-	-	142	142	-	142
Balances at June 30, 2011	566,831	13,293	47,737	199,193	-	-	51,525	878,579	308,629	1,187,208

See accompanying notes.

Equatorial Energia S.A.

Cash flow statements
 Periods ended June 30, 2011 and 2010
 (In thousands of reais)

	Company		Consolidated	
	6/30/2011	6/30/2010	6/30/2011	6/30/2010
Cash flow from operating activities				
Net income for the period	78.493	110.624	78.493	165.464
Deferred income and social contribution taxes	-	422	15.099	8.575
Income and social contribution taxes	-	-	16.929	18.212
Noncontrolling shareholders	-	-	(8.122)	212
Net income for the period before taxes	<u>78.493</u>	<u>111.046</u>	<u>102.399</u>	<u>192.463</u>
Expenses (revenues) that do not affect cash				
Depreciation and amortization	-	3.154	6.565	-
Amortization of intangible assets	4.195	-	45.478	59.615
Interest on loans payable	-	-	62.934	78.934
Exchange losses (gains) from financial activities	-	-	6.353	11.178
Set up (reversal) of provision for contingencies	-	-	1.355	3.313
Allowance for doubtful and uncollectible accounts	-	-	15.207	18.826
Share based payments	1.357	6.301	1.357	6.301
Equity pickup from discontinued operations	(85.821)	(90.401)	-	(26.826)
Equity pick up from discontinued operations	-	(26.826)	-	-
Equity valuation adjustment - IFRS	-	12.559	142	11.845
Proposed dividends payable	-	-	50.463	-
Other	-	-	4.165	6.059
	<u>(80.269)</u>	<u>(95.213)</u>	<u>194.019</u>	<u>169.245</u>
Changes in current and noncurrent assets				
Consumers	-	4	(27.128)	(58.682)
Storeroom materials	-	-	245	(233)
Taxes recoverable	-	1.825	7.611	10.315
Income and social contribution taxes	(207)	(767)	88	(21.839)
Deferred income and social contribution taxes	-	-	41.262	-
Requested services and others	-	-	(16.457)	(11.225)
Low income	-	-	(3.794)	(284)
Other receivables	(4)	(14)	(3.216)	(2.790)
	<u>(211)</u>	<u>1.048</u>	<u>(1.389)</u>	<u>(84.738)</u>
Changes in current and noncurrent liabilities				
Suppliers	(5)	64	3.426	(32.871)
Taxes and contributions payable	154	480	(39.480)	5.573
Deferred income and social contribution taxes	109	-	-	-
Income and social contribution taxes	-	-	(7.184)	17.130
Estimated liabilities, payroll and TIP	64	(29)	64	1.155
Provision for contingencies	-	-	(11.119)	(6.397)
Regulatory taxes	-	-	137	1.511
Efficiency program	-	-	4.570	8.582
Profit sharing	(844)	(5.835)	(8.971)	(13.885)
Other accounts payable	-	69	(9.854)	(3.359)
	<u>(522)</u>	<u>(5.251)</u>	<u>(68.411)</u>	<u>(22.561)</u>
Cash provided by operating activities	<u>(2.509)</u>	<u>11.630</u>	<u>226.618</u>	<u>254.409</u>
Interest paid	-	-	(46.283)	(51.277)
Income and social contribution taxes paid	-	(109)	(15.212)	(11.402)
	-	(109)	(61.495)	(62.679)
Net cash provided by operating activities	<u>(2.509)</u>	<u>11.521</u>	<u>165.123</u>	<u>191.730</u>
Cash flow from investing activities				
Acquisition of intangible assets	-	-	(187.751)	(160.258)
Linked obligations, net	-	-	116.551	120.107
Fixed asset purchases	-	-	(601)	(14.528)
Acquisition of concession financial assets	-	-	(10.403)	-
Dividends received	130.212	21.833	-	-
Net cash used in investing activities	<u>130.212</u>	<u>21.833</u>	<u>(82.204)</u>	<u>(54.679)</u>
Cash flow from financing activities				
Loans and financing	-	-	57.244	71.338
Repayment of loans and financing	-	-	(123.733)	(115.104)
Dividends and interest on equity capital paid	(196.556)	(49.822)	(266.294)	(61.523)
Amount received for shares issued / capital increase	-	18.511	-	18.511
Net cash provided by financing activities	<u>(196.556)</u>	<u>(31.311)</u>	<u>(332.783)</u>	<u>(86.778)</u>
Cash generated in the year	<u>(68.853)</u>	<u>2.043</u>	<u>(249.864)</u>	<u>50.273</u>
Changes in cash				
Cash at the beginning of the period	80.730	78.801	550.077	440.507
Cash at the end of the period	<u>11.877</u>	<u>80.844</u>	<u>300.213</u>	<u>490.780</u>
Decrease in cash	<u>(68.853)</u>	<u>2.043</u>	<u>(249.864)</u>	<u>50.273</u>

See accompanying notes.

Equatorial Energia S.A.

Statements of value added
 Periods ended June 30, 2011 and 2010
 (In thousands of reais)

	Company		Consolidated	
	6/30/2011	6/30/2010	6/30/2011	6/30/2010
Revenues				
Sales of goods, products and services	1.239	856	1.152.325	904.266
Other operating expenses/revenues	(816)	(1.040)	(11.122)	(8.796)
Allowance for doubtful and uncollectible accounts	-	-	(15.207)	(18.826)
Other non-recurring expenses / revenues	-	-	(2.494)	(2.728)
Set up (reversal) of provision for contingencies	-	-	(8.510)	(3.313)
	423	(184)	1.114.992	870.603
Inputs acquired from third parties (including ICMS and IPI)				
Cost of products, goods and services sold	-	-	(469.949)	(253.652)
Materials, energy, third party services and others	(1.514)	(1.783)	(76.158)	(61.749)
Selling and other expenses	-	-	(1.724)	(1.459)
	(1.514)	(1.783)	(547.831)	(316.860)
Gross value added (used)	(1.091)	(1.967)	567.161	553.743
Depreciation, amortization and depletion	-	-	(47.848)	(46.318)
Net value added provided (used) by the Company	(1.091)	(1.967)	519.313	507.425
Value added received in transfer				
Equity pickup	81.626	117.611	(4.195)	11.232
Financial income	3.608	3.801	59.927	45.055
Other	(1.059)	156	(33.512)	(13.111)
	84.175	121.568	22.220	43.176
Total value added to be distributed	83.084	119.601	541.533	550.601
Distribution of value added				
Employees				
Direct remuneration	4.114	8.312	45.698	37.478
Benefits	30	11	4.665	3.173
FGTS	16	11	1.542	1.189
Other	254	99	(960)	1.970
	4.414	8.433	50.945	43.810
Taxes				
Federal	115	544	161.048	144.409
State	-	-	142.892	138.384
Municipal	62	-	667	535
	177	544	304.606	283.328
Remuneration of third party capital				
Interest	-	-	54.780	(1.514)
Rent	-	-	10.459	1.869
	-	-	65.240	355
Remuneration of own capital				
Interest on equity capital	-	-	-	57.642
Retained profit for the period	78.493	110.624	78.493	110.625
Minority interest in retained profits	-	-	42.249	54.841
	78.493	110.624	120.742	223.108
Value added	83.084	119.601	541.533	550.601

See accompanying notes.

Equatorial Energia S.A

Notes to quarterly information
at June 30, 2011

(In thousands of reais, except where indicated otherwise)

1 Information about the Company

The business purpose of Equatorial Energia S.A. (“Company” or “Equatorial”), headquartered in the city of São Luís, Maranhão state, is to participate in other companies, always in the electric energy sector, mainly in electric energy generation or distribution operations. The Company has shares traded on BM&FBOVESPA under ticker “EQTL3” and since 2008 has been upgraded from Corporate Governance Level 2 to *Novo Mercado* (New Market).

The Annual General Meeting (AGM) held on April 29, 2010, approved the Company spin-off, thus holding ownership interest in CEMAR, Equatorial Soluções and Geradora de Energia do Norte S.A. (Geramar).

2 Group entities

Equatorial has the following investments:

	Note	06.30.2011	12.31.2010
CEMAR	a.	65.11%	65.11%
Geradora de Energia do Norte	b.	25.00%	25.00%
Equatorial Soluções	c.	100.00%	100.00%

a. Companhia Energética do Maranhão (“CEMAR”): Private listed corporation of which the only business purpose is the distribution of electric energy. CEMAR’s concession area is the Maranhão state, serving at June 30, 2011 more than 1.8 million customers in an area of more than 333 thousand Km². The electric energy distribution contract No. 060, executed by and between the Company, the National Electric Energy Agency - ANEEL and CEMAR, is valid until August 2030, with the possibility of being extended for further 30 years. At June 30, 2011, the Company held ownership interest of 65.11% (65.11% at December 31, 2010) in CEMAR.

b. Geradora de Energia do Norte S.A: Already operational, it is in charge of constructing and operating the thermoelectric power plants of Tocantinópolis and Nova Olinda, in the municipality of Miranda do Norte, Maranhão state, with installed capacity of 330 MW, which supply energy to the National Interlinked System. On October 1, 2008, Equatorial acquired 25% of the shares of the company. The consortium that holds the company’s controlling interest comprises Equatorial Energia S.A. (25%), Fundo de Investimentos em Participações Brasil Energia (25%) and GNP S.A. (50%). GNP S.A., which, in its turn, is composed of Servtec Investimentos e Participações Ltda. (50%) and Companhia Ligna de Investimentos (50%). The controlling interest in the company is shared and regulated by a Shareholders’ Agreement. At June 30, 2011, the Company has ownership interest of 25.00% (25.00% at December 31, 2010) in Geradora de Energia do Norte.

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

2 Group entities—Continued

- c. Equatorial Soluções S.A.:** Equatorial Soluções is a privately-held corporation, headquartered in the city of São Luís, Maranhão state, of which the main business purpose is: a) rendering of electric energy, telecommunication and data transmission services; b) electricity bill collection services on behalf and by order of third parties; and c) rendering of technical third party electric installations operation, maintenance and planning services. At June 30, 2011, the Company held ownership interest of 100.00% (100.00% at December 31, 2010) in Equatorial Soluções.

Subsidiaries CEMAR and Equatorial Soluções, as well as jointly-controlled subsidiary Geradora de Energia do Norte, will be referred to hereafter in the accompanying notes as “Subsidiaries”, whenever mentioned together.

3 Preparation and presentation of quarterly information

a. Compliance statement

The quarterly information includes:

- Consolidated quarterly information prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and also in accordance with accounting practices adopted in Brazil (BR GAAP);
- Individual quarterly information of the Company prepared in accordance with BR GAAP; and

Individual quarterly information of the Company for the quarter ended June 30, 2011 was prepared and is being presented in accordance with accounting practices adopted in Brazil (BR GAAP), which include the provisions of Brazilian Corporation Law and the standards and accounting procedures issued by the Brazilian Securities and Exchange Commission (CVM) and Brazilian FASB (CPC), which are in conformity with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and, for the Group, these practices differ from IFRS applicable to separate quarterly information due to measurement of investments in subsidiaries and jointly-controlled subsidiaries by the equity pickup method under BR GAAP, while under IFRS these are measured at cost or fair value.

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

3 Preparation and presentation of the quarterly information –Continued

a. Compliance statement --Continued

However, there is no difference between equity and consolidated net income presented by the Group and equity and net income presented by the controlling entity in its individual quarterly information. In view of this, the Group's consolidated quarterly information and the individual quarterly information of the Company are being presented side-by-side in a sole set of quarterly information.

The main accounting practices and the calculation methods adopted in the preparation of the quarterly information are the same when compared to the corresponding financial statements for the year ended December 31, 2010.

In addition, the quarterly information satisfies the minimum disclosure requirements established by CPC 21 – Interim Financial Reporting, as well as other significant information.

Issue of the quarterly information was authorized by management on July 28, 2011.

4 Cash and cash equivalents

	<u>Company</u>		<u>Consolidated</u>	
	<u>06.30.2011</u>	<u>12.31.2011</u>	<u>06.30.2011</u>	<u>12.31.2011</u>
Cash available	8	38	11,738	25,549
Short-term investments	<u>11,869</u>	<u>80,692</u>	<u>288,475</u>	<u>524,528</u>
Total	<u>11,877</u>	<u>80,730</u>	<u>300,213</u>	<u>550,077</u>

Cash and cash equivalents include cash available (cash and bank demand deposits) and short-term financial investments.

Short-term investments correspond to operations carried out by national banks involving low credit risk and remunerated by 102.5% to 105.0% of Interbank Deposit Certificate (CDI) and are available for use in Company operations, i.e. they are readily redeemable financial assets.

Short-term investments are readily convertible into a known cash amount and are subject to low risk of change in value, and for redemption within less than 90 days from investment contract date.

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

4 Cash and cash equivalents --Continued

The Group considered these current assets as cash equivalents, for purposes of preparing the cash flow statements.

5 Consumers (Consolidated)

	Consolidated	
	06.30.2011	12.31.2011
CURRENT		
Billed supply	251,550	264,873
Unbilled supply	51,940	50,721
Debts in installments	120,647	107,061
	424,137	422,655
Traded within CCEE	10,437	9,004
PERCEE	124	122
Concessionaires	342	245
Services rendered	3,577	664
Cheques under collection	1,485	1,615
Other	18,995	21,478
	34,960	33,128
	459,097	455,783
(-) Allowance for doubtful accounts	(46,802)	(45,831)
	412,295	409,952
NONCURRENT		
Traded within CCEE	8,010	8,010
Debts in installments	63,676	52,902
Debts in installments – present value adjustment	(3,931)	(2,735)
Cheques under collection	3,638	3,638
	71,393	61,815
(-) Allowance for doubtful accounts	(3,638)	(3,638)
	(3,638)	(3,638)
TOTAL	67,755	58,177

(1) Debts in installments are adjusted to present value, as applicable, in accordance with Law No. 11638/07.

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

5 Consumers (Consolidated)--Continued

a. Provision for reduction to recoverable value

Recording of the allowance for doubtful accounts (PCLD) follows the best estimate made by management and considering General Instruction 6.3.2 of the Public Electric Energy Service Accounting Manual, as summarized below:

Customers with significant debts

Individual analysis of the balance receivable from consumers by consumption class considered to be of difficult collection.

For the other cases, we applied the rule below:

- Residential consumers – Overdue for more than 90 days;
- Commercial consumers – Overdue for more than 180 days; and
- Industrial, rural consumers, public authorities, public lighting, public services and others – overdue for more than 360 days.

The balances overdue and falling due related to billed electric energy supplies and debts in installments are as follows:

	06.30.2011			
	Falling due	Overdue up to 90 days	Overdue for more than 90 days	Total
Residential	53,818	54,027	14,425	122.270
Industrial	12,910	3,221	5,932	22.063
Commercial	29,327	11,493	4,900	45.720
Rural	4,046	2,667	2,772	9.485
Public authorities	10,712	5,336	1,762	17.810
Public lighting	7,953	2,566	1,266	11.785
Public service	8,051	12,605	1,761	22.417
Billed supply and debt installments (ST and LT)	126.817	91,915	32,818	251,550

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

5 Consumers (Consolidated)--Continued

12.31.2010				
	Falling due	Overdue up to 90 days	Overdue for more than 90 days	Total
Residential	50,233	59,447	16,353	126,033
Industrial	14,282	5,662	3,779	23,723
Commercial	27,790	13,626	5,094	46,510
Rural	4,107	3,150	2,869	10,126
Public authorities	10,094	10,885	4,392	25,371
Public lighting	5,589	1,988	2,154	9,731
Public service	8,095	12,861	2,423	23,379
Billed supply (ST and LT)	120,190	107,619	37,064	264,873

6 Low income and “viva a luz” program

Law No. 10438, dated April 26, 2002, unified the criteria for granting the social electric energy tariff all over Brazil, ensuring electric energy tariff discount for low income families. The same law, in its article 13, created a mechanism to offset revenue loss of distributors caused by the discount, by using funds from the Energetic Development Account – CDE, in the form of economic subvention. Recently, the criteria for granting the social tariff were improved through Law No. 12212, dated January 20, 2010.

The procedures for approving economic subvention to consumers classified as low income residential consumers were established by Regulatory Resolution No. 089, dated October 25, 2004, and its further amendments. Subsidiary CEMAR determines monthly the subvention amounts to be received, in accordance with the procedures established by the Resolution.

Launched in November 2009, the “Viva Luz” program introduced by the Maranhão state government aims at benefitting residential consumers with monthly consumption of up to 50 kWh, exempting them from payment of their electricity bills, through transfer of funds from the government to subsidiary CEMAR.

In accordance with these procedures, at June 30, 2011, subsidiary CEMAR presented the balance of R\$21,212 referring to low income consumers and “Viva Luz” program (R\$17,418 at December 31, 2010).

	Consolidated	
	06.30.2011	12.31.2010
Low income consumers	14,230	17,498
Viva luz program	6,982	(80)
Total	21,212	17,418

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

7 Taxes recoverable

The short and long term balances resulting from legal tax withholdings or prepayments are as follows:

	Company		Consolidated	
	06.30.2011	12.31.2010	06.30.2011	12.31.2010
CURRENT				
Taxes recoverable				
PIS/COFINS	-	-	62	-
ICMS (1)	-	-	36,569	36,811
INSS	-	-	419	-
Social charges and other	-	-	-	241
Other	-	-	1,259	4,998
			38,309	42,050
Income taxes				
IRPJ / CSL prepayments (2)	932	728	14,121	34,814
Recoverable IRPJ/CSLL	-	10	4,268	1,783
IRRF	2,244	1,972	9,795	6,763
	3,176	2,710	28,184	43,360
Total	3,176	2,710	66,493	85,410
NONCURRENT				
Taxes recoverable				
ICMS (f)	-	-	36,077	39,787
Other	-	-	582	742
	-	-	36,659	40,529
Income taxes				
Recoverable IRPJ and CSLL	8,082	8,329	8,082	8,170
IR on short-term investment	2,284	2,284	2,284	2,284
	10,366	10,613	10,366	10,454
Total	10,366	10,613	47,025	50,983

(1) Subsidiary CEMAR has ICMS credits based on Complementary Law No. 102, dated July 11, 2000, under which the subsidiary and jointly-controlled subsidiaries have been recording ICMS recoverable in the ICMS Credit on Permanent Assets Control Register - CIAP resulting from acquisitions of assets classified as intangible assets, in accordance with ICPC 01.

(2) In subsidiary CEMAR, prepaid Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL) correspond to amounts monthly paid, on the terms of article 2 of Law No. 9430, dated December 27, 1996.

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

7 Taxes recoverable --Continued

Deferred income and social contribution taxes

Subsidiary CEMAR recognized deferred income and social contribution taxes on temporary differences and income tax on tax losses considering its taxable income projections.

Deferred tax credits on tax losses may be carried indefinitely and their financial effects will take place upon their realization.

Income tax is calculated at the rate of 25%, considering 10% surtax and social contribution tax was determined at the rate of 9%.

In view of this, the referred to tax credits are recorded in noncurrent assets, considering expected realization thereof, observing the 30% limit for annual offset against taxable income, determined by CPC 26.

a. Breakdown of income and social contribution tax credits

	<u>Consolidated</u>	
	<u>06.30.2011</u>	<u>12.31.2010</u>
IRPJ on tax losses	176,094	217,518
IRPJ and CSLL on temporary differences	<u>24,714</u>	<u>35,086</u>
Total noncurrent	<u>200,808</u>	<u>252,604</u>

b. Expected recovery

Based on technical feasibility studies approved by the Fiscal Council of the subsidiary and submitted to the Board of Directors, which forecast full recoverability of recognized deferred taxes, management estimates that tax credit will be realized up to 2018, as under:

<u>Expected Realization</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016 to 2018</u>	<u>Total</u>
Deferred taxes	21,276	19,100	21,000	14,700	19,100	80,918	176,094

Subsidiary CEMAR enjoys accelerated depreciation benefits until 2013, technological and SUDENE incentive until 2016.

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

7 Taxes recoverable --Continued

c. Reconciliation of income and social contribution tax expense:

Reconciliation of the expense calculated applying the tax rates to taxable income of the Company and consolidated, and IRPJ and CSLL expenses per the income statement for the six-month period ended June 30, 2011 and 2010 is as follows:

	Company		Consolidated	
	06.30.2011	06.30.2010	06.30.2011	06.30.2010
Income before income tax and CSLL (IBIT)	78,493	111,046	152,770	192,250
Combined IRPJ and CSLL rate	34%	34%	34%	34%
IRPJ and CSLL at statutory rate	(26,688)	(37,756)	(51,942)	(65,365)
IR and CS effect on additions and exclusions	26,688	(2,654)	(3,520)	8,052
IR and CS effect on equity pickup	-	39,988	-	3,819
Dif. between IR and CS tax bases	-	-	2,045	434
Offset of tax losses- 30% - not recognized in the income statement	-	-	-	(1,424)
Prior year adjustments	-	-	-	7,212
Tax incentives	-	-	21,389	25,127
Prior year adjustment- tax incentives	-	-	-	(4,640)
Income and social contribution taxes per the income statement	-	(422)	(32,028)	(26,785)

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

8 Related parties

The main asset and liability balances at June 30, 2011, as well as the transactions that affected net income for the year, related to operations with related parties result from Company transactions with its subsidiaries and related parties, shareholders and their related parties, key management professionals (CEO and directors) and other related parties, according to CVM Rule No. 560, dated December 11, 2008, which approved CPC 05 – Disclosure of Related Parties.

Company	Re	Operation Nature	06.30.2011			12.31.2010		
			Assets	Liabilities	Result / Expense	Assets	Liabilities	Result / Expense
ELETROBRÁS	(a)	Loan	-	449,559	12,767	-	409,357	33,053
		Dividends	-	-	-	-	83,875	-
FASCEMAR	(b)	Loan	-	22,783	1,633	-	24,071	3,269
		Private pension	-	-	911	-	-	1,895
		Sharing agreement	-	247	-	83	-	-
CEMAR	(c)	Dividends	282	-	-	-	162,775	-
		Electric energy purchase	-	-	408	-	-	699
GERAMAR EQUATORIAL SOLUÇÕES	(d)	Sharing agreement	38	-	-	27	-	-
	(e)							

- (a) The amounts with ELETROBRÁS refer to dividends payable and loan agreements with subsidiary CEMAR. Loan agreements with ELETROBRÁS result from specific credit lines for the electric sector under the same conditions applicable to other electric energy distribution companies in Brazil, Note 13.
- (b) The amounts with FASCEMAR result from loans and contributions of sponsor CEMAR to its Private Pension Foundation - FASCEMAR. The loan agreements listed in Note 13 and the conditions of CEMAR's private pension plan with FASCEMAR are described in Note 24.
- (c) The amounts between subsidiary CEMAR and the Company result from contract for sharing administrative human resources and proportional apportionment of the related expenses incurred, for an indefinite period; and dividends receivable.
- (d) The amounts with Geradora de Energia do Norte S.A. ("GERAMAR") result from the electric energy purchase contract CCEAR N° 5555/2007 - 29413N - 29414N, valid until 2024 with CEMAR, under usual market conditions.
- (e) The amounts with Equatorial Soluções result from the contract for sharing administrative human resources and proportional apportionment of the related expenses incurred with CEMAR, with an indefinite term.

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

8 Related parties --Continued

Management fees

The annual remuneration of the Company's Board of Directors and Executive Board members was established at R\$9,000, in the Special Shareholders' Meeting held on April 29, 2011.

(i) Board of directors, executive board and Fiscal Council remuneration policy.

Percentage of each element in total remuneration at June 30, 2011.

Board of Directors

Fixed remuneration 100%

Executive Board

Fixed remuneration: 21%

Variable remuneration: 79%

Remuneration of Board of Directors, Fiscal Council and Executive Board remuneration paid by the Company at June 30, 2011:

2011	EQUATORIAL		Total
	Board of Directors	Executive Board	
Number of members	7	4	11
Annual Fixed Remuneration	483	532	1,015
Salary or fee	483	510	993
Benefits and fringe benefits	-	22	22
Variable remuneration	-	2,002	2,002
Bonus	-	2,002	2,002
Share based remuneration	-	1,084	1,084
Total remuneration by body	483	3,618	4,101

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

8 Related parties --Continued

Guarantees

The Company provides guarantee as cosignor or guarantor of subsidiary CEMAR, without burden, in the following financing agreements:

Institution	Financing amount	Surety %	Beginning	End	Amount drew down	Balance in 2Q11
3rd Public Issue Debentures	267,300	100	01/03/2007	01/03/2013	267,300	222,219
Special Agency for Industrial Financing - FINAME PSI (Simplified)	776	100	03/25/2010	10/15/2019	776	783
Special Agency for Industrial Financing - FINAME PSI (Conventional)	24,811	100	08/17/2010	04/15/2020	9,191	9,276
National Economic and Social Development Bank - BNDES (106607040004100)	28,481	100	04/10/2007	02/15/2012	28,495	5,231
National Economic and Social Development Bank - BNDES (10/473589-0)	79,663	100	03/11/2008	07/15/2013	79,751	42,064
National Economic and Social Development Bank - BNDES (10.2.1736.1)	100,000	100	12/22/2010	12/15/2013	100,000	105,617
Banco do Nordeste do Brasil – BNB	136,076	100	11/23/2005	02/28/2017	136,076	88,710
Banco do Nordeste do Brasil - BNB (193.2007.4165.2386)	9,652	100	12/06/2007	12/06/2012	9,652	3,643
Banco do Nordeste do Brasil - BNB (193.2008.2808.3018)	144,939	100	02/05/2009	02/05/2021	144,939	147,104
Studies and Projects Financing Agency – FINEP	2,637	100	06/13/2006	06/30/2013	2,637	1,132
International Finance Corporation – IFC *	135,056	50	02/01/2008	01/15/2016	135,056	109,407
Total	929,391				914,307	735,186

* Exposure Limit of US\$40,000,000.00

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

9 Investments

The main information about investments in subsidiaries is set out below:

Stated by the equity pickup method:	Subsidiaries		Consolidated	
	06.30.2011	12.31.2010	06.30.2011	12.31.2010
CEMAR	797,706	817,228	-	-
Geradora de Energia do Norte	51,994	48,519	-	-
Equatorial Soluções	1,580	740	-	-
Subtotal	851,280	866,487	-	-
Goodwill	-	-	233,159	237,354
Other investments	-	-	221	221
Subtotal	-	-	233,380	237,575
Total	851,280	866,487	233,380	237,575

a. Information about subsidiaries

	CEMAR	Geradora de Energia do Norte	Equatorial Soluções
Balances at December 31, 2010			
Ownership interest (%)	65.11%	25.00%	100.00%
Capital	374,346	139,039	370
Equity	908,052	148,752	740
Net income for the year	278,620	23,293	842
Balances at June 30, 2011			
Ownership interest (%)	65.11%	25.00%	100.00%
Capital	374,346	139,039	370
Equity	763,422	138,080	740
Net income for the period	121,088	24,576	840

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

9 Investments

b. Changes in investments in subsidiaries and jointly-controlled subsidiaries:

	<u>CEMAR</u>	<u>Geramar</u>	<u>Equatorial Soluções</u>	<u>Total</u>
Balance at December 31, 2010	817,228	48,519	740	866,488
Additional dividends	(94,166)	(2,758)	-	(96,924)
Equity pickup	78,838	6,143	840	85,821
Goodwill amortization	(4,195)	-	-	(4,195)
Equity valuation adjustment	-	90	-	90
Balance at June 30, 2011	<u>797,705</u>	<u>51,994</u>	<u>1,580</u>	<u>851,280</u>

10 Indemnifiable asset (Concession)

Subsidiary CEMAR recorded financial asset receivable from the Granting Authorities in connection with the unconditional right of receiving cash at the end of concession term, as contractually provided for, as indemnification for construction services rendered and not received through rendering of services related to the concession.

The indemnification will be made based on the portions of investments linked to returnable assets, not yet amortized or depreciated, which have been built in order to ensure continuity of updated concession services.

	<u>06.30.2011</u>			<u>12.31.2010</u>		
	Cost	(-) Liabilities related to the concession	Net	Cost	(-) Liabilities related to the concession	Net
In operation	163,400	(149,081)	14,319	153,440	(103,031)	50,409
Total	<u>163,400</u>	<u>(149,081)</u>	<u>14,319</u>	<u>153,440</u>	<u>(103,031)</u>	<u>50,409</u>

Changes in the balance of indemnifiable asset (Concession) are set out below:

	<u>12.31.2010</u>	<u>Write-offs</u>	<u>Capitalization</u>	<u>06.30.2011</u>
Financial asset	153,440	(443)	10,403	163,400
Special liabilities	(103,031)	-	(46,050)	(149,081)
Financial asset	<u>50,409</u>	<u>(443)</u>	<u>(35,647)</u>	<u>14,319</u>

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

10 Indemnifiable asset (Concession)--Continued

CEMAR's concession is not on an onerous basis, as such, it does not involve fixed financial liabilities and payments to be made to the granting authorities.

11 Intangible assets

Breakdown of intangible assets is as follows:

	Weighted average annual depreciation rates (%)	06.30.2011				12.31.2010			
		Cost	Amortization	(-) Liabilities related to the concession	Net	Cost	Amortization	(-) Liabilities related to the concession	Net
In operation	4.00%	2,892,844	(940,054)	(741,759)	1,211,031	2,775,236	(873,337)	(598,618)	1,303,281
In progress	0.00%	366,584	-	(140,337)	226,247	301,897	-	(235,951)	65,946
Total		3,259,428	(940,054)	(882,096)	1,437,278	3,077,133	(873,337)	(834,569)	1,369,227

Intangible assets of CEMAR comprise right of use of assets related to the concession service agreement, amortizable until August 2030, in accordance with ICPC01.

Under articles 63 and 64 of Decree No. 41019, dated February 26, 1957, infrastructure used in electric energy distribution is linked to such services and may not be removed, sold, assigned or mortgaged without prior express authorization from ANEEL.

ANEEL Resolution No. 20, dated February 3, 1999, regulates separation of public electric energy service concession assets, granting prior authorization for separating infrastructure that is not useful for the concession, when earmarked for disposal, determining that the proceeds from the disposal be deposited in a restricted bank account for use in the concession. At June 30, 2011, there are no assets earmarked for disposal alike at December 31, 2010.

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

11 Intangible assets --Continued

a. Changes in intangible assets

	12.31.2010	06.30.2011			Total
		Additions	Write-offs	Capitalization	
In service	2,775,252	4	(6,126)	123,734	2,892,864
(-) Amortization	(873,339)	(69,123)	2,404	-	(940,058)
Total in service	1,901,913	(69,119)	(3,722)	123,734	1,952,806
In progress	301,884	198,821	-	(134,137)	366,568
	2,203,797	129,702	(3,722)	(10,403)	2,319,374
Special liabilities	(834,569)	(93,577)	-	46,050	(882,096)
	1,369,228	36,125	(3,722)	35,647	1,437,278

12 Suppliers

	Company		Consolidated	
	06.30.2011	12.31.2010	06.30.2011	12.31.2010
Current				
Electric network use charge (a)	-	-	19,278	16,285
Free energy – refund to power generators (b)	-	-	234	234
Energy auction (c)	146	151	58,282	58,829
Other	-	-	5,542	5,790
	146	151	83,336	81,138
Materials and services	-	-	94,137	92,909
	146	151	177,473	174,047

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

12 Suppliers—Continued

a. Energy supply and connection charges CEMAR

Under Decree No. 5163, dated July 30, 2004, which is part of the new legislation regulating the electric sector, CEMAR entered into new energy purchase contracts in the regulated environment, as under:

ENERGY CONTRACTS	MWh					
	2011	2012	2013	2014	2015	2016
Product 2005/2012	2,922,632	2,930,639	-	-	-	-
Product 2006/2013	1,110,517	1,113,560	1,110,517	-	-	-
Product 2007/2014	405,307	406,418	405,307	405,307	-	-
Product 2008/2015	212,463	213,046	212,463	212,463	212,463	-
Proinfa	108,470	101,987	101,987	101,987	101,987	101,987
MCSD	97,138	95,705	20,107	2,973	-	-
New 2008/2022/2037	24,890	25,649	25,579	25,579	25,579	25,579
New 2009/2023/2038	99,694	99,967	99,694	99,694	99,694	99,587
New 2010/2024/2039	369,847	370,860	369,847	369,847	369,847	369,847
Auction A-3	219,473	222,202	219,473	219,473	219,473	222,202
Auction –Alternative sources	3,825	3,899	3,888	3,888	3,888	3,899
Auction A-3 (2007)	56,940	56,091	55,937	55,937	55,937	56,091
Auction A-3 (2008)	117,471	117,793	117,471	117,471	117,471	117,793
Auction A-5 (2006)	161,095	163,037	162,591	162,591	162,591	162,591
Auction A-5 (2007)	-	438,322	437,124	437,124	437,124	437,124
Auction Santo Antonio	-	905	81,259	206,907	310,304	310,304
Auction Jirau	-	-	68,187	127,279	178,163	212,269
Auction A-5 (2008)	-	-	453,617	454,860	453,617	454,860
Auction A-1	16,199	16,238	16,194	16,194	-	-
TOTAL - MWh	5,925,961	6,376,318	3,961,242	3,019,574	2,748,138	2,574,133

b. Free Energy – Refund to Generating Companies

ANEEL approved in the Board meeting of December 15, 2009, the methodology and procedures to calculate Free Energy balance and revenue loss of generating and distribution companies after conclusion of collection of the Extraordinary Tariff Adjustment (RTE) in the supply tariffs. However, Resolution No. 387, dated December 15, 2009, published on January 12, 2010, concluded the process of calculating the final balances of revenue loss and free energy and defined the amount of refund, also calculated by the companies to be validated by ANEEL.

c. Electric network use charge CEMAR

In 1999, energy distribution concessionaires entered into with the 15 energy transmission companies and the National System Operator - ONS, a body created to conduct planning and the operation of the Brazilian electric system, the Transmission System Use Contracts (CUST), under which they must pay for the use of transmission assets, due to interconnection of all the Brazilian energy transmission system.

Equatorial Energia S.A.

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June 30, 2011

(In thousands of reais, except where indicated otherwise)

13 Loans and financing (Consolidated)

	Consolidated						Total
	06.30.2011						
	Current			Noncurrent			
Principal and charges	Funding costs (*)	Subtotal	Principal and charges	Funding costs (*)	Subtotal		
Foreign currency							
National Treasury	699	-	699	6,531	-	6,531	7,230
	699	-	699	6,531	-	6,531	7,230
Local currency							
Eletróbrás	55,552		55,552	394,667		394,667	450,219
IFC	26,295	(266)	26,029	83,111	(949)	82,162	108,191
BNB	23,340	(272)	23,068	216,117	(1,435)	214,682	237,750
BNDES	52,251	(3)	52,248	100,662	(3)	100,659	152,907
FINEP	568	(5)	563	564	(4)	560	1,123
FINAME	348	-	348	9,712	-	9,712	10,060
Debt to							
FASCEMAR	6,075	-	6,075	16,707	-	16,707	22,782
ITAÚ	27,681	-	27,681	-	-	-	27,681
SAFRA	34,782	-	34,782	=	=	=	34,782
	226,892	(546)	226,346	821,540	(2,391)	819,149	1,045,495
Total loans and financing	227,591	(546)	227,045	828,071	(2,391)	825,680	1,052,725
Debentures	63,932	-	63,932	201,181	-	201,181	265,113
Total	291,523	(546)	290,977	1,029,252	(2,391)	1,026,861	1,317,838

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

13 Loans and financing (Consolidated)--Continued

	Consolidated						
	31.12.2010						
	Current			Noncurrent			Total
Principal and charges	Funding costs (*)	Subtotal	Principal and charges	Funding costs (*)	Subtotal		
Foreign currency							
National Treasury	747	-	747	7,273	-	7,273	8,020
	747	-	747	7,273	-	7,273	8,020
Local currency							
Eletróbrás	46,137	-	46,137	363,377	-	363,377	409,514
IFC	26,594	(266)	26,328	93,500	(1,081)	92,419	118,747
BNB	23,405	(268)	23,137	226,552	(1,571)	224,981	248,118
BNDES	28,440	(3)	28,437	133,149	(4)	133,145	161,582
FINEP	569	(5)	564	846	(7)	839	1,403
FINAME	120	-	120	9,435	-	9,435	9,555
Debt to							
FASCEMAR	5,664	-	5,664	18,407	-	18,407	24,071
Banco ABC	7,019	-	7,019	-	-	-	7,019
ITAÚ	28,800	-	28,800	-	-	-	28,800
Votorantim	28,862	-	28,862	-	-	-	28,862
	195,610	(542)	195,068	845,268	(2,663)	842,604	1,037,672
Total loans and financing	196,357	(542)	195,815	852,541	(2,663)	849,878	1,045,692
Debentures	66,941	-	66,941	253,139	-	253,139	320,080
Total	263,298	(542)	262,756	1,105,679	(2,663)	1,103,016	1,365,772

(*) In accordance with Resolution No. 556, dated November 12, 2008, which approved CPC 08, the Group recorded the loan raising costs as from 2008 in the income statement based on term elapsing, using the amortized cost method.

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

13 Loans and financing (Consolidated)--Continued

a. Current and noncurrent maturity of loans, financing and debentures (including funding costs).

The portions related to principal of loans and financing mature as follows:

Debt	Consolidated					
	06.30.2011			12.31.2010		
	Local currency	Foreign currency	Total	Local currency	Foreign currency	Total
Total current	290,278	699	290,977	262,009	747	262,756
2012	97,027	149	97,176	226,629	493	227,122
2013	353,894	297	354,191	339,375	316	339,691
2014	125,717	149	125,866	113,474	157	113,631
2015	119,770	-	119,770	108,768	-	108,768
2016	70,221	-	70,221	74,715	-	74,715
after 2016	253,700	5,938	259,637	232,782	6,307	239,089
Total noncurrent	1,020,329	6,532	1,026,861	1,095,743	7,273	1,103,016

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

13 Loans and financing (Consolidated)--Continued

b. Statement of debts

Description	Date of execution	Currency/Index	Financial charges	06.30.2011	12.31.2010
			LIBOR SEM.+		
STN 01	05.12.1997	US\$	0.81% p.a.	2,447	2,601
STN 02	05.12.1997	US\$	6%p.a.	3,542	3,763
STN 04	05.12.1997	US\$	8% p.a.	907	1,124
			LIBOR SEM.+		
STN 05	05.12.1997	US\$	0.88% p.a.	334	532
Currency				7,230	8,020
BNB	11.23.2005	REAL	10% p.a.	88,710	97,994
BNB II	02.05.2009	REAL	10% p.a.	147,104	147,104
BNB – NEW HEAD OFFICE	12.06.2007	REAL	10% p.a.	3,643	4,858
			TJLP + 4.8%		
BNDES	04.10.2007	TJLP	p.a.	5,231	9,157
			TJLP + 3.6%		
BNDES II	03.11.2008	TJLP	p.a.	42,064	52,173
BNDES – FINAME PSI					9,514
			TJLP +		
BNDES PEC	12.09.2010	TJLP	4.91%p.a.	105,617	100,259
Debentures 3rd Issue				222,219	276,881
		RGR, FINEL and IGPM		450,221	409,514
Eletrobrás		CDI	102%CDI	22,783	24,071
Fascemar	03.20.2001	TJLP	TJLP + 2%p.a.	1,132	1,415
Finep	06.13.2006		90.9% of CDI +		
		CDI	1.5% p.a.	109,407	120,094
			TJLP +		
IFC	02.28.2008		9,5%p.a.	-	41
Finame	04.20.2006	TJLP		-	
Banco Votorantim	Sundry	REAL	-	10,057	28,862
Banco ABC			-	-	7,019
Debentures			-	42,894	43,199
Banco Itaú	09.01.2009	CDI	-	27,680	28,800
Banco Safra		CDI	-	34,782	-
Local currency				1,313,545	1,360,956
Total debt without funding cost				1,320,775	1,368,976
Funding cost				(2,937)	(3,205)
Total debt with funding cost				1,317,838	1,365,771
Current				290,977	262,756
Noncurrent				1,026,861	1,103,015

a. Loan and financing covenants

Loans and financing raised by CEMAR have covenants and noncompliance therewith, in the computation period, entails accelerated maturity of loans. Until June 30, 2011, the Company was in compliance with covenant limits.

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

14 Debentures

Consolidated					
06.30.2011					
	Current		Noncurrent		
	Principal and charges	Unappropriated funding costs	Principal and charges	Unappropriated funding costs	Total
Debentures	63,932	-	201,181	-	265,113

Consolidated					
12.31.2010					
	Current		Noncurrent		
	Principal and charges	Unappropriated funding costs	Principal and charges	Unappropriated funding costs	Total
Debentures	66.941	-	253.139	-	320.080

Third issue debentures - CEMAR

Public distribution of 3rd issue debentures nonconvertible into shares of subsidiary CEMAR was concluded on March 28, 2007. The funds raised, in the amount of R\$267,300, were mainly destined to prepayment of existing more onerous debts for the subsidiary and the remaining portion was destined to the implementation of the investment program of the subsidiary. At June 30, 2011, the effective rate of this operation is of 11.69% p.a. (10.32% at December 31, 2010).

At June 30, 2011, long-term debenture represent R\$160,380, with the following maturity schedule:

Maturity	Amount
2013	160,380
Total	160,380

Debentures Geradora de Energia do Norte

The Fund for Amazon Development (FDA) financing, managed by SUDAM, in the total amount of R\$334,057 was raised on November 23, 2009. It is restated by reference to TJLP variation, plus 0.85% p.a. and 0.15% del credere commission, for repayment within 180 months.

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

14 Debentures--Continued

The debentures have security interest and surety, are convertible into preferred or common shares, if such option is offered by SUDAM upon maturity of the semi-annual installments, limited to 15% of each scheduled installment. This financing is also secured by shareholders, pledge of power plant and CCEAR credit rights.

At June 30, 2011, long-term debentures amount to R\$ 40,801, and their maturity schedule is as follows:

Maturity	Amount
2012	2,620
2013	2,620
2014	2,620
2015	2,620
2016	2,620
after 2016	27,702
Total	40,801

Covenants

Debenture issues, classified as current and noncurrent, provide for maintenance of debt and profit/interest ratios. In the quarter ended June 30, 2011, the Company and its subsidiaries met all the indices required by contract.

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

15 Taxes and contributions payable

	Company		Consolidated	
	06.30.2011	12.31.2010	06.30.2011	12.31.2010
CURRENT				
Taxes payable				
ICMS	-	-	24,832	19,554
PIS/COFINS	163	48	8,135	8,181
REFIS/PAES	-	-	1,128	1,129
Social charges and other	-	-	4,350	5,043
Other	98	59	1,645	1,443
	261	107	40,090	35,350
Income taxes	-	-	-	-
Prepaid IRPJ / CSL	-	-	-	-
IRRF	976	963	1,269	977
Provision for IRPJ / CSL	521	522	15,962	38,727
	1,497	1,485	17,231	39,704
Total	1,758	1,592	57,321	75,054
NONCURRENT				
Taxes payable	-	-	-	-
REFIS/PAES	-	-	39,243	83,536
Other	-	-	866	793
	-	-	40,109	84,329
Deferred tax assets				
Deferred IRPJ and CSLL	50	50	110,976	104,577
	50	50	110,976	104,577
Total	50	50	151,085	188,906

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

15 Taxes and contributions payable --Continued

a. Tax Recovery Program - REFIS

	<u>06.30.2011</u>	<u>12.31.2010</u>
Current liabilities	-	1,129
Noncurrent liabilities	40,109	83,536
	<u>40,109</u>	<u>84,665</u>

Taxes in installments – Law No. 11941/09

On November 28, 2009, subsidiary CEMAR formalized its adhesion to the installment payment program of article 1 of Law No. 11941/2009, which entailed mandatory and definitive waiver of the Special Installment Payment Program - PAES. On the terms of the rules applicable to the new installment payment program, the remaining balance of the consolidated debts of the PAES program was divided into 180 months. Consolidation of such debts was concluded on June 30, 2011.

The main benefits of adhesion to the new REFIS program were the reduction of interest and fines in the amount of R\$28,098, the possibility of settling the remaining interest and fine portion using tax losses, in addition to cash outlay in rates. The amount included in the REFIS program was R\$73,813. Since R\$41,424 was offset using tax losses, the effective amount that will result in future cash outlays is of R\$40,109. The referred to debt in the amount of R\$40,109 will be settled in up to 180 installments.

16 Provision for contingencies

Subsidiary CEMAR is defendant in judicial and administrative proceedings before several courts and government bodies arising in the normal course of its operations, involving tax, labor, civil and other matters.

Management of the subsidiary, based on the opinion of its legal advisors, analysis of judicial proceedings pending judgment and based on previous experience of similar labor claims, set up a provision for an amount considered sufficient to cover probable estimated losses from the proceedings pending judgment, as follows:

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

16 Provision for contingencies --Continued

	06.30.2011			12.31.2010		
	Case amount	Judicial deposits	Net provision	Case amount	Judicial deposits	Net provision
Civil and tax	139,678	116,560	23,118	125,586	98,480	27,106
Labor	28,708	16,446	12,262	27,963	14,031	13,932
Regulatory	3,648	-	3,648	3,305	-	3,305
	172,033	133,006	39,028	156,854	112,511	44,343
Current	41,713	16,975	24,738	38,138	10,694	27,444
Noncurrent	130,321	116,031	14,290	118,716	101,817	16,899
	172,034	133,006	39,028	156,854	112,511	44,343

Contingent liabilities are presented net of judicial deposits, however, not all judicial deposits relate to such liabilities, but to claims filed by CEMAR.

Changes in proceedings in the six-month period

	12.31.2010					06.30.2011
	Beginning balance	Addition to provision	Use (1)	Reversal (2)	Updating (3)	Ending balance
Civil and tax	125,585	24,700	(7,232)	(6,432)	3,057	139,678
Labor	27,963	6,282	(2,613)	(4,315)	1,391	28,708
Regulatory	3,306	341	-	-	-	3,648
	156,854	31,323	(9,845)	(10,747)	4,448	172,034

(1) Effective contingent expenses with judicial proceedings.

(2) Reversals in the six-month period.

(3) Monetary restatements.

Labor

Represented by 647 labor claims filed by former employees against CEMAR, involving overtime differences, risk exposure additional, salary parity and/or salary leveling, among others and also filed by former employees of its contractors (joint liability) claiming indemnification among others.

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

16 Provision for contingencies --Continued

Civil and tax

Subsidiary CEMAR is defendant in 22,025 civil and tax proceedings of which 17,890 are pending judgment by special courts, most of which refer to claims for damages and pain and suffering, as well as refund of amounts paid by consumers.

Most significant civil proceedings claim indemnification for accidents with the distribution network, supply failure, death for electrocution or damages resulting from termination of contracts with suppliers.

CEMAR continues monitoring the status of the rendering of accounts and indemnification proceedings filed by the municipality of São Luís against CEMAR, both arising from the covenant for collection of the former Public Lighting Charge - TIP, despite the change in the chances of loss (from probable to possible) in one of the termination proceedings filed by the Company with the state court of Maranhão. There was no significant change in the last three months in relation to the other termination proceedings filed against the ruling handed down on the rendering of accounts proceeding. This case involves the amount of R\$14,242.

The financial statements for the quarter ended June 30, 2011 present provision of R\$139,678 (R\$125,585 at 12.31.2010).

In addition to the aforementioned provisions for contingent losses, there are other contingencies assessed by management as involving possible and remote unfavorable outcome based on the evaluation by CEMAR's legal department and its outside legal advisors, in the amount of R\$82,152 and R\$17,296, respectively (at 12.31.2010 R\$74,211 and R\$16,700, respectively) for which no provision has been set up.

Subsidiary CEMAR is subject to environment preservation laws and related federal, state and municipal regulations. The Company considers that exposure to environmental risks, based on evaluation of available data and construction of applicable laws and regulations does not represent significant impact on its financial statements or the result of its operations.

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

16 Provision for contingencies --Continued

Regulatory

In the period September 22, 2009 to October 3, 2009, ANEEL/SFE carried out a technical and commercial quality audit at subsidiary CEMAR, which resulted in issue of the Notice TN No. 015/2009-SFE/ANEEL and Infraction Notice No. 108/2009-SFE/ANEEL, which imposed fine of R\$1,797, provisioned in December 2009. In addition, in June/2010, CCEE started computation of penalties for frontier measurement problems of subsidiary CEMAR. Due to several difficulties related to measurement points in Presidente Dutra, CEMAR received Notices TN No. 627/2010 CCEE, TN No. 853/2010 CCEE and TN No. 1026/2010 CCEE, referring to problems in June, July and August 2010, respectively. The total amount of fines, already provisioned aggregates R\$1,284 (original amount). CEMAR filed its defense against the situation from which the penalty arose, and CCEE suspended collection of fines in order to evaluate the issue. Therefore, CEMAR is awaiting a final ruling by CCEE.

17 Dividends payable (Company)

Under the Company's charter, shareholders are entitled to minimum mandatory dividends of 25% of net income, adjusted on the terms of ruling legislation and deducting income allocations as determined by the general shareholders' meeting.

The Board of Directors meeting of March 29, 2011 approved proposed dividends for 2010 in the amount of R\$196,607.

Out of this amount, R\$196,556 was paid on May 19 and 20, 2011.

18 Survey and development and energetic efficiency

	Consolidated	
	06.30.2011	12.31.2010
National Fund for Scientific and Technological Development - FNDCT	263	563
Energetic Research Company - EPE	528	282
Research and Development - P&D	13,189	11,593
Energetic Efficiency Program - PEE	34,591	31,563
	48,571	44,001
Current	20,133	15,890
Noncurrent	28,438	28,111

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

18 Survey and development and energetic efficiency --Continued

These refer to amounts due and not yet applied in the Electric Sector Program for Technological Research and Development - P&D by subsidiary CEMAR determined on the terms of ANEEL Regulatory Resolution No. 219, dated April 11, 2006 and in the Energetic Efficiency Program - PEE, determined on the terms of ANEEL Regulatory Resolution No. 176, dated November 28, 2005, amended by ANEEL Regulatory Resolution No. 215, dated March 28, 2006. The amounts were recorded in the Company's income statement.

19 Equity

a. Capital

Capital at June 30, 2011 amounts to R\$566,831 (R\$566,831 at December 31, 2010) of which breakdown by share type and main shareholders is as follows:

Shareholder	ON	TOTAL	%
PCP Latin America Power S/A	58,671,559	58,671,559	53.7%
Squadra Investimentos	5,725,240	5,725,240	5.2%
Credit Suisse Hedging-Griffo	5,448,100	5,448,100	5.0%
Noncontrolling	39,381,773	39,381,773	36.1%
Total	109,226,672	109,226,672	100.0%

The Company is listed in BM&FBOVESPA's "Novo Mercado", having only common shares ensuring 100% "tag along" to noncontrolling shareholders in case of mergers or shareholding control transfer.

Change in shareholdings of Equatorial

On February 28, 2011, 400,347 common shares were subscribed by beneficiaries of the Third Stock Options Plan of the Company. As such, capital started to be divided into 109,226,672 common no par value registered shares.

b. Stock option plans

Information presented in this section is adjusted due to the conversion and grouping of Company shares implemented on April 7, 2008, in order to facilitate understanding thereof. On the same date, Company capital started to be divided into 105,573 thousand common shares, after conversion of one preferred share into one common share and, subsequently, grouping of three common shares into one share of the same type.

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

19 Equity --Continued

Third stock options plan

The Special Shareholders' Meeting of October 16, 2008 approved creation of the Third Stock Options Plan of Equatorial ("Third Plan"). The share subscription options to be offered on the terms of the plan represent 4,000 thousand shares of Equatorial. After the option is exercised by beneficiaries, said shares will be issued through Company capital increase, within the limit of authorized capital provided for by its charter. Further details about the plan may be obtained in the minutes of the Special Shareholders' Meeting which approved it, available on the site of the Company and that of CVM.

Beneficiaries must use at least 50% (fifty percent) of the amount of profit sharing, performance bonus or any other variable annual remuneration type ("PL") to which they are entitled, net of income tax and other levied charges, on the subscription of shares of the lots for which the option has already been granted. In addition, beneficiaries must use all dividends and interest on equity capital received, related to shares held by them acquired under the share subscription plan of the lots for which the option has already been granted.

Since its beginning until March 31, 2011, 3,589 shares have been subscribed and 11 thousand shares were cancelled under the third plan. From April 1 to June 30, 2011 there has been no subscription, there remaining 400 thousand shares to be subscribed, all belonging to the 4th lot.

In summary, information related to the third purchase option plan, the only one currently in force, is set out below:

In thousands of shares	Third plan
Total granted plan shares	4,000
Options cancelled	(11)
Options exercised 06.30.2011	(3,589)
Remaining balance at 06.30.2011	400

Dilution potential

Under the rules of each stock option plan, the potential issue of the remaining options would entail additional dilution for the current shareholders of Equatorial Energia S.A. equivalent to 0.4% at most.

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

19 Equity --Continued

Plan management

The stock option plans include common shares representing capital, to be managed by a committee comprising 3 members of the Company's board of directors. The Committee has power to establish applicable option granting rules, every year, through Stock Option Programs.

20 Electric energy provision and supply - CEMAR

At June 30, 2011 and 2010, breakdown of electric energy supply, by type of consumer is as follows:

	Consolidated			
	MWh (*)		R\$	
	06.30.2011	06.30.2010	06.30.2011	06.30.2010
Residential	964,901	923,992	343,132	277,423
Industrial	209,113	202,854	63,284	54,868
Commerce, service and other	411,224	390,855	156,285	135,667
Rural	64,621	64,170	16,798	14,343
Public authorities	124,435	100,808	50,183	44,853
Public lighting	163,786	149,522	34,094	26,684
Public service	126,791	125,044	36,696	33,028
Own consumption	3,241	2,985	-	-
MAE and CEPISA	-	-	20,640	7,875
Low income	-	-	49,093	54,182
Other	-	-	39,189	8,115
Construction revenue	-	-	198,820	204,975
Billed supply	2,068,112	1,981,821	1,008,214	862,013
ICMS	-	-	142,892	109,836
Unbilled supply	-	-	1,219	(20,984)
Total	2,068,112	1,981,821	1,152,325	950,865

(*) Information not reviewed by independent auditors
The amount of ICMS and unbilled revenues was removed from the consumer types above.

Equatorial Energia S.A.

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(In thousands of reais, except where indicated otherwise)

21 Revenue

Reconciliation of gross revenue with net revenue is as follows:

	Company		Consolidated	
	06.30.2011	06.30.2010	06.30.2011	06.30.2010
Operating revenue	1,239	856	1,152,325	1,064,524
Electric energy provision	-	-	914,325	883,614
Electric energy supply	-	-	20,640	3,417
Emergency capacity charge	-	-	(2,029)	(0)
Construction revenue	-	-	198,820	160,258
Other revenues	1,239	856	20,568	17,235
Deductions from operating revenue	(177)	(122)	(272,578)	(256,543)
ICMS on electric energy sales	-	-	(142,892)	(138,384)
PIS and COFINS	(115)	(79)	(86,243)	(83,317)
Consumer charges	-	-	(35,988)	(25,400)
Global Reversal Reserve – RGR	-	-	(1,105)	(8,915)
ISS	(62)	(43)	(667)	(535)
Emergency capacity charge	-	-	(5,684)	8
Net operating revenue	1,062	734	879,746	807,981

22 Operating result

Breakdown of operating expenses / (revenues) by expense nature is as follows:

	Company	
	06.30.2011	06.30.2010
	Operating, General and Administrative Expenses (Revenues)	Operating, General and Administrative Expenses (Revenues)
Personnel and management	4,414	8,433
Materials	7	13
Third party services	1,507	1,770
Other	816	1,040
Financial income	(2,549)	(3,957)
Equity pickup	(81,626)	(117,611)
	(77,431)	(110,312)

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June 30, 2011

(In thousands of reais, except where indicated otherwise)

22 Operating result --Continued

	Consolidated					06.30.2010
	06.30.2011		06.30.2011			
	Cost of Service		Operating Expenses			
With Energy	From Operation	Selling (1)	General and Administrative (2)	Total	Total	
Electric energy purchased for resale	228,649	-	-	-	228,649	211,715
Personnel and management	10,147	-	8,139	25,632	43,918	43,810
Materials	2,743	-	132	92	2,967	4,097
Third party services	23,828	-	39,140	25,855	88,823	58,946
Electric energy service inspection charge	-	-	1,724	-	1,724	-
Provision	-	-	-	17,888	17,888	4,733
Construction cost	198,820	-	-	-	198,820	160,258
Transmission system use charge	42,479	-	-	-	42,479	41,937
Other	(2,027)	-	2,703	16,414	17,090	28,235
Financial result	-	-	-	-	28,365	24,184
Equity pickup	-	-	-	-	4,195	(11,232)
Nonoperating revenues and expenses	-	-	-	-	2,494	2,727
	504,639	-	51,838	85,881	677,412	569,410
Depreciation and amortization	40,032	-	-	7,816	47,848	46,320
Lease and rent	666	-	826	224	1,716	-
	545,337	-	52,664	93,921	726,976	615,730

(1) These refer to selling expenses and with allowance for doubtful accounts.

(2) These refer to net result of administrative expenses, with personnel and management, setting up (reversal) of provision for contingencies, depreciation and amortization and other operating expenses (revenues).

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

23 Earnings per share

As required by CPC 41 and IAS 33 (Earnings per Share), the table below sets out reconciliation of net income for the year with the amounts used to determine basic and diluted earnings per share.

	Consolidated	
	06.30.2011	06.30.2010
Numerator		
Net income for the period	78,493	110,624
Denominator		
Weighted average number of common shares	108,864,810	107,668,250
Basic and diluted earnings per share	0.7210	1.0275

At June 30, 2011 and 2010 there are no significant differences between basic and diluted earnings per share.

24 Private pension entity

Subsidiary CEMAR sponsors FASCEMAR, which is the Assistance and Social Security Foundation for CEMAR's employees, a not-for-profit private pension entity that aims at managing social security benefit plans.

FASCEMAR was fully restructured in 2005, thus resulting in the implementation and operation of a new Mixed Private Pension Benefit Plan I, with defined contributions, as from May 2006. Since its implementation, there was adhesion of 98% of active participants in the Defined Benefit Plan I (Plan BD I), as well as of CEMAR's employees who did not have this benefit.

Most of BD I plan participants are retirees and pensioners enjoying the benefits in April 2006.

Subsidiary CEMAR, as sponsor, pays monthly for the two plans the same total amount paid by the participants that are its employees. In the quarter ended June 30, 2011, this amount totaled R\$466 (R\$608 at December 31, 2010).

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

25 Insurance

Specification by risk type and validity of the main insurance policies taken out by Equatorial and subsidiary CEMAR are as follows:

- **EQUATORIAL:**

Risks	Policy maturity	Insurance amount
Civil liability – D & O	06.07.2012	10,000
Equatorial headquarter - RJ	04.22.2012	2,789

- **CEMAR:**

Risks	Policy maturity	Insurance amount
Nominated perils		
Substations, inventories and infrastructure	01.01.2012	151,581
General civil liability – operations	01.01.2012	7,000
Vehicles	02.01.2012	(a)

Subsidiary CEMAR adopts the policy of taking out insurance for assets subject to risks for amounts considered sufficient to cover any casualties, considering the nature of its activities. The Company's insurance policies are taken out based on risk and insurance management guidelines generally adopted by electric energy distribution companies. The assumptions adopted, considering risk nature, are not within the scope of a special review of quarterly information, consequently were not reviewed by our independent auditors.

- **GERAMAR:**

Risks	Policy maturity	Insurance amount
Nominated and operating perils	12/31/2011	133
General risk liability	01/07/2012	7
Civil liability of officers and management	05/21/2012	7
Employee insurance	11/09/2011	1

The jointly-controlled subsidiary GERAMAR adopts the policy of taking out insurance cover for assets subject to risk for amounts considered sufficient to cover any casualties, considering the nature of its activities. The adopted assumptions, considering risk nature, are not within the scope of a special review of quarterly information, consequently, were not reviewed by its independent auditors.

26 Financial instruments

a. *General considerations*

In accordance with CVM Rule No. 604, dated November 19, 2009, which approved

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

26 Financial instruments

a. General considerations

In accordance with CVM Rule No. 604, dated November 19, 2009, which approved technical pronouncements CPC 38, 39 and 40, the Company and its subsidiaries carried out an analysis of their financial instruments, namely cash and cash equivalents, consumers, concession assets, suppliers, loans, financing and debenture liabilities, with due adjustment in the accounting thereof, as applicable.

Management of these instruments is made through operating strategies and internal controls in order to ensure liquidity, profitability and security. The control policy involves ongoing monitoring of contractual conditions as compared to market conditions.

b. Policy on use of derivatives

Equatorial does not carry out operations with derivatives, however, use thereof is possible to provide hedge against changes in macroeconomic indices and foreign exchange rates, if necessary.

c. Fair value of financial instruments

In accordance with CVM Rule No. 475, book balances and the market values of financial instruments included in the balance sheet at June 30, 2011 and December 31, 2010 are set out below:

	Consolidated			
	06.30.2011		12.31.2010	
ASSETS	Book	Market	Book	Market
Cash and cash equivalents	300,213	300,213	550,077	550,077
Consumers	459,097	459,097	455,783	455,783
Concession financial assets	14,319	14,319	50,409	50,409
	773,629	773,629	1,056,269	1,056,269
LIABILITIES	06.30.2011		12.31.2010	
	Book	Market	Book	Mercado
Suppliers	177,473	177,473	174,047	174,047
Loans and financing	1,052,725	1,055,930	1,045,692	1,048,897
Debentures	265,113	265,113	320,080	320,080
	1,495,311	1,498,516	1,539,819	1,543,024

- **Cash and cash equivalents** – are classified as financial assets not measured at fair value. Book value approximates market.
- **Consumers** – these result directly from Company operations, are classified as receivables and are recorded at the original amounts, subject to the provision for losses and adjustment to present value, as applicable.

Equatorial Energia S.A.

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June 30, 2011

(In thousands of reais, except where indicated otherwise)

26 Financial instruments --Continued

- **Concession financial assets** – these are classified as loans and receivables and are recorded for their original amounts, subject to provision for losses and adjustment to present value as applicable.
- **Suppliers** – These arise directly from Company operations and are classified as financial liabilities not measured at fair value.
- **Loans and financing**– loans and financing aim at generating funds to finance the Company's investment programs and short-term cash needs. They are classified as financial liabilities not measured at fair value and are recorded at their amortized amounts.
- **Debentures** – are classified as financial liabilities not measured at fair value and are recorded at their amortized amount.

d. Cash and cash equivalents

The Group's cash equivalents are highly liquid financial instruments of which book value approximates market. They comprise cash available and financial investments.

The Group maintains cash equivalents in order to meet its short term cash needs.

The Group's financial investments are made within short term and are highly liquid. They are also convertible into a known cash amount and indexed to CDI, which is considered a risk-free rate. All of our financial investments are classified as cash equivalents.

e. Risk factors - CVM Rule No. 475

For being a holding, the main risks of the Company relate to the performance of its subsidiaries and jointly controlled companies, according to CVM Rule No. 475.

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

26 Financial instruments --Continued

The risk factors of subsidiary CEMAR are set out below:

Credit risk – The high balances as well as aging of receivables from consumers represent a risk for Company liquidity and its capital structure. Company management follows outstanding balances and to mitigate the risk of default the Company uses all collection tools allowed by the regulatory body, such as supply interruption upon consumer default, settlement of debts and renegotiation of debts. In order to mitigate the risk of financial institutions at which the Company maintains cash deposits or financial investments, the Company selects only low risk institutions, as assessed by rating agencies. The Company maintains its concession assets in accordance with ruling legislation and monitors possible definitions in the concession assets return rules.

Liquidity risk – The liquidity risk evidences the Company's capacity of liquidating liabilities assumed. To determine the Company's financial capacity of adequately meeting the commitments assumed, the maturity schedule of funds raised and of other liabilities are part of the disclosures. Detailed information about loans raised by the Company is presented in Notes 13 and 14.

The Group has obtained funds in its commercial and financial activities, destining them mainly to its investment program and cash management for working capital and financial commitment purposes.

Financial investment management focuses on short-term investments, in order to maximize liquidity and allow cash outlays.

The Company's cash generation and the low volatility in the monthly receipts and payment obligations along the year allow stability to the Company in its flows, thus reducing its liquidity risk.

Market risk – The market risks relate to fluctuations in interest rates, debt indices and exchange rates, further comprising indebtedness limits defined in contracts, and noncompliance therewith may entail accelerated maturity, as described below.

Exchange rate risk – This risk arises from the possibility of the Company to incur losses due to changes in exchange rates. CEMAR's current exposure to exchange rates is of 0.59% of its debt. CEMAR permanently monitors exchange rates and market interest rates in order to evaluate the need of derivatives to provide hedge against the risk of volatility of these rates.

Equatorial Energia S.A.

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June 30, 2011

(In thousands of reais, except where indicated otherwise)

26 Financial instruments—Continued

A debt sensitivity analysis was carried out considering five scenarios, in accordance with CVM Rule No. 475, namely one scenario with actual rate at June 30, 2011 (Probable Scenario) plus two scenarios with 25% increase (Scenario II) and 50% increase (Scenario III) in the considered exchange rate.

We further included two scenarios, namely 25% decrease (Scenario IV) and 50% decrease (Scenario V) in the considered exchange rate.

Exchange Variation Risk						
Operation	Risk	Probable Scenario	Scenario II	Scenario III	Scenario IV	Scenario V
FINANCIAL LIABILITIES						
STN	USD	278	(1,529)	(3,337)	2,086	3,894
Reference for FINANCIA LIABILITIES		Rate at 06.30.2011	+ 25%	+ 50%	- 25%	- 50%
Dollar USD/R\$		1.56	1.95	2.34	1.17	0.78

Accelerated maturity risk - CEMAR has loan and financing contracts and debentures with covenants, which in general require maintenance of economic and financial indices at certain levels. Noncompliance with these indices may entail accelerated debt maturity. Management follows its positions, as well as projects its future indebtedness to take preventative measures in relation to the indebtedness limits mentioned in Note 13 (Loans and financing) and No. 14 (Debentures).

Cash Flow Risk or Fair Value related to Interest Rate

Changes in interest rates affect the Company's financial assets and liabilities. We set out below the impact of these variations on profitability of financial investments and indebtedness in local currency of the Company.

A sensitivity analysis was carried out for the Company's financial assets and liabilities considering five scenarios.

In accordance with CVM Rule No. 475, we considered a scenario with actual rates at June 30, 2011 (Probable Scenario) plus two scenarios with 25% increase (Scenario II) and 50% (Scenario III) in the indices.

Equatorial Energia S.A.

Notes to quarterly information

June 30, 2011

(In thousands of reais, except where indicated otherwise)

26 Financial instruments --Continued

We considered other two scenarios with 25% decrease (Scenario IV) and 50% decrease (Scenario V) in these indices.

Cash Flow Risk or Fair Value related to interest rate

Operation	Risk	Probable Scenario	Scenario II	Scenario III	Scenario IV	Scenario V
FINANCIAL ASSETS						
Short-term investment yield	CDI	21.802	27.289	32.747	16.374	10.916
FINANCIAL LIABILITIES						
Loans, Financing and Debentures						
ECF - 2034/00	FINEL	(602)	(613)	(623)	(592)	(582)
ECF - 1510/97	FINEL	(10)	(11)	(11)	(10)	(10)
ECF - 1639/97	FINEL	(99)	(100)	(102)	(98)	(96)
ECF - 1645/97	FINEL	(21)	(21)	(21)	(20)	(20)
ECF -1960/99	IGP-M	(1,570)	(1,852)	(2,134)	(1,288)	(1,005)
ECF - 1907/99	FINEL	(13)	(13)	(14)	(13)	(13)
ECF - 1908/99	FINEL	(86)	(87)	(89)	(84)	(83)
FASCEMAR	CDI	(786)	(944)	(1,102)	(627)	(469)
FINEP	TJLP	(23)	(27)	(32)	(19)	(15)
BNDES I	TJLP	(161)	(180)	(199)	(142)	(123)
IFC	CDI	(2,695)	(3,374)	(4,054)	(2,016)	(1,336)
BNDES II	TJLP	(1,034)	(1,186)	(1,338)	(881)	(729)
BNDES PEC	TJLP	(2,729)	(3,111)	(3,492)	(2,347)	(1,965)
DEBENTURES 3 rd ISSUE	CDI	(6,400)	(8,000)	(9,600)	(4,800)	(3,200)
Change in charges for the period		(16,229)	(19,519)	(22,811)	(12,937)	(9,646)
Reference for FINANCIAL ASSETS AND LIABILITIES		Rate at 06.30.2011	25%	50%	-25%	-50%
CDI (% accum. in the quarter)		2.8	3.5	4.2	2.1	1.4
TJLP (% accum. in the quarter)		1.47	1.83	2.2	1.1	0.73
IGP-M (% accum. in the quarter)		0.7	0.87	1.05	0.52	0.35

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26 Financial instruments --Continued

Sensitivity analysis of impact on CEMAR's net income and equity:

Sensitivity analysis of impact on net income and equity		
Scenarios	Net income (loss)	Equity
Probable scenario	-	-
Scenario II	355	355
Scenario III	683	683
Scenario IV	(300)	(300)
Scenario V	(628)	(628)

f. Capital management

The Group manages its capital in order to maximize return for investors optimizing the indebtedness and equity levels, and seeking to achieve an efficient capital structure maintaining indebtedness and debt coverage ratios at levels optimizing return on capital for investors and ensuring liquidity for the Group.

Capital management is based on monitoring of three financial indices, establishing maximum limits that do not affect the Group's operations:

- Net debt / EBITDA
- Net debt / (net debt + equity)
- Short-term debt / total debt

Equatorial Energia S.A

Board of Directors

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Alexandre Gonçalves Silva

Carlos Augusto Leone Piani

Celso Fernandez Quintella

Firmino Ferreira Sampaio Neto

Gilberto Sayão da Silva

Paulo Jerônimo Bandeira de Mello Pedrosa

Fiscal Council

Effective

Felipe Sousa Bittencourt

Paulo Roberto Franceschi

Sergio Passos Ribeiro

Equatorial Energia S.A

Executive Board

Ana Marta Horta Veloso
Executive Officer

Eduardo Haiama
Chief Financial and Investor Relations Officer

Firmino Ferreira Sampaio Neto
Chief Executive Officer

Tinn Freire Amado
Executive Officer

Controlling Department Management

Humberto Soares Filho
Controlling Manager
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Geovane Ximenes de Lira
Accountant
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