

Rio de Janeiro, November 9, 2010 - Equatorial Energia S.A. (BM&FBOVESPA: EQTL3) announces its results for the third quarter (3Q10) and first nine months of 2010 (9M10).

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 ELECTRIC ENERGY GOES UP BY 10.2% IN 3Q10. CONSOLIDATED EBITDA TOTALS R\$186.0 MILLION IN THE QUARTER.

1. FINANCIAL AND OPERATING HIGHLIGHTS

- ▶ As of 2Q10, in view of Equatorial Energia's spin-off, **we have ceased to consolidate 13.03% of Light's figures** in our operating and financial information. For comparative purposes, on a pro-forma basis, we have also ceased to consolidate Light's information in our results for 3Q09, 2Q10, 9M09 and 9M10 in this Earnings Release.
- ▶ **Net operating revenues (NOR)** totaled R\$393.9 million in 3Q10, 30.6% up on 3Q09, reflecting a 27.3% increase by CEMAR and the commercial startup of Geramar.
- ▶ CEMAR's **billed energy volume** totaled 1,072 GWh in 3Q10, 10.2% more than in 3Q09.
- ▶ Third-quarter **EBITDA** came to R\$186.0 million, 27.6% higher than the adjusted amount reported in 3Q09 (see "Financial Performance - Consolidated" for more details).
- ▶ **Net income** totaled R\$65.3 million in the quarter, 6.0% up on the adjusted amount reported in the same period last year (see "Financial Performance - Consolidated" for more details).
- ▶ Equatorial's consolidated **investments** amounted to R\$113.3 million in 3Q10, 32.4% down year-on-year. CEMAR's investments (excluding direct investments in the PLPT program) totaled R\$48.0 million and investments in the PLPT program stood at R\$65.0 million, up by 41.0%.
- ▶ CEMAR's last-12-month **DEC and FEC** indices came to 23.3 hours and 14.9 times, respectively, in 3Q10, 7.6% and 5.7% down on the 3Q09 figures.
- ▶ CEMAR's last-12-month **energy losses** totaled 22.2% of required energy in 3Q10, 4.2 p.p. less than the 3Q09 ratio.
- ▶ In August 2010, **CEMAR's annual tariff adjustment** was concluded, resulting in an average increase of 0.08% for consumers.
- ▶ On August 25, 2010, the **spin-off of Equatorial Energia (EQTL3) was concluded**. On that date, the Company's shareholders received 1 share of Redentor Energia (RDTR3) for each share of Equatorial they held.

| FINANCIAL DATA (R\$MM) | 3Q09 | 2Q10 | 3Q10 | Chg. | 9M09 | 9M10 | Chg. |
|---|--------------|--------------|--------------|----------|--------------|--------------|-----------|
| Total Net Operating Revenue | 301.6 | 315.8 | 393.9 | 30.6% | 827.4 | 985.4 | 19.1% |
| EBITDA | 135.7 | 113.4 | 186.0 | 37.1% | 333.1 | 384.1 | 15.3% |
| <i>EBITDA Margin (% net revenues)</i> | 45.0% | 35.9% | 47.2% | 2.2 p.p. | 40.3% | 39.0% | -1.2 p.p. |
| Net Income | 56.0 | 44.1 | 65.3 | 16.5% | 150.5 | 148.7 | -1.2% |
| <i>Profit Margin (% net revenues)</i> | 18.6% | 14.0% | 16.6% | -2 p.p. | 18.2% | 15.1% | -3.1 p.p. |
| Net Income per Share (R\$ / share) | 0.53 | 0.41 | 0.60 | 13.7% | 1.42 | 1.37 | -3.6% |
| Investments | | | | | | | |
| CEMAR | 62.2 | 43.4 | 48.0 | -22.8% | 175.6 | 129.7 | -26.1% |
| PLPT (CEMAR) | 46.1 | 45.7 | 65.0 | 41.0% | 110.6 | 143.8 | 30.1% |
| Geramar | 59.3 | 8.5 | 0.3 | -99.6% | 89.0 | 15.9 | -82.2% |
| Total | 167.7 | 97.6 | 113.3 | -32.4% | 375.2 | 289.4 | -22.9% |
| Net Debt | 804.7 | 775.7 | 733.4 | -8.9% | 804.7 | 733.4 | -8.9% |
| Net Debt / EBITDA (LTM) | 1.9 | 1.7 | 1.4 | -0.5 x | 1.9 | 1.4 | -0.5 x |

CONTENTS

| | |
|---|-----------|
| 1. FINANCIAL AND OPERATING HIGHLIGHTS | 1 |
| 2. OPERATING PERFORMANCE | 3 |
| 2.1 OPERATING PERFORMANCE – DISTRIBUTION – CEMAR..... | 3 |
| 3. FINANCIAL PERFORMANCE | 5 |
| 3.1 FINANCIAL PERFORMANCE – CONSOLIDATED | 5 |
| 3.1.1 – OPERATING REVENUE..... | 6 |
| 3.1.2 – COSTS AND EXPENSES..... | 6 |
| 3.1.3 – EBITDA..... | 7 |
| 3.1.4 – FINANCIAL RESULT..... | 7 |
| 3.1.5 – NET INCOME..... | 8 |
| 3.2 FINANCIAL PERFORMANCE – CEMAR | 9 |
| 3.2.1 – OPERATING REVENUE..... | 9 |
| 3.2.2 – COSTS AND EXPENSES..... | 10 |
| 3.2.3 – EBITDA..... | 11 |
| 3.2.4 – FINANCIAL RESULT..... | 11 |
| 3.2.5 – INCOME TAX AND SOCIAL CONTRIBUTION..... | 12 |
| 3.2.6 – NET INCOME..... | 12 |
| 3.3 FINANCIAL PERFORMANCE – GERAMAR | 13 |
| 3.3.1 – OPERATING REVENUE..... | 13 |
| 3.3.2 – COSTS AND EXPENSES..... | 13 |
| 3.3.3 – EBITDA..... | 13 |
| 3.3.4 – FINANCIAL RESULT..... | 13 |
| 3.3.5 – NET INCOME..... | 13 |
| 4. DEBT | 14 |
| 6. INVESTMENTS | 16 |
| 6.1 – CEMAR..... | 16 |
| 6.2 – GERAMAR..... | 16 |
| 7. ANNUAL TARIFF INCREASE – CEMAR | 16 |
| 8. CAPITAL MARKET | 16 |
| 9. NEW PROJECTS | 16 |
| 10. SERVICES PROVIDED BY INDEPENDENT AUDITORS | 17 |
| 11. DISCLOSURE CALENDAR | 17 |
| ANNEX 1 – CONSOLIDATED INCOME STATEMENT (R\$ MM) | 19 |
| ANNEX 2 – INCOME STATEMENT PER COMPANY (R\$ MM) | 20 |
| ANNEX 3 – BALANCE SHEET (R\$ MM) | 21 |
| ANNEX 4 – INDEBTEDNESS | 22 |
| ANNEX 5 – CASH FLOW STATEMENT | 23 |

2. OPERATING PERFORMANCE

The operating information in this section is pro forma and reflects 100% of CEMAR's and 25% of Geramar's operations. We ceased consolidating Light's figures in 2Q10 due to the spin-off in April 2010

2.1 OPERATING PERFORMANCE – DISTRIBUTION – CEMAR

ENERGY SALES

In 3Q10, billed energy volume moved up by 10.2% over 3Q09 to 1,072 GWh, for three main reasons: (i) Maranhão's economic growth, resulting in higher per capita consumption; (ii) the addition of new clients to the consumer base; and (iii) the Company's stronger efforts to fight energy losses.

In 2Q10, rainfall was substantially below the average in recent years. As a result, the average temperature in Maranhão increased, in turn pushing up energy consumption over the same quarter the year before. As rainfall is normally lower in the second half, this effect did not recur in 3Q10, slowing the Company's energy consumption growth.

| CONSUMPTION CLASS (GWh) | 3Q09 | 2Q10 | 3Q10 | Chg. | 9M09 | 9M10 | Chg. |
|-------------------------|--------------|----------------|----------------|--------------|----------------|----------------|--------------|
| Residential | 438.9 | 474.6 | 485.6 | 10.6% | 1,185.6 | 1,409.6 | 18.9% |
| Industrial | 107.1 | 105.6 | 112.3 | 4.9% | 278.3 | 315.2 | 13.2% |
| Commercial | 194.4 | 200.5 | 211.2 | 8.7% | 516.1 | 602.1 | 16.7% |
| Others | 232.5 | 239.9 | 263.0 | 13.1% | 600.8 | 725.7 | 20.8% |
| TOTAL | 972.9 | 1,020.5 | 1,072.2 | 10.2% | 2,580.9 | 3,052.6 | 18.3% |

| Number of Clients | 3Q09 | 2Q10 | 3Q10 | Chg. |
|-------------------|------------------|------------------|------------------|-------------|
| Residential | 1,466,334 | 1,542,031 | 1,571,006 | 7.1% |
| Industrial | 9,637 | 9,746 | 9,844 | 2.1% |
| Commercial | 115,537 | 120,803 | 122,512 | 6.0% |
| Others | 76,232 | 86,058 | 89,333 | 17.2% |
| TOTAL | 1,667,740 | 1,758,638 | 1,792,695 | 7.5% |

ENERGY BALANCE

The required energy volume by CEMAR rose to 1,379 GWh in the 3Q10, growing 10.6% when compared with the same quarter of the previous year, almost the growth observed in the sold energy volume.

| ENERGY BALANCE (GWh) | 3Q09 | 2Q10 | 3Q10 | Chg. | 9M09 | 9M10 | Chg. |
|----------------------|-------|-------|-------|-------|-------|-------|-------|
| Required Energy | 1,247 | 1,286 | 1,379 | 10.6% | 3,482 | 3,905 | 12.2% |
| Sales (*) | 975 | 1,022 | 1,074 | 10.2% | 2,585 | 3,056 | 18.2% |
| Losses | 272 | 264 | 305 | 11.9% | 896 | 849 | -5.3% |

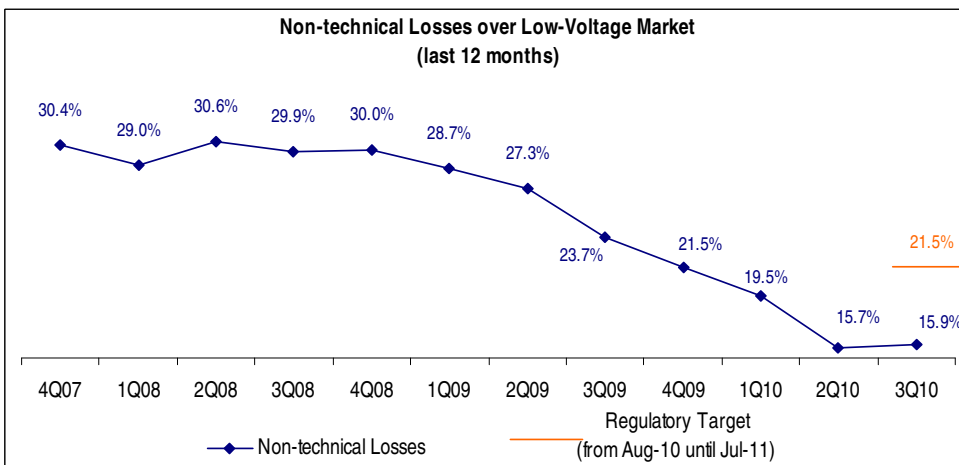
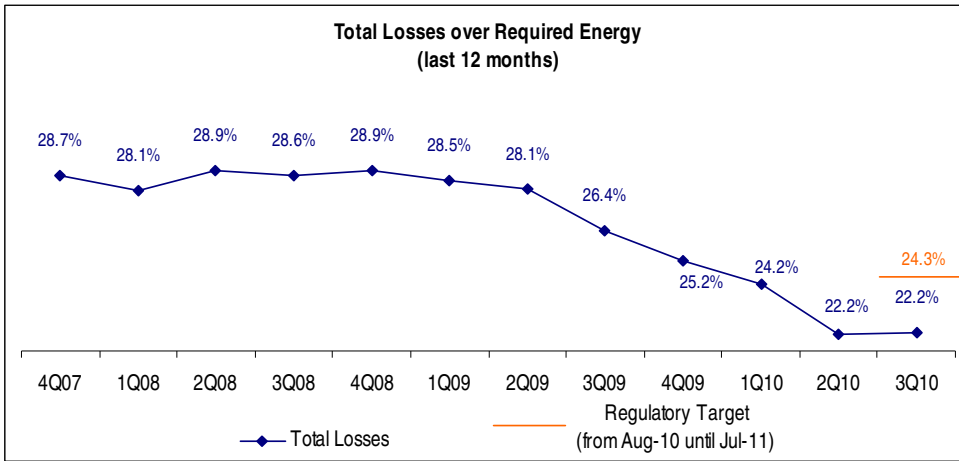
(*) Includes sales to the market, own consumption and sales to CEPISA.

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.

These measures include: i) more effective low- and high-voltage inspections, through improved target-selection procedures, such as fiscal metering, which consists in comparing the energy volume distributed by each transformer with the volume actually billed to customers connected to the same transformer; ii) the intensification of field team training; and iii) combating illegal connections and reconnections (when customers themselves reconnect supply after having been disconnected by the Company, without informing CEMAR).

Accordingly, CEMAR's energy losses for the last 12 months ended 3Q10 at 22.2% of required energy, while non-technical losses in the low-voltage market stood at 15.9%. Although we believe the Company can reduce its energy losses even further, it is reasonable to assume that such a reduction will occur at a slower pace in the coming quarters, given that the lower the level of energy losses, the harder it is to combat them, exemplified by the 3Q10 figures. Consequently, CEMAR has been investing in improving its intelligent energy-recovery target-selection systems, thereby ensuring greater accuracy and returns from the inspections.

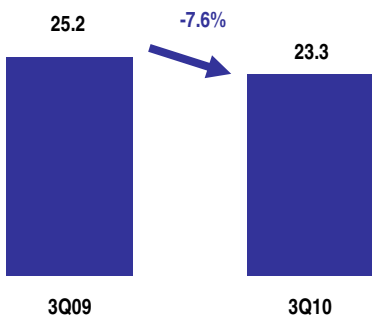


SERVICE QUALITY

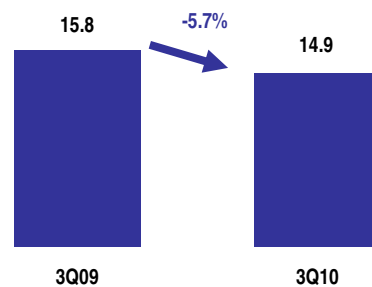
The quality and efficiency level of the distribution concessionaires' networks is denoted by the DEC and FEC indices. DEC refers to the equivalent length of interruptions per consumer, measured in hours per consumer for a given period, while FEC refers to the equivalent frequency of interruptions per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

At the close of 3Q10, last-12-month DEC stood at 23.3 hours, a 7.6% improvement over the 25.2 hours recorded at the close of 3Q09, while LTM came to 14.9 times, a 5.7% year-on-year improvement.

DEC (hour – last 12 months)



FEC (times – last 12 months)



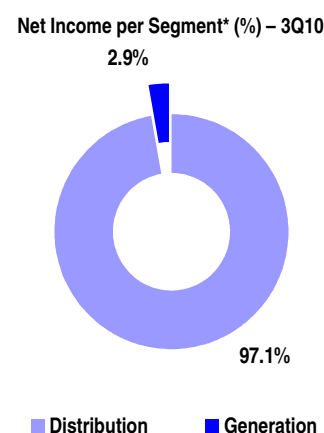
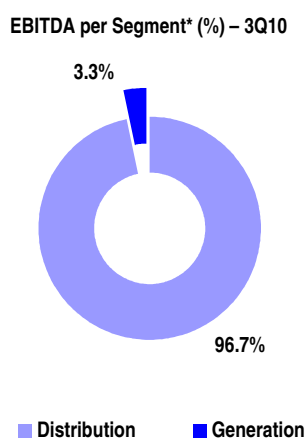
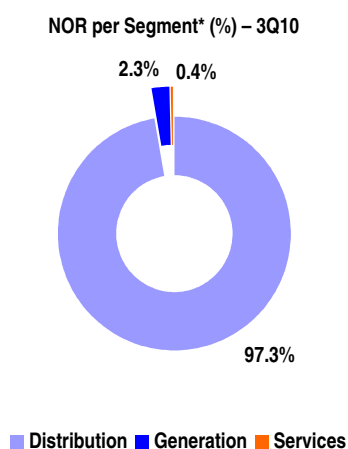
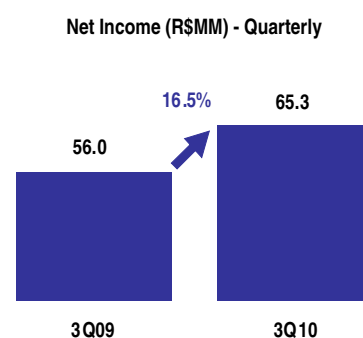
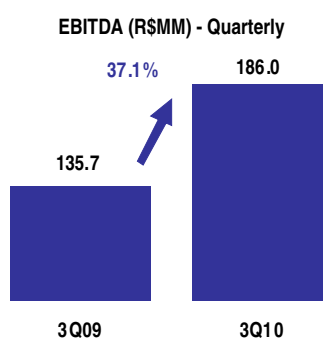
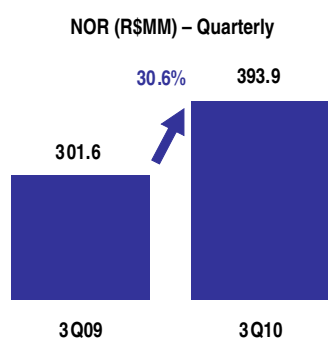
3. FINANCIAL PERFORMANCE

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.

As of 2Q10, in view of Equatorial's spin-off, we have no longer consolidated Light's figures. For comparative purposes, on a *pro forma* basis, we have also ceased to consolidate Light's information in our results for 3Q09, 2Q10, 9M09 and 9M10.

3.1 FINANCIAL PERFORMANCE – CONSOLIDATED

| Consolidated Income Statement (R\$MM) | 3Q09 | 2Q10 | 3Q10 | Chg. | 9M09 | 9M10 | Chg. |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Gross Operating Revenues (GOR) | 424.6 | 447.7 | 527.1 | 24.1% | 1,155.6 | 1,374.1 | 18.9% |
| Net Operating Revenues (NOR) | 301.6 | 315.8 | 393.9 | 30.6% | 827.4 | 985.4 | 19.1% |
| Electric Energy Cost | (114.6) | (132.8) | (127.6) | 11.4% | (338.4) | (382.7) | 13.1% |
| Operating Costs / Expenses | (51.3) | (69.6) | (80.2) | 56.3% | (155.8) | (218.6) | 40.3% |
| EBITDA | 135.7 | 113.4 | 186.0 | 37.1% | 333.1 | 384.1 | 15.3% |
| Other Operating Revenues/Expenses | (2.2) | (0.7) | (4.3) | 96.6% | (12.8) | (7.0) | -45.2% |
| Depreciation | (24.9) | (23.3) | (25.0) | 0.1% | (77.3) | (71.4) | -7.6% |
| Service Income (EBIT) | 108.6 | 89.4 | 156.7 | 44.4% | 243.0 | 305.7 | 25.8% |
| Financial Result | (4.0) | (17.6) | (9.5) | 139.0% | 4.6 | (33.8) | N/A |
| Operating Income | 104.6 | 71.7 | 147.2 | 40.8% | 247.6 | 271.9 | 9.8% |
| Goodwill Amortization | - | (2.3) | (1.6) | N/A | - | 9.7 | N/A |
| Earnings Before Taxes (EBT) | 104.6 | 69.5 | 145.7 | 39.2% | 247.6 | 281.5 | 13.7% |
| Income Tax / Social Contribution | (14.5) | 1.4 | (34.3) | 136.3% | (7.5) | (39.8) | 429.1% |
| Profit Sharing | (3.4) | (3.3) | (8.2) | 145.6% | (9.7) | (14.7) | 51.5% |
| Minority Interests | (30.7) | (23.5) | (37.8) | 23.3% | (79.9) | (78.4) | -1.9% |
| Net Income | 56.0 | 44.1 | 65.3 | 16.5% | 150.5 | 148.7 | -1.2% |



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

3.1.1 – OPERATING REVENUE

| OPERATING REVENUE - CONSOLIDATED (R\$ MM) | 3Q09 | 2Q10 | 3Q10 | Chg. | 9M09 | 9M10 | Chg. |
|---|--------------|--------------|--------------|----------------|----------------|----------------|----------------|
| Gross Operating Revenue | 383.6 | 420.3 | 429.3 | 11.9% | 1,059.2 | 1,233.1 | 16.4% |
| Residential | 182.0 | 204.7 | 203.4 | 11.8% | 500.0 | 595.1 | 19.0% |
| Industrial | 35.6 | 37.9 | 40.7 | 14.4% | 99.2 | 112.7 | 13.7% |
| Commercial | 89.3 | 95.6 | 97.8 | 9.5% | 249.1 | 282.3 | 13.3% |
| Others | 76.7 | 82.1 | 87.3 | 13.9% | 210.9 | 242.9 | 15.1% |
| Supply | 2.3 | 1.8 | 11.4 | 395.8% | 10.2 | 14.8 | 45.4% |
| Network Usage | 0.2 | 0.0 | (0.3) | -207.5% | 0.5 | (0.2) | -143.5% |
| Other Revenues | 38.3 | 12.4 | 75.1 | 96.1% | 85.4 | 93.0 | 8.9% |
| Low Income | 29.7 | 31.2 | 31.3 | 5.6% | 83.9 | 92.8 | 10.7% |
| Accrual (Amortization) of Regulatory Assets | 4.3 | (28.1) | 38.0 | 790.0% | (10.8) | (19.1) | 77.9% |
| Other Operating Revenues | 4.3 | 9.3 | 5.8 | 33.4% | 12.3 | 19.3 | 57.1% |
| Gross Operating Revenue - Distribution | 424.4 | 434.6 | 515.5 | 21.4% | 1,155.3 | 1,340.7 | 16.0% |
| Generation | - | 9.9 | 9.8 | N/A | - | 28.0 | N/A |
| Services | 0.1 | 3.2 | 1.8 | 1332.0% | 0.3 | 5.5 | -58.9% |
| Gross Operating Revenue - Consolidated | 424.6 | 447.7 | 527.1 | 24.1% | 1,155.6 | 1,374.1 | 18.9% |
| ICMS | (67.7) | (71.7) | (75.0) | 10.9% | (177.4) | (213.4) | 20.3% |
| PIS/Cofins | (38.7) | (43.9) | (45.4) | 17.1% | (107.3) | (128.9) | 20.1% |
| Consumer Charges | (16.6) | (16.3) | (12.8) | -22.5% | (43.5) | (46.4) | 6.6% |
| Net Operating Revenue - Consolidated | 301.6 | 315.8 | 393.9 | 30.6% | 827.4 | 985.4 | 19.1% |

Consolidated net operating revenues (NOR) totaled R\$393.9 million in 3Q10, 30.6% up on the R\$301.6 million recorded in 3Q09. This account is mainly impacted by the distribution segment, which accounts for 97.3% of consolidated NOR, followed by generation (2.3%) and services (0.4%). In company terms, the percentages are exactly the same, 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\$237.1 million in 3Q10, 22.8% more than in 3Q09. This account comprises non-manageable costs and expenses (the purchase and transportation of energy and sector charges), which stood at R\$125.4 million and increased by 9.5%, and manageable costs and expenses, which climbed by 28.0%.

| Operating Costs / Expenses | 3Q09 | 2Q10 | 3Q10 | Chg. | 9M09 | 9M10 | Chg. |
|---|--------------|--------------|--------------|---------------|--------------|--------------|---------------|
| Electricity Purchased for Resale | 114.6 | 130.5 | 125.4 | 9.5% | 338.4 | 375.1 | 10.9% |
| PMSO | 44.7 | 50.7 | 57.2 | 28.0% | 123.3 | 159.5 | 29.3% |
| Provisions and Other Operating Expenses | 6.8 | 15.9 | 18.0 | 166.0% | 38.0 | 43.9 | 15.6% |
| Depreciation | 24.9 | 22.1 | 23.7 | -4.6% | 77.2 | 68.2 | -11.7% |
| CEMAR | 190.9 | 219.2 | 224.4 | 17.5% | 576.9 | 646.7 | 12.1% |
| CUST + Generation costs | - | 2.3 | 2.2 | N/A | - | 7.6 | N/A |
| PMSO | - | 0.7 | 0.4 | N/A | - | 1.7 | N/A |
| Depreciation | - | 1.2 | 1.2 | N/A | - | 3.1 | N/A |
| Geramar | - | 4.2 | 3.8 | N/A | - | 12.4 | N/A |
| PMSO | 0.0 | 0.9 | 2.2 | N/A | 0.1 | 3.5 | N/A |
| Depreciation | - | 0.0 | 0.0 | N/A | - | 0.0 | N/A |
| Equatorial Soluções | 0.0 | 0.9 | 2.2 | N/A | 0.1 | 3.5 | N/A |
| PMSO | 2.0 | 2.2 | 6.6 | 233.4% | 7.4 | 17.0 | 130.6% |
| Depreciation | 0.0 | 0.0 | 0.0 | N/A | 0.1 | 0.1 | N/A |
| Equatorial (holding) | 2.0 | 2.2 | 6.7 | 229.1% | 7.5 | 17.1 | 128.7% |
| Equatorial Consolidated | 193.0 | 226.4 | 237.1 | 22.8% | 584.4 | 679.8 | 16.3% |

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\$186.0 million in 3Q10, 27.6% up on adjusted 3Q09 EBITDA.

The quarterly upturn was chiefly due to:

- **CEMAR:** given the 10.2% increase in billed energy, CEMAR's 3Q10 EBITDA increased by 36.2%. In addition, the company recognized R\$61.3 million in regulatory assets, due to the annual tariff adjustment in August 2010.
- **Geramar:** the company's start-up in February 2010 contributed R\$6.3 million to consolidated EBITDA in 3Q10.

Regarding the constitution of the aforementioned regulatory assets, we would like to highlight the R\$46.6 million related to the Low Income Subsidy and R\$17.6 million related to the Light For All Program Deficit (not considering the amortizations). Specifically regarding the latter, until the next Tariff Review (aug-13), both the capex remuneration and the additional costs related to the program should be granted as Financial Components in the Annual Tariff Adjustment.

| Consolidated EBITDA (R\$ million) | 3Q09 | 2Q10 | 3Q10 | Chg. | 9M09 | 9M10 | Chg. |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Service Income | 108.6 | 89.4 | 156.7 | 44.4% | 243.0 | 305.7 | 25.8% |
| Depreciation and Amortization | 24.9 | 23.3 | 25.0 | 0.1% | 77.3 | 71.4 | -7.6% |
| Other Operating Revenue/Expenses | 2.2 | 0.7 | 4.3 | 96.6% | 12.8 | 7.0 | -45.2% |
| EBITDA | 135.7 | 113.4 | 186.0 | 37.1% | 333.1 | 384.1 | 15.3% |
| RTD Adjustment - CEMAR | 3.9 | - | - | N/A | 3.9 | - | N/A |
| Regulatory Losses Adjustment - CEMAR | 6.2 | - | - | N/A | 6.2 | - | N/A |
| Adjusted EBITDA | 145.8 | 113.4 | 186.0 | 27.6% | 343.2 | 384.1 | 11.9% |

3.1.4 – FINANCIAL RESULT

| Financial Result (R\$ MM) | 3Q09 | 2Q10 | 3Q10 | Chg. | 9M09 | 9M10 | Chg. |
|---|---------------|---------------|---------------|---------------|---------------|----------------|---------------|
| Financial income | 4.4 | 10.1 | 11.6 | 166.0% | 28.6 | 30.5 | 6.9% |
| Fine charged on energy sale | 12.8 | 11.8 | 12.5 | -2.2% | 31.0 | 36.9 | 18.9% |
| Other financial revenues | 8.8 | (2.2) | 2.9 | -66.5% | 33.0 | 6.5 | -80.4% |
| Financial Revenue | 25.9 | 19.6 | 27.1 | 4.4% | 92.6 | 73.9 | -20.2% |
| Interest on loans and financing | (21.5) | (21.0) | (22.2) | 3.2% | (66.8) | (63.6) | -4.8% |
| Monetary and foreign exchange variation | (2.9) | (6.7) | (4.5) | 55.0% | (9.5) | (18.0) | 90.6% |
| Other financial expenses | (5.5) | (9.6) | (9.9) | 79.4% | (11.7) | (26.1) | 122.7% |
| Financial Expenses | (29.9) | (37.3) | (36.6) | 22.3% | (88.0) | (107.7) | 22.4% |
| Net Financial Result | (4.0) | (17.6) | (9.5) | 139.0% | 4.6 | (33.8) | N/A |

In 3Q10, the consolidated financial result was a net expense of R\$9.5 million, versus an expense of R\$4.0 million in 3Q09.

The main variations per company were:

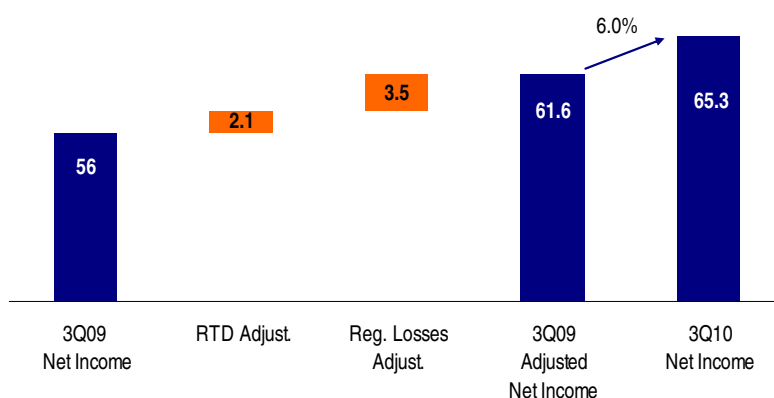
- ▶ **CEMAR:** net financial expense of R\$8.7 million, versus a net expense of R\$5.7 million in 3Q09, from financial revenues of R\$24.7 million (virtually flat over 3Q09) and financial expenses of R\$33.4 million (11.9% up on 3Q09).
- ▶ **Geramar:** the company recognized a net financial expense of R\$3.1 million as a result of the loans taken out during the construction of the plants.
- ▶ **Equatorial (holding):** positive result of R\$2.2 million, basically arising from the utilization of the Company's available cash.

3.1.5 – NET INCOME

The Company posted 3Q10 net income of R\$65.3 million, 6.0% up on adjusted net income in 3Q09, when the Company recognized two non-recurring items that negatively impacted its results, both of which as a result of the tariff review process concluded in August 2009. These were: i) R\$2.1 million due to the negative adjustment of the deferred tariff repositioning and ii) R\$3.5 million due to the adjustment of the loss trajectory in CEMAR's first cycle.

In 3Q10, Equatorial's earnings per share totaled R\$0.60, versus R\$0.53 in the same quarter the year before. In year-to-date terms, earnings per share came to R\$1.37, versus R\$1.42 in the first nine months of 2009.

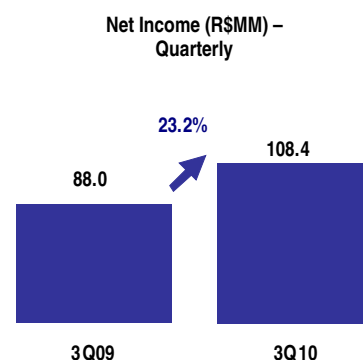
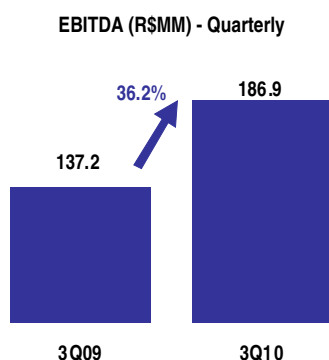
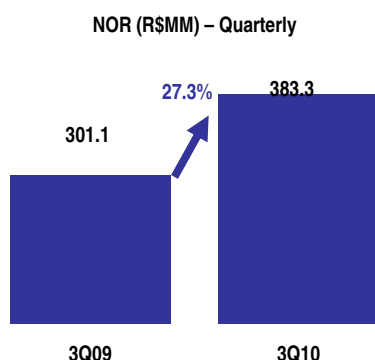
RECONCILIATION OF ADJUSTED NET INCOME



3.2 FINANCIAL PERFORMANCE – CEMAR

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

| INCOME STATEMENT - CEMAR (R\$MM) | 3Q09 | 2Q10 | 3Q10 | Chg. | 9M09 | 9M10 | Chg. |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Gross Operating Revenues (GOR) | 424.0 | 434.1 | 515.5 | 21.6% | 1,154.9 | 1,339.8 | 16.0% |
| Net Operating Revenues (NOR) | 301.1 | 303.4 | 383.3 | 27.3% | 826.7 | 954.2 | 15.4% |
| Electric Energy Cost | (114.6) | (130.5) | (125.4) | 9.5% | (338.4) | (375.1) | 10.9% |
| Operating Costs / Expenses | (49.3) | (65.9) | (70.9) | 43.9% | (148.4) | (196.3) | 32.3% |
| EBITDA | 137.2 | 107.1 | 186.9 | 36.2% | 339.9 | 382.7 | 12.6% |
| Other Operating Revenues/Expenses | (2.2) | (0.7) | (4.3) | 96.6% | (12.8) | (7.0) | -45.2% |
| Service Income (EBIT) | 110.1 | 84.3 | 158.8 | 44.2% | 249.9 | 307.5 | 23.1% |
| Financial Result | (5.7) | (16.7) | (8.7) | 52.1% | (8.4) | (31.9) | 278.6% |
| Operating Income | 104.4 | 67.6 | 150.1 | 43.8% | 241.4 | 275.6 | 14.2% |
| Income Tax / Social Contribution | (14.2) | 2.4 | (34.0) | 139.3% | (5.5) | (38.0) | 587.0% |
| Profit Sharing | (2.2) | (2.7) | (7.7) | 248.5% | (6.4) | (13.0) | 103.3% |
| Net Income | 88.0 | 67.3 | 108.4 | 23.2% | 229.5 | 224.6 | -2.1% |



3.2.1 – OPERATING REVENUES

| OPERATING REVENUE - CEMAR | 3Q09 | 2Q10 | 3Q10 | Chg. | 9M09 | 9M10 | Chg. |
|--|----------------|----------------|----------------|---------------|----------------|----------------|---------------|
| Energy Sales (MWh)* | 972,902 | 1,020,490 | 1,072,160 | 10.2% | 2,580,880 | 3,052,571 | 18.3% |
| Number of Clients** | 1,667,740 | 1,758,638 | 1,792,695 | 7.5% | 1,667,740 | 1,792,695 | 7.5% |
| KWh per Client | 583.4 | 580.3 | 598.1 | 2.5% | 1,547.5 | 1,702.8 | 10.0% |
| Gross Operating Revenue (R\$ MM) | 383.6 | 420.3 | 429.3 | 11.9% | 1,059.2 | 1,233.1 | 16.4% |
| Residential | 182.0 | 204.7 | 203.4 | 11.8% | 500.0 | 595.1 | 19.0% |
| Industrial | 35.6 | 37.9 | 40.7 | 14.4% | 99.2 | 112.7 | 13.7% |
| Commercial | 89.3 | 95.6 | 97.8 | 9.5% | 249.1 | 282.3 | 13.3% |
| Other Classes | 76.7 | 82.1 | 87.3 | 13.9% | 210.9 | 242.9 | 15.1% |
| Supply (R\$ MM) | 2.3 | 1.8 | 11.4 | 395.8% | 10.2 | 14.8 | 45.4% |
| Other Revenues (R\$ MM) | 38.1 | 11.9 | 74.8 | 96.5% | 85.5 | 92.0 | 7.6% |
| Low Income | 29.7 | 31.2 | 31.3 | 5.6% | 83.9 | 92.8 | 10.7% |
| Accrual (Amortization) of Regulatory Assets | 4.5 | (28.0) | 37.7 | 735.0% | (10.3) | (19.4) | -88.7% |
| CVA | 22.9 | (10.4) | 25.8 | 12.7% | 22.3 | 3.1 | -86.0% |
| Network Usage | 0.2 | 0.0 | (0.3) | -207.5% | 0.5 | (0.2) | -143.5% |
| PLPT - IRT | 0.8 | (1.7) | 14.4 | 1822.1% | 0.7 | 11.1 | 1455.6% |
| RTD | (19.4) | (16.0) | (2.3) | 88.1% | (33.8) | (33.4) | 1.2% |
| Other Operating Revenues | 3.9 | 8.8 | 5.8 | 49.0% | 11.9 | 18.5 | 55.9% |
| Deductions from Operating Revenues (R\$ MM) | (122.9) | (130.7) | (132.2) | -7.6% | (328.1) | (385.6) | -17.5% |
| Net Operating Revenue (R\$ MM) | 301.1 | 303.4 | 383.3 | 27.3% | 826.7 | 954.2 | 15.4% |
| Regulatory Assets*** | 120.3 | 29.4 | 82.0 | -31.9% | 120.3 | 82.0 | -31.9% |

* Does not consider own consumption and supply to CEPISA

** Excludes own consumption facilities

*** Net Balance of Regulatory Assets and Liabilities

In 3Q10, gross revenues from energy sales grew by 11.9% over the same period last year, largely due to two factors: i) the 10.2% increase in energy sales volume; and ii) the recognition of regulatory assets included as financial components in the annual tariff adjustment in August, which includes the Low Income Subsidy and the PLPT Deficit. As already explained in previous earnings releases, these assets are fully recognized in August (when the tariff adjustment or review takes place) and are gradually amortized over the following 12 months. In 3Q10, regulatory assets of R\$74.5 million were recognized, R\$13.2 million of which amortized in August and September, resulting in the net recognition of R\$61.3 million.

Net revenues totaled R\$383.3 million, 27.3% up on 3Q09. The difference between gross revenue (11.9%) and net revenue (27.3%) growth was chiefly due to the recognition of regulatory assets in the amount of R\$61.3 million, as no tax is levied on these revenues.

3.2.2 – COSTS AND EXPENSES

In 3Q10, costs and expenses (manageable and non-manageable, excluding depreciation and amortization) totaled R\$200.7 million, equivalent to 52.4% of net revenues, 2.7 p.p. down on the 55.1% recorded in 3Q09.

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 the CVA amortization and other costs, totaled R\$57.2 million, virtually identical to 3Q09 as a percentage of net revenues.

Personnel expenses came to R\$15.1 million, 40.4% up on 3Q09, fueled by the 4.18% pay rise following the collective bargaining agreement in November 2009 and the change in the way these expenses are booked as a result of Regulatory Resolution 396/2010.

Material expenses amounted to R\$1.6 million, 29.2% down on 3Q09. The main items in this line were: i) the purchase of maintenance and operational materials, totaling R\$1.2 million; and ii) the purchase of fuel and lubricants for support vehicles and repair and maintenance of the distribution network, totaling R\$0.3 million.

Expenses from outsourced services moved up by 37.0% over 3Q09 to R\$38.2 million, pushed by the substantial 7.5% increase in the number of clients, improvements to the quality of the energy distribution system and the Company's program to reduce energy losses. The main services leading to the upturn were: i) a R\$3.8 million increase in fraud-combat services, as part of the Company's loss reduction program; ii) a R\$0.5 million upturn in the maintenance of live lines (when the distribution line is not disconnected); and iii) a R\$0.5 million increase in standby emergency services, with technical support and electrician teams.

In 3Q10, provisions for doubtful accounts (PDA) and losses came to R\$6.3 million, or 1.2% of gross operating revenues (GOR), 0.7 p.p. higher than in 3Q09 result. However, PDA and losses as a percentage of GOR came to 1.9% in 9M10, a 0.2 p.p. improvement.

CEMAR reached 1,382 clients for each employee in 3Q10, 10.0% more than in 3Q09. The PMSO/client ratio moved up by 19.1%, representing a cost of R\$31.9 per client.

| R\$ MM | 3Q09 | 2Q10 | 3Q10 | Chg. | 9M09 | 9M10 | Chg. |
|---|--------------|--------------|--------------|------------------|--------------|--------------|------------------|
| Personnel | 10.7 | 14.5 | 15.1 | 40.4% | 29.7 | 44.4 | 49.4% |
| Material | 2.3 | 1.9 | 1.6 | -29.2% | 6.2 | 5.5 | -10.4% |
| Third Party Services | 27.9 | 32.7 | 38.2 | 37.0% | 76.2 | 101.6 | 33.3% |
| Others | 3.8 | 1.6 | 2.3 | -39.0% | 11.2 | 8.0 | -28.7% |
| PMSO | 44.7 | 50.7 | 57.2 | 28.0% | 123.3 | 159.5 | 29.3% |
| <i>% Net Revenues</i> | 14.8% | 16.7% | 14.9% | 0 p.p. | 14.9% | 16.7% | 1.7 p.p. |
| Provisions | 4.6 | 15.2 | 13.7 | 199.2% | 25.1 | 36.9 | 46.7% |
| PDA and Losses | 2.1 | 13.0 | 6.3 | 194.2% | 18.5 | 25.1 | 35.9% |
| <i>% Gross Operating Revenue</i> | 0.5% | 3.0% | 1.2% | 0.7 p.p. | 1.6% | 1.9% | 0.2 p.p. |
| Provision for Contingencies and Other Provisions | 2.4 | 2.2 | 7.4 | 203.5% | 6.6 | 11.7 | 76.7% |
| Other Operating Expenses/Revenues | 2.2 | 0.7 | 4.3 | 96.6% | 12.8 | 7.0 | -45.2% |
| MANAGEABLE COSTS AND EXPENSES | 51.5 | 66.6 | 75.2 | 46.1% | 161.3 | 203.4 | 26.1% |
| <i>% Net Revenues</i> | 17.1% | 21.9% | 19.6% | 2.5 p.p. | 19.5% | 21.3% | 1.8 p.p. |
| Electricity Purchased | 96.7 | 109.2 | 109.7 | 13.5% | 278.1 | 316.7 | 13.9% |
| Transmission and Distribution Network Usage Charges | 17.6 | 20.6 | 18.8 | 6.7% | 59.1 | 60.1 | 1.7% |
| CVA Amortization | -0.4 | 0.0 | -4.2 | 837.4% | -0.7 | -4.2 | 471.1% |
| Other Costs | 0.7 | 0.7 | 1.1 | 52.2% | 2.0 | 2.5 | 28.6% |
| NON-MANAGEABLE COSTS AND EXPENSES | 114.6 | 130.5 | 125.4 | 9.5% | 338.4 | 375.1 | 10.9% |
| <i>% Net Revenues</i> | 38.1% | 43.0% | 32.7% | -5.3 p.p. | 40.9% | 39.3% | -1.6 p.p. |
| TOTAL | 166.0 | 197.1 | 200.7 | 20.9% | 499.7 | 578.5 | 15.8% |
| TOTAL (% Net Revenues.) | 55.1% | 64.9% | 52.4% | -2.7 p.p. | 60.4% | 60.6% | 0.2 p.p. |

NON-MANAGEABLE OPERATING COSTS AND EXPENSES

Non-manageable operating costs and expenses totaled R\$125.4 million in 3Q10, 9.5% more than in 3Q09, chiefly due to the increase in the volume of purchased energy to meet the 10.2% growth in captive market consumption. It is worth noting that such costs are part of Parcel A of the energy tariff. Consequently, any increase is passed on to the Company via the annual tariff adjustment index (IRT), so no financial loss is incurred.

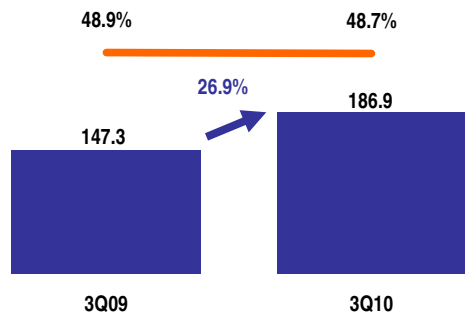
3.2.3 - EBITDA

EBITDA totaled R\$186.9 million in 3Q10, 26.9% up on the R\$147.3 million recorded in 3Q09, already including the adjustments in the latter quarter, mainly fueled by higher energy sales by CEMAR, lower energy losses and the higher recognition of regulatory assets (R\$61.3 million, net of amortization) in the tariff adjustment process, as dealt with in section 3.1 - Operating Revenues.

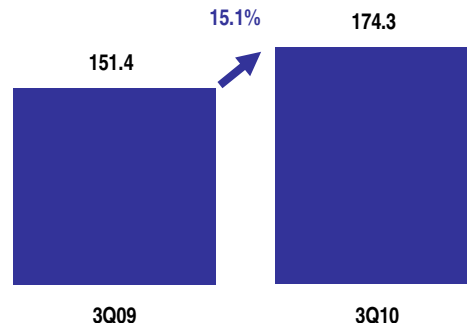
Regarding the constitution of the aforementioned regulatory assets, we would like to highlight the R\$46.6 million related to the Low Income Subsidy and R\$17.6 million related to the Light For All Program Deficit (not considering the amortizations). Specifically regarding the latter, until the next Tariff Review (aug-13), both the capex remuneration and the additional costs related to the program should be granted as Financial Components in the Annual Tariff Adjustment.

| EBITDA (R\$ MM) | 3Q09 | 2Q10 | 3Q10 | Chg. | 9M09 | 9M10 | Chg. |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Service Income | 110.1 | 84.3 | 158.8 | 44.2% | 249.9 | 307.5 | 23.1% |
| Depreciation and Amortization | 24.9 | 22.1 | 23.7 | -4.6% | 77.2 | 68.2 | -11.7% |
| Other Operating Revenues/Expenses | 2.2 | 0.7 | 4.3 | 96.6% | 12.8 | 7.0 | -45.2% |
| EBITDA | 137.2 | 107.1 | 186.9 | 36.2% | 339.9 | 382.7 | 12.6% |
| RTD Adjustment | 3.9 | - | - | N/A | 3.9 | - | N/A |
| Regulatory Losses Adjustment | 6.2 | - | - | N/A | 6.2 | - | N/A |
| Adjusted EBITDA | 147.3 | 107.1 | 186.9 | 26.9% | 350.0 | 382.7 | 9.4% |

EBITDA (R\$MM) and EBITDA Margin: Quarterly



EBITDA (R\$) per MWh: Quarterly



3.2.4 – FINANCIAL RESULT

In 3Q10, the net financial result was an expense of R\$8.7 million, versus an expense of R\$5.7 million in 3Q09, from financial revenues of R\$24.7 million (virtually flat in comparison to 3Q09) and financial expenses of R\$33.4 million (up by 11.9%).

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

| Financial Result (R\$ MM) | 3Q09 | 2Q10 | 3Q10 | Chg. | 9M09 | 9M10 | Chg. |
|---|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Financial income | 2.6 | 8.0 | 9.3 | 257.5% | 14.6 | 24.0 | 63.9% |
| Fine charged on energy sale | 12.8 | 11.8 | 12.5 | -2.2% | 31.0 | 36.9 | 18.9% |
| RTD and CVA Adjustments | 1.7 | 0.4 | 0.4 | -74.3% | 7.0 | 1.2 | -83.2% |
| Other financial revenues | 7.1 | (2.6) | 2.5 | -64.7% | 26.0 | 5.3 | -79.7% |
| Financial Revenue | 24.1 | 17.6 | 24.7 | 2.3% | 78.7 | 67.3 | -14.4% |
| Interest on loans and financing | (21.5) | (21.0) | (22.2) | -3.2% | (66.8) | (63.6) | 4.8% |
| Monetary and foreign exchange variation | (2.9) | (6.7) | (4.5) | -55.0% | (9.5) | (18.0) | -90.6% |
| Other financial expenses | (5.5) | (6.6) | (6.8) | -23.2% | (10.8) | (17.6) | -62.7% |
| Financial Expenses | (29.9) | (34.3) | (33.4) | -11.9% | (87.1) | (99.2) | 13.9% |
| Net Financial Result | (5.7) | (16.7) | (8.7) | -52.1% | (8.4) | (31.9) | -278.6% |

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 expenses, effective between 2006 and 2013; and iii) the offsetting of tax loss carryforwards. It is worth mentioning that the first and second items refer to income tax only, while the third item refers both to income tax and social contribution.

Breakdown of Income Tax and Social Contribution Effective Rates

| Income Tax / Social Contribution (R\$MM) | 3Q09 | 2Q10 | 3Q10 | 9M09 | 9M10 |
|---|--------------|---------------|--------------|---------------|---------------|
| EBT | 104.4 | 67.6 | 150.1 | 241.4 | 275.6 |
| (-) Other Expenses | 2.2 | 2.7 | 2.7 | 6.4 | 13.0 |
| EBT basis (1) | 102.2 | 64.9 | 147.4 | 235.0 | 262.6 |
| Income Tax / Social Contribution Expenses | (13.9) | 2.4 | (34.9) | (5.3) | (38.0) |
| (-) Deferred Tax Assets | 6.1 | (12.5) | 25.1 | (11.9) | 11.4 |
| = Tax Payable | (7.8) | (10.0) | (9.9) | (17.2) | (26.7) |
| (+) Fiscal Credits | - | 2.7 | - | - | 4.3 |
| = Tax - Cash Basis (2) | (7.8) | (7.4) | (9.9) | (17.2) | (22.4) |
| Effective Tax Rate = (2) / (1) | 7.6% | 11.3% | 6.7% | 7.3% | 8.5% |

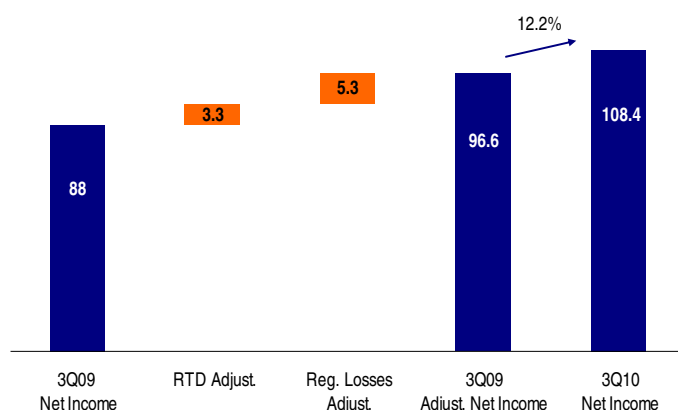
In 3Q10, income tax and social contribution represented an expense of R\$34.9 million. Considering the utilization of deferred tax assets, CEMAR paid R\$9.9 million in taxes, corresponding to an effective rate of 6.7%.

3.2.6 – NET INCOME

CEMAR posted 3Q10 net income of R\$108.4 million, 23.2% higher than in 3Q09, when income was negatively affected by a non-recurring R\$3.3 million from the negative adjustment of the deferred tariff repositioning and R\$5.3 million from the adjustment in the 1st cycle's loss trajectory, both as a result of the tariff review process concluded in August 2009. Excluding these non-recurring effects, net income increased by 12.2% year-on-year.

CEMAR's earnings per share came to R\$0.66 in 3Q10 and R\$1.37 in 9M10, versus R\$1.40 in 9M09.

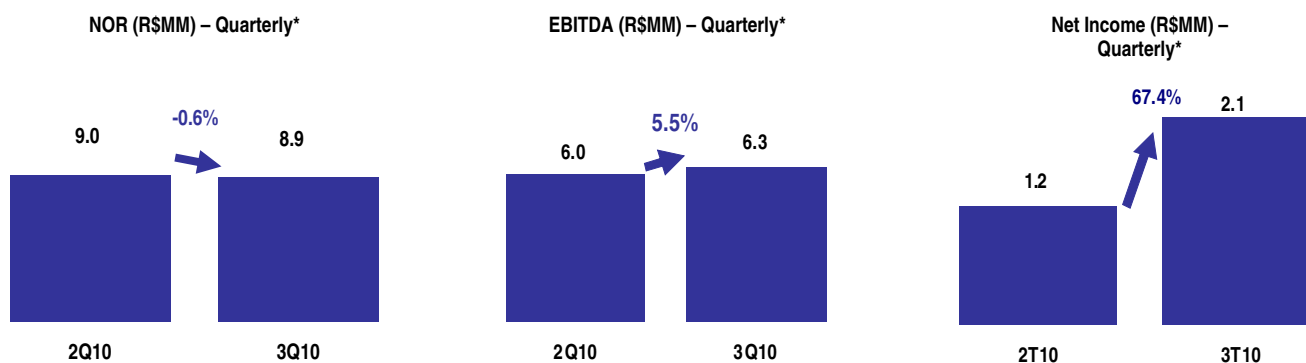
ADJUSTED NET INCOME – CEMAR



3.3 FINANCIAL PERFORMANCE - Geramar

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

| INCOME STATEMENT - GENERATION (R\$MM) | 3Q09 | 2Q10 | 3Q10 | Chg. | 9M09 | 9M10 | Chg. |
|---------------------------------------|----------|------------|------------|------------|----------|-------------|------------|
| Gross Operating Revenues (GOR) | - | 9.9 | 9.8 | N/A | - | 28.0 | N/A |
| Net Operating Revenues (NOR) | - | 9.0 | 8.9 | N/A | - | 25.4 | N/A |
| Electric Energy Cost | - | (2.3) | (2.2) | N/A | - | (7.6) | N/A |
| Operating Costs / Expenses | - | (0.7) | (0.4) | N/A | - | (1.7) | N/A |
| EBITDA | - | 6.0 | 6.3 | N/A | - | 16.1 | N/A |
| Depreciation | - | (1.2) | (1.2) | N/A | - | (3.1) | N/A |
| Service Income (EBIT) | - | 4.8 | 5.1 | N/A | - | 13.0 | N/A |
| Financial Result | - | (3.0) | (3.1) | N/A | - | (8.4) | N/A |
| Earnings Before Taxes (EBT) | - | 1.8 | 2.1 | N/A | - | 4.6 | N/A |
| Income Tax / Social Contribution | - | (0.6) | (0.0) | N/A | - | (0.7) | N/A |
| Net Income | - | 1.2 | 2.1 | N/A | - | 3.9 | N/A |



* Exceptionally, as this is the first year of the Company's operations, we are comparing Geramar's quarterly performance with the preceding quarter, instead of with the same quarter in 2009

3.3.1 – OPERATING REVENUES

In 3Q10, net operating revenues (NOR) totaled R\$8.9 million, resulting entirely from fixed revenues from plant availability, as no dispatch was requested by the National System Operator (ONS) during the quarter.

3.3.2 – COSTS AND EXPENSES

In 3Q10, the total costs incurred by the plants amounted to R\$3.8 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 | 3Q09 | 2Q10 | 3Q10 | Chg. | 9M09 | 9M10 | Chg. |
|----------------------------|----------|------------|------------|------------|----------|-------------|------------|
| CUST + Generation costs | - | 2.3 | 2.2 | N/A | - | 7.6 | N/A |
| PMSO | - | 0.7 | 0.4 | N/A | - | 1.7 | N/A |
| Depreciation | - | 1.2 | 1.2 | N/A | - | 3.1 | N/A |
| Geramar | - | 4.2 | 3.8 | N/A | - | 12.4 | N/A |

3.3.3 - EBITDA

Geramar's EBITDA totaled R\$6.3 million in 2Q10, an improvement over the previous quarter, thanks to the reduction in PMSO.

3.3.4 – FINANCIAL RESULT

The 3Q10 financial result was a net expense of R\$3.1 million, arising from interest on loans taken out to finance the construction of the plants.

3.3.5 – NET INCOME

Geramar posted 3Q10 net income of R\$2.1 million, reflecting a quarter during which the plants were 100% available for generation.

4. DEBT

Equatorial closed the third quarter with consolidated gross debt (including charges) of R\$1,260.0 million, 2.8% down on the R\$1,295.9 million recorded at the close of the previous quarter.

In September 2010, only 0.7% of Equatorial's consolidated gross debt, corresponding to R\$8.6 million, was denominated in foreign currency (mostly U.S. dollars). Thanks to their low foreign exchange exposure, neither CEMAR nor Equatorial has any hedge protection against the devaluation of the Real against other currencies.

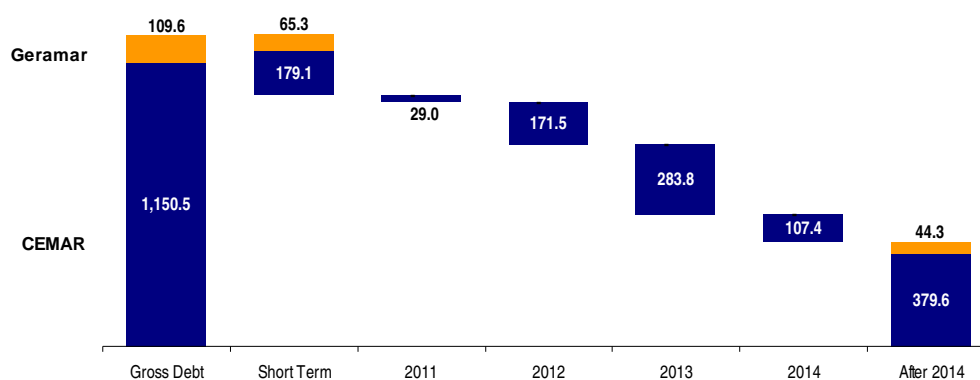
Gross Debt (100% CEMAR + 25% Geramar)¹

| Index | Average Charges (p.a.) | Average Due Date (month/year) | Average Period (years) | Part. (%) | Maturity | CEMAR | Geramar | Consolidated | % of Total |
|--------------------------|------------------------|-------------------------------|------------------------|---------------|----------------------------|----------------|--------------|----------------|---------------|
| Foreign Currency | | | | | Short Term | 179.1 | 65.3 | 244.4 | 19.4% |
| Libor | 1.4% | sep-21 | 11.2 | 0.3% | Long Term | 971.3 | 44.3 | 1,015.6 | 80.6% |
| Fixed (US\$) | 6.5% | sep-21 | 11.2 | 0.4% | 2011 | 29.0 | - | 29.0 | 2.3% |
| TOTAL (CEMAR) | 4.5% | | 11.2 | 0.7% | 2012 | 171.5 | - | 171.5 | 13.6% |
| Domestic Currency | | | | | 2013 | 283.8 | - | 283.8 | 22.5% |
| CEMAR | 9.2% | | 6.7 | 90.6% | 2014 | 107.4 | - | 107.4 | 8.5% |
| IGP-M | 11.8% | dec-23 | 13.5 | 12.4% | After 2014 | 379.6 | 44.3 | 423.9 | 33.6% |
| TJLP | 9.8% | apr-13 | 2.7 | 5.5% | Gross Debt | 1,150.5 | 109.6 | 1,260.0 | 100.0% |
| Fixed (R\$) | 8.4% | apr-19 | 8.7 | 19.7% | Cash | 352.0 | 5.6 | 357.6 | |
| RGR | 6.5% | oct-17 | 7.2 | 17.0% | Cash - Holding | | | 81.5 | |
| FINEL ^(*) | 11.3% | dec-15 | 5.4 | 3.5% | Cash - Equatorial Soluções | | | 5.6 | |
| CDI | 9.8% | feb-14 | 3.5 | 32.5% | Net Reg. Assets | 82.0 | | 82.0 | |
| Geramar | 10.6% | | 7.0 | 8.7% | Net Debt | 716.4 | 104.0 | 733.4 | |
| CDI | 13.1% | dec-10 | 1.0 | 59.6% | | | | | |
| TJLP | 7.0% | dec-25 | 16.0 | 40.4% | | | | | |
| TOTAL | 9.3% | | 6.7 | 99.3% | | | | | |
| TOTAL | 9.3% | | 6.8 | 100.0% | | | | | |

(*) Considering 100% of CEMAR

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

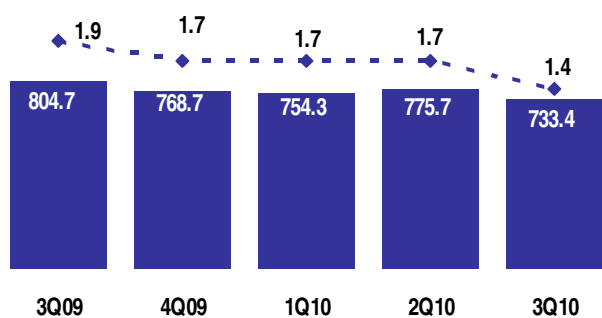
Gross Debt Maturity Schedule (R\$ million)



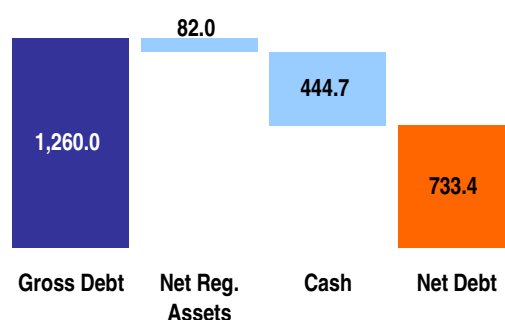
Net debt, including cash and cash equivalents and net regulatory assets, totaled R\$733.4 million in 3Q10, 5.5% lower than the R\$775.7 million reported at the close of 2Q10, maintaining a last-12-month net debt/EBITDA ratio of 1.4x, versus 1.7x in the previous quarter.

¹ For more details, see Annex 4 – Indebtedness.

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

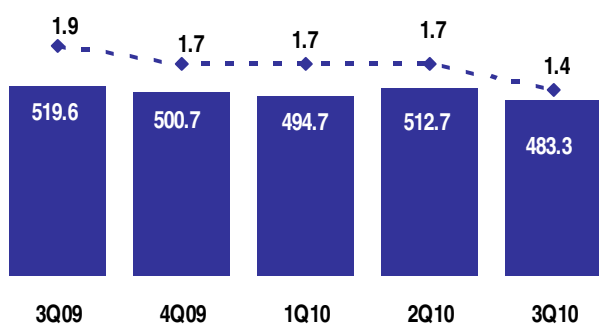


Net Debt Reconciliation (R\$MM) - Consolidated (100% CEMAR + 25% Geramar)

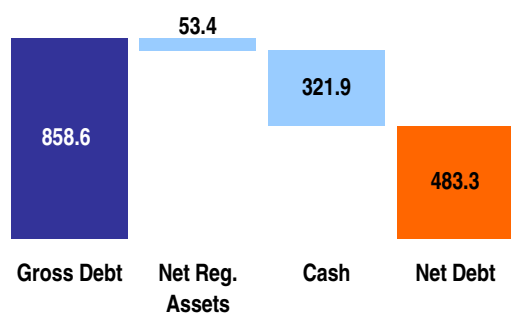


Consolidated net debt, adjusted by Equatorial's interest in CEMAR (65.11%) and Geramar (25%), totaled R\$483.3 million at the close of September, representing a last-12-month consolidated net debt/EBITDA ratio of 1.4x, versus 1.7x at the close of 2Q10.

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)



6. INVESTMENTS

The period investment information reflects 100% of CEMAR's figures and 25% of Geramar's. As of 2Q10, we have ceased to consolidate Light's figures.

| INVESTMENTS (R\$MM) | 3Q09 | 2Q10 | 3Q10 | Chg. | 9M09 | 9M10 | Chg. |
|-----------------------|--------------|-------------|--------------|---------------|--------------|--------------|---------------|
| CEMAR | | | | | | | |
| Own (*) | 62.2 | 43.4 | 48.0 | -22.8% | 175.6 | 129.7 | -26.1% |
| Light For All Program | 46.1 | 45.7 | 65.0 | 41.0% | 110.6 | 143.8 | 30.1% |
| Total | 108.4 | 89.1 | 113.1 | 4.3% | 286.2 | 273.5 | -4.4% |
| Geramar | | | | | | | |
| Generation | 59.3 | 8.5 | 0.3 | -99.6% | 89.0 | 15.9 | -82.2% |
| TOTAL | 167.7 | 97.6 | 113.3 | -32.4% | 375.2 | 289.4 | -22.9% |

(*) Including indirect Light For All Program investments

6.1 - CEMAR

CEMAR invested R\$48.0 million in 3Q10, excluding direct investments related to the PLPT, 22.8% down on the same period in 2009. Of this total, R\$24.4 million was allocated to the expansion of the distribution network in the state of Maranhão, R\$15.5 million to maintenance of the existing network and the remaining R\$8.1 million to equipment, systems and others.

Investments in the PLPT

At the close of 3Q10, 264,000 clients were connected to CEMAR's distribution network through the PLPT, directly benefiting over 1.3 million inhabitants in the state of Maranhão. The PLPT is already present in 211 (97%) of Maranhão's 217 municipalities, contributing to the development of areas isolated from the urban centers and generating wealth in these localities. In 3Q10, direct investments in the program, which include expenses with materials, freight and outsourced services, totaled R\$65.0 million, 41.0% up on 3Q09.

6.2 - Geramar

Investments in 3Q10 essentially refer to plant maintenance, given that construction was concluded in 1Q10.

7. ANNUAL TARIFF ADJUSTMENT - CEMAR

In August 2010, CEMAR's annual tariff adjustment was concluded. Excluding the net effect of financial components in the tariff, the average impact on consumers was 0.08%. The main items in the financial components were Low Income Subsidy (R\$46.6 million) and the Light For All Program Deficit (R\$17.6 million), both of which being accounted for in CEMAR's revenues for the quarter (for more details, see section 3.2.1 – Operating Revenues).

Regarding the Light For All Deficit, until the next Tariff Review (aug-13), both the investment remuneration and the additional costs related to the program should be granted as Financial Components in the Annual Adjustments.

| Annual Tariff Adjustment 2010 | | |
|--|--------------|-------------------------|
| Basic Adjustment | 6.17% | |
| Financial Components | 5.88% | In R\$ thousands |
| Low Income Subsidy | 3.51% | 46,632 |
| Light For All Program | 1.32% | 17,568 |
| Others | 1.05% | 13,870 |
| Average Adjustment to Consumers | 0.08% | |

8. CAPITAL MARKET

Equatorial Energia's shares closed 3Q10 at R\$10.25, 9.4% down over the adjusted value (considering the spin-off) of R\$11.31 at the end of 2Q10.

Daily traded volume averaged R\$4.5 million in the 60 trading sessions ended September 30, 2010. The Company's shares are listed in the Bovespa's Novo Mercado trading segment and in the IEE, ITAG and IGC indices.

9. 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.

10. SERVICES PROVIDED BY THE INDEPENDENT AUDITORS

The Company has not hired KPMG Auditores Independentes, its external auditors, for any other services beyond the independent audit 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.

11. DISCLOSURE CALENDAR

CONFERENCE CALL IN ENGLISH
Thursday, November 11, 2010
12:00 pm (Brasília time)
9:00 am (New York time)
Telephone: +1 (412) 317-6776
Code: Equatorial
Replay: +1 (412) 317-0088
Replay code: 445711#

CONFERENCE CALL IN PORTUGUESE
Thursday, November 11, 2010
2:00 pm (Brasília time)
11:00 am (New York time)
Telephone: +0 XX (11) 3301-3000
Code: Equatorial
Replay: +0 XX (11) 3127-4999
Replay code: 47197257

- ▶ 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.
- ▶ **REPLAY:** The call replays will be available from November 12 to 19, 2010. To access, please dial the above-mentioned numbers or visit our website.

CONTACTS

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CFO and IRO
- ▶ **Thomas Newlands**
Investor Relations Analyst
- ▶ **Telephones:** + 0 XX (21) 3206-6635 / 6607
- ▶ **E-mail:** ri@equatorialenergia.com.br
- ▶ **Website:** www.equatorialenergia.com.br/ri

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 3Q09, 2Q10, 9M09 and 9M10 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 – CONSOLIDATED INCOME STATEMENT (R\$ MM)

► The results for 3Q09, 9M09 and 9M10 are pro forma, excluding the interest then held by Equatorial in RME.

| INCOME STATEMENT (R\$ MM) | 3Q09 | 2Q10 | 3Q10 | 9M09 | 9M10 |
|---|----------------|----------------|----------------|----------------|----------------|
| GROSS OPERATING REVENUES | 424.6 | 447.7 | 527.1 | 1,155.6 | 1,374.1 |
| Electricity Sales to Final Consumer | 417.8 | 433.3 | 508.2 | 1,132.8 | 1,334.4 |
| Electricity Supply | 2.3 | 1.8 | 11.4 | 10.2 | 14.8 |
| Other Revenues | 4.5 | 12.6 | 7.6 | 12.6 | 24.9 |
| DEDUCTIONS FROM OPERATING REVENUES | (123.0) | (131.9) | (133.2) | (328.2) | (388.7) |
| NET OPERATING REVENUES | 301.6 | 315.8 | 393.9 | 827.4 | 985.4 |
| ELECTRICITY COSTS | (114.6) | (132.8) | (127.6) | (338.4) | (382.7) |
| Electricity Purchased for Resale | (96.7) | (111.2) | (111.6) | (278.1) | (323.4) |
| Transmission and Distribution Network Usage Charges | (17.6) | (20.9) | (19.1) | (59.1) | (61.0) |
| Other non-manageable expenses | (0.3) | (0.7) | 3.1 | (1.2) | 1.7 |
| OPERATING COSTS/EXPENSES | (51.3) | (69.6) | (80.2) | (155.8) | (218.6) |
| Personnel | (12.1) | (15.3) | (16.1) | (33.4) | (53.4) |
| Material | (2.3) | (2.0) | (1.7) | (6.2) | (5.8) |
| Services | (28.0) | (34.6) | (45.8) | (78.4) | (111.9) |
| Provisions | (4.6) | (15.2) | (13.7) | (25.1) | (36.9) |
| Others | (4.3) | (2.5) | (2.9) | (12.6) | (10.6) |
| EBITDA | 135.7 | 113.4 | 186.0 | 333.1 | 384.1 |
| Other Operating Revenue/Expenses | (2.2) | (0.7) | (4.3) | (12.8) | (7.0) |
| Depreciation and Amortization | (24.9) | (23.3) | (25.0) | (77.3) | (71.4) |
| SERVICE INCOME | 108.6 | 89.4 | 156.7 | 243.0 | 305.7 |
| EQUITY INCOME | - | (2.3) | (1.6) | - | 9.7 |
| Equity Income | - | - | - | - | 14.4 |
| Goodwill Amortization | - | (2.3) | (1.6) | - | (4.7) |
| FINANCIAL INCOME | (4.0) | (17.6) | (9.5) | 4.6 | (33.8) |
| Financial Revenue | 25.9 | 19.6 | 27.1 | 92.6 | 73.9 |
| Financial Expenses | (29.9) | (37.3) | (36.6) | (88.0) | (107.7) |
| OPERATING INCOME | 104.6 | 69.5 | 145.7 | 247.6 | 281.5 |
| Social Contribution | (7.9) | (10.3) | (10.0) | (17.6) | (27.1) |
| Income Tax | (20.7) | (15.3) | (15.6) | (48.7) | (41.7) |
| Deferred Taxes | (6.4) | 12.5 | (24.2) | 11.6 | (11.4) |
| SUDENE Incentive | 20.5 | 14.6 | 15.4 | 47.2 | 40.5 |
| PROFIT SHARING | (3.4) | (3.3) | (8.2) | (9.7) | (14.7) |
| MINORITY INTERESTS | (30.7) | (23.5) | (37.8) | (79.9) | (78.4) |
| NET INCOME | 56.0 | 44.1 | 65.3 | 150.5 | 148.7 |

ANNEX 2 – 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 Equatorial's consolidated result reflects its real stake of 65.11% in Cemar.

| INCOME STATEMENT PER COMPANY (R\$MM) | Equatorial Holding | Geramar 25% | Equatorial Soluções 100% | CEMAR 100% | Eliminations | Equatorial Consolidated |
|---|--------------------|----------------|-----------------------------|----------------|----------------|-------------------------|
| GROSS OPERATING REVENUES | 0.0 | 9.8 | 1.8 | 515.5 | - | 527.1 |
| Electricity Sales to Final Consumer | - | 9.8 | - | 498.3 | - | 508.2 |
| Electricity Supply | - | - | - | 11.4 | - | 11.4 |
| Emergency Capacity Charge | - | - | - | - | - | - |
| Other Revenues | 0.0 | 0.0 | 1.8 | 5.8 | - | 7.6 |
| DEDUCTIONS FROM OPERATING REVENUES | (0.0) | (0.9) | (0.1) | (132.2) | - | (133.2) |
| NET OPERATING REVENUES | 0.0 | 8.9 | 1.7 | 383.3 | - | 393.9 |
| ELECTRICITY COSTS | - | (2.2) | - | (125.4) | - | (127.6) |
| Electricity Purchased for Resale | - | (1.9) | - | (109.7) | - | (111.6) |
| Transmission and Distribution Network Usage Charges | - | (0.3) | - | (18.8) | - | (19.1) |
| Other Non-Manageable Expenses | - | - | - | 3.1 | - | 3.1 |
| OPERATING COSTS/EXPENSES | (6.6) | (0.4) | (2.2) | (70.9) | - | (80.2) |
| Personnel | (0.7) | (0.0) | (0.2) | (15.1) | - | (16.1) |
| Material | (0.0) | (0.1) | - | (1.6) | - | (1.7) |
| Services | (5.5) | (0.1) | (2.0) | (38.2) | - | (45.8) |
| Provisions | - | - | - | (13.7) | - | (13.7) |
| Others | (0.3) | (0.2) | (0.0) | (2.3) | - | (2.9) |
| EBITDA | (6.6) | 6.3 | (0.6) | 186.9 | - | 186.0 |
| Other Operating Revenue/Expenses | - | - | - | (4.3) | - | (4.3) |
| Depreciation and Amortization | (0.0) | (1.2) | (0.0) | (23.7) | - | (25.0) |
| SERVICE INCOME | (6.7) | 5.1 | (0.6) | 158.8 | - | 156.7 |
| EQUITY INCOME | 70.4 | - | - | - | (72.0) | (1.6) |
| Equity Income | 72.0 | - | - | - | (72.0) | - |
| Goodwill Amortization | (1.6) | - | - | - | - | (1.6) |
| FINANCIAL INCOME | 2.2 | (3.1) | 0.1 | (8.7) | - | (9.5) |
| Financial Revenue | 2.2 | 0.1 | 0.1 | 24.7 | - | 27.1 |
| Financial Expenses | (0.0) | (3.1) | 0.0 | (33.4) | - | (36.6) |
| RESULT BEFORE INCOME TAX | 65.9 | 2.1 | (0.4) | 150.1 | (72.0) | 145.7 |
| Social Contribution | (0.0) | - | (0.1) | (9.9) | - | (10.0) |
| Income Tax | (0.1) | (0.0) | (0.1) | (15.4) | - | (15.6) |
| Deferred Taxes | - | - | - | (24.2) | - | (24.2) |
| SUDENE Incentive | - | - | - | 15.4 | - | 15.4 |
| PROFIT SHARING | (0.5) | - | (0.1) | (7.7) | - | (8.2) |
| MINORITY INTERESTS | - | - | - | - | (37.8) | (37.8) |
| NET INCOME | 65.3 | 2.1 | (0.7) | 108.4 | (109.8) | 65.3 |

ANNEX 3 – BALANCE SHEET (R\$ MM)

| ASSETS (R\$ MM) | 3Q09 | 4Q09 | 1Q10 | 2Q10 | 3Q10 |
|--|----------------|----------------|----------------|----------------|----------------|
| CURRENT | 896.8 | 956.5 | 1,028.8 | 1,014.3 | 1,073.3 |
| Cash and Cash Equivalents | 337.6 | 440.5 | 523.4 | 490.8 | 444.7 |
| Consumers and Resellers | 317.9 | 328.5 | 341.8 | 374.7 | 400.7 |
| Inventory | 11.7 | 5.5 | 5.8 | 5.6 | 5.5 |
| Taxes Recoverable | 72.9 | 46.2 | 50.1 | 58.3 | 70.3 |
| Low Income | 20.3 | 23.1 | 22.5 | 23.4 | 24.9 |
| Regulatory Assets | 112.4 | 84.9 | 52.3 | 20.0 | 75.0 |
| Other Accounts Receivable | 24.1 | 27.8 | 32.8 | 41.5 | 52.2 |
| LONG TERM ASSETS | 409.0 | 415.4 | 415.4 | 413.2 | 417.9 |
| Consumers and Resellers | 65.9 | 68.2 | 69.3 | 61.8 | 58.6 |
| Taxes Recoverable | 99.4 | 119.2 | 120.0 | 124.4 | 133.1 |
| Deferred Taxes - Income Tax / Social Contribution | 239.6 | 218.9 | 217.1 | 217.5 | 217.5 |
| Other Accounts Receivable | 4.0 | 9.0 | 8.9 | 9.4 | 8.7 |
| FIXED ASSETS | 1,612.6 | 1,646.8 | 1,612.3 | 1,631.9 | 1,725.9 |
| Investments | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Deferred | 2.0 | 1.9 | 1.9 | 1.8 | 1.7 |
| Goodwill | 291.4 | 290.6 | 285.8 | 290.9 | 291.0 |
| Fixed Assets | 2,086.7 | 2,183.2 | 2,227.2 | 2,288.2 | 2,375.5 |
| (-) Special Obligations | (767.7) | (829.1) | (902.7) | (949.2) | (942.5) |
| TOTAL ASSETS | 2,918.4 | 3,018.7 | 3,056.4 | 3,059.3 | 3,217.1 |
| LIABILITIES AND SHAREHOLDERS' EQUITY (R\$ MM) | 3Q09 | 4Q09 | 1Q10 | 2Q10 | 3Q10 |
| CURRENT | 539.8 | 620.0 | 619.3 | 549.0 | 596.7 |
| Suppliers | 183.5 | 183.1 | 116.1 | 150.2 | 174.8 |
| Salaries | 0.7 | 0.8 | 0.9 | 0.8 | 0.9 |
| Dividends / Interest on Equity | 0.4 | 70.5 | 70.5 | 0.4 | 0.4 |
| Taxes and Social Contribution | 55.6 | 33.8 | 48.7 | 49.3 | 66.2 |
| Loans and Financing | 203.7 | 223.8 | 238.6 | 192.1 | 188.7 |
| Debentures | 1.9 | 7.8 | 55.5 | 61.8 | 55.7 |
| Public Lighting | 13.7 | 15.7 | 15.5 | 14.6 | 13.2 |
| Provision for Contingencies | 3.2 | 3.3 | 2.5 | 1.6 | 2.7 |
| Regulatory Liabilities | 12.3 | 16.8 | 14.9 | 14.0 | 17.9 |
| Others | 64.8 | 64.4 | 56.1 | 64.2 | 76.1 |
| LONG TERM LIABILITIES | 1,206.5 | 1,321.8 | 1,293.4 | 1,299.0 | 1,301.7 |
| Taxes and Social Contribution | 150.4 | 229.3 | 226.6 | 235.2 | 263.5 |
| Debentures | 267.3 | 267.3 | 256.6 | 257.4 | 258.1 |
| Loans and Financing | 769.4 | 801.6 | 787.0 | 784.6 | 757.6 |
| Provision for Contingencies | 4.5 | 2.9 | 2.6 | 1.2 | 2.0 |
| Others | 14.8 | 20.7 | 20.6 | 20.6 | 20.5 |
| MINORITY INTERESTS | 285.6 | 254.5 | 271.7 | 295.2 | 337.1 |
| SHAREHOLDERS EQUITY | 886.4 | 822.4 | 872.0 | 916.2 | 981.6 |
| Capital Stock | 566.9 | 548.3 | 552.4 | 566.8 | 566.8 |
| Profit Reserves | 115.3 | 274.1 | 280.3 | 280.4 | 280.4 |
| Retained Earnings/Accumulated Deficit | 204.3 | - | 39.3 | 69.0 | 134.3 |
| TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | 2,918.4 | 3,018.7 | 3,056.4 | 3,059.3 | 3,217.1 |

ANNEX 4 – INDEBTEDNESS

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

| LOANS AND FINANCING LINES (R\$ MM) | 3Q09 | | | | 3Q10 | | | |
|--|--------------------|----------------------|-------|-------|--------------------|----------------------|-------|-------|
| | S. T. - Charges | S. T. - Principal | L. T. | Total | S. T. - Charges | S. T. - Principal | L. T. | Total |
| FOREIGN CURRENCY | 0 | 1 | 9 | 10 | 0 | 1 | 8 | 9 |
| National Treasury | 0 | 1 | 9 | 10 | 0 | 1 | 8 | 9 |
| Others | - | - | - | - | - | - | - | - |
| DOMESTIC CURRENCY | 10 | 193 | 761 | 964 | 6 | 182 | 794 | 982 |
| Eletrobrás | 1 | 56 | 343 | 400 | - | 42 | 372 | 414 |
| Financial Institutions | 8 | 133 | 396 | 537 | 6 | 134 | 402 | 543 |
| Debt with Pension Fund | - | 5 | 22 | 27 | - | 5 | 19 | 25 |
| SUB TOTAL - LOANS AND FINANCING | 10 | 194 | 769 | 973 | 7 | 182 | 802 | 990 |
| Debentures | - | 2 | 267 | 269 | - | 56 | 214 | 270 |
| DEBT TOTAL | 10 | 196 | 1,037 | 1,242 | 7 | 238 | 1,015 | 1,260 |

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) | 3Q09 | | | | 3Q10 | | | |
|--|--------------------|----------------------|-------|-------|--------------------|----------------------|-------|-------|
| | S. T. - Charges | S. T. - Principal | L. T. | Total | S. T. - Charges | S. T. - Principal | L. T. | Total |
| FOREIGN CURRENCY | 0 | 0 | 6 | 6 | 0 | 0 | 5 | 6 |
| National Treasury | 0 | 0 | 6 | 6 | 0 | 0 | 5 | 6 |
| Others | - | - | - | - | - | - | - | - |
| DOMESTIC CURRENCY | 7 | 147 | 495 | 649 | 4 | 141 | 532 | 677 |
| Eletrobrás | 1 | 36 | 223 | 261 | - | 27 | 242 | 270 |
| Financial Institutions | 6 | 107 | 258 | 371 | 4 | 110 | 277 | 392 |
| Debt with Pension Fund | - | 3 | 14 | 17 | - | 4 | 12 | 16 |
| SUB TOTAL - LOANS AND FINANCING | 7 | 147 | 501 | 655 | 5 | 141 | 537 | 683 |
| Debentures | - | 1 | 174 | 175 | - | 36 | 139 | 176 |
| DEBT TOTAL | 7 | 148 | 675 | 830 | 5 | 177 | 677 | 859 |

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

ANNEX 5 – CASH FLOW STATEMENT

| CONSOLIDATED CASH FLOW (R\$MM) | 3Q09 | 4Q09 | 1Q10 | 2Q10 | 3Q10 |
|--|----------------|----------------|---------------|---------------|----------------|
| Cash and Cash Equivalents - Initial Balance | 192.1 | 337.6 | 440.5 | 523.4 | 490.8 |
| CF from Operating Activities | | | | | |
| <i>Net Income</i> | 56.0 | (26.2) | 39.3 | 44.1 | 65.3 |
| <i>(+) Non Cash Expenses</i> | 24.9 | 24.0 | 24.1 | 25.6 | 26.5 |
| <i>Changes in Assets</i> | (50.9) | 36.8 | 10.7 | (16.0) | (109.8) |
| <i>Changes in Liabilities</i> | 120.2 | 86.2 | (49.1) | 57.2 | 128.1 |
| (=) Cash Flow from Operating Activities | 150.3 | 120.8 | 25.0 | 110.9 | 110.1 |
| CF from Investments | | | | | |
| Fixed Assets | (167.2) | (116.9) | (67.2) | (84.3) | (112.2) |
| Others | (1.4) | (2.7) | 4.0 | (7.3) | (1.7) |
| (=) Cash Flow from Investments | (168.6) | (119.6) | (63.2) | (91.6) | (113.9) |
| CF from Financing | | | | | |
| Loans and Financing | 100.9 | 58.3 | 37.1 | (41.8) | (35.7) |
| Dividends | - | - | - | (71.0) | - |
| Capital Increase | (10.3) | (18.0) | 10.3 | 14.5 | 0.1 |
| Subsidies | 73.1 | 61.4 | 73.6 | 46.5 | (6.7) |
| (=) Cash Flow from Financing | 163.7 | 101.7 | 121.1 | (51.9) | (42.3) |
| (=) Quarterly Cash Flow | 145.4 | 102.9 | 82.9 | (32.6) | (46.1) |
| Cash and Cash Equivalents - Final Balance | 337.6 | 440.5 | 523.4 | 490.8 | 444.7 |