**Equatorial Energia S.A.**

# Independent accountants' special review report
# Quarter ended June 30, 2009

# Equatorial Energia S.A.

## quarterly information

**Period ended June 30, 2009**

## Contend

**Rio de Janeiro, August 11, 2009 -** Equatorial Energia S.A. (Bovespa: EQTL3) announces its results for the second quarter (2Q09) and first half (1H09) of 2009.

- Equatorial is a holding company with investments in Companhia Energética do Maranhão (CEMAR), Light S.A. (Light) and Geranorte. Equatorial holds a 65.12% interest in CEMAR, the electricity distributor for the entire state of Maranhão. In the state of Rio de Janeiro, Equatorial retains 25% of Rio Minas Energia (RME), which in turn maintains a 52.13% interest in Light, which generates, distributes and sells electricity in the state. In October 2008, Equatorial concluded the acquisition of a 25% interest in Geranorte, an electricity generation company responsible for the construction and operation of two thermal plants in Maranhão, with a joint capacity of 330MW.
- The financial and operating information contained herein is presented in consolidated figures, pursuant to Brazilian Corporate Law, based on revised financial information. The consolidated financial information represents 100% of CEMAR's results, excluding 34.86% related to minority interests, 25% of Light's results, excluding 11.97% related to minority interests, and 25% of Geranorte's result, which is currently at the pre-operating stage.
- The consolidated operating information represents 100% of CEMAR's and 25% of Light's results.
- To assure comparability between periods, the financial information for 2Q08 and 1H08 is presented on a pro forma basis, considering the same interest held by Equatorial in RME and by RME in Light at the end of 2Q09.
- Equatorial's pro forma results for 2Q08 are based on Light's pro forma results for the same period, which were adjusted to reflect the changes introduced by Law 11,638/07, pursuant to CVM Instruction 565/08, together with profit sharing, which is no longer recorded as personnel costs/expenses and is now recognized after the Income Tax line.
- The following information was not reviewed by the independent auditors: i) non-financial information relating to Light and CEMAR (*Programa Luz para Todos [PLPT]* - Light for All Program); ii) pro forma financial information and its comparison with the results presented in the period; and iii) management expectations regarding the future performance of the Companies.

# EQUATORIAL ENERGIA RECORDS EBITDA OF R$148.3 MILLION AND NET INCOME OF R$71.4 MILLION IN 2Q09

## 1. Financial and Operating Highlights

- **Net operating revenues (NOR) reached R$580.9 million in 2Q09, 5.1% up over 2Q08, reflecting a 15.1% increase by CEMAR and a 1.9% downturn by Light.**
- **CEMAR's and Light SESA's total energy volume amounted to 2,099 GWh in 2Q09, 1.1% more than in 2Q08. CEMAR's quarterly volume grew by 2.4%, while Light's increased by 0.4% (considering both captive and free markets).**
- **2Q09 EBITDA fell by 15.6% over 2Q08, to R$148.3 million. CEMAR's EBITDA declined by 0.3% in the second quarter, while Light's EBITDA decreased by 34.0%. Adjusting for non-recurring effects, the Company's EBITDA would have dropped 12.4% year on year (see "Financial Performance - Consolidated" for details).**
- **Consolidated net income came to R$71.4 million, which, adjusted for non-recurring effects, reflects a decrease of 20.8% over 2Q08 (see "Financial Performance - Consolidated" for details).**
- **In 2Q09, Equatorial's consolidated investments grew 18.9% when compared with 2Q08. CEMAR's investments (excluding direct investments in the PLPT program) totaled R$70.1 million in 2Q09, 20.2% higher than in 2Q08, while Light's investments came to R$31.0 million in the period, down by 11.4% over 2Q08. Geranorte's investments reached R$21.9 million in 2Q09.**
- **CEMAR's last-12-month 2Q09 DEC index fell 7.4%, to 26.2 hours, while last-12-month FEC index improved 15.9%, to 15.9 times. Light's last-12-month DEC and FEC moved down by 19.6% and 22.7%, reaching 9.1 hours and 6.0 times, respectively.**
- **CEMAR's last-12-month energy losses totaled 28.1% of required energy in 2Q09, 0.4 p.p. less than the 1Q09 ratio of 28.5%. Light's losses came to 21.2%, 0.4 p.p. up over 1Q09.**
- **The Company concluded the distribution of Interest on Own Equity, Capital Reduction and the first two Dividend installments, in April and June 2009. The amount paid to shareholders totaled R$272.3 million, there remaining an additional R$12.0 million to be paid out relating to the third dividend installment, in November 2009.**

| FINANCIAL DATA (R$MM) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| **Total Net Operating Revenue** | **552.6** | **622.6** | **580.9** | *5.1%* | **1,114.7** | **1,203.5** | *8.0%* |
| **EBITDA** | **175.7** | **191.7** | **148.3** | *-15.6%* | **341.2** | **340.0** | *-0.4%* |
| *EBITDA Margin (% net revenues)* | *31.8%* | *30.8%* | *25.5%* | *-6.3 p.p.* | *30.6%* | *28.3%* | *-2.3 p.p.* |
| **Net Income** | **84.2** | **62.9** | **71.4** | *-15.2%* | **155.5** | **134.3** | *-13.6%* |
| *Profit Margin (% net revenues)* | *15.2%* | *10.1%* | *12.3%* | *-2.9 p.p.* | *13.9%* | *11.2%* | *-2.7 p.p.* |
| **Net Income per Share (R$ / share)** | **0.80** | **0.59** | **0.67** | *-16.3%* | **1.47** | **1.27** | *-13.6%* |
| **Capex** | | | | | | | |
| CEMAR | 58.3 | 43.3 | 70.1 | *20.2%* | 97.1 | 113.3 | *16.7%* |
| PLPT (CEMAR) | 34.2 | 35.8 | 28.6 | *-16.4%* | 65.5 | 64.4 | *-1.7%* |
| Light | 35.0 | 20.0 | 31.0 | *-11.4%* | 59.3 | 51.1 | *-13.8%* |
| Geranorte | - | 7.9 | 21.9 | *N/A* | - | 29.8 | *N/A* |
| Total | 127.5 | 107.0 | 151.6 | *18.9%* | 221.9 | 258.6 | *16.5%* |
| **Net Debt** | **806.4** | **805.5** | **1,199.7** | *48.8%* | **806.4** | **1,199.7** | *48.8%* |
| **Net Debt / EBITDA (LTM)** | **1.3** | **1.0** | **1.5** | *15.4%* | **1.3** | **1.5** | *15.4%* |

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## 2. Operating Performance

The operating information in this section reflects 100% of CEMAR's and 25% of Light SESA's operations.

| | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| **Distribution** | | | | | | | |
| Billed Energy (GWh) | | | | | | | |
| CEMAR | 772.7 | 816.8 | 791.2 | 2.4% | 1,546.7 | 1,608.0 | 4.0% |
| Light | 1,302.5 | 1,397.0 | 1,307.5 | 0.4% | 2,678.0 | 2,704.3 | 1.0% |
| Total | 2,075.2 | 2,213.8 | 2,098.7 | 1.1% | 4,224.7 | 4,312.3 | 2.1% |
| Number of consumers (thousand) | | | | | | | |
| CEMAR | 1,479 | 1,573 | 1,623 | 9.7% | 1,479 | 1,623 | 9.7% |
| Light | 975 | 987 | 987 | 1.2% | 975 | 987 | 1.2% |
| Total | 2,454 | 2,560 | 2,610 | 6.4% | 2,454 | 2,610 | 6.4% |
| **Generation** | | | | | | | |
| Energy Sales (GWh) | 303 | 316 | 291 | -4.0% | 605 | 606 | 0.2% |
| Installed Capacity (MW) | 214 | 214 | 214 | 0.0% | 214 | 214 | 0.0% |
| Assured Energy (MW) | 134 | 134 | 134 | 0.0% | 134 | 134 | 0.0% |
| **Trading** | | | | | | | |
| Energy Trading (GWh) | 131 | 96 | 101 | -22.9% | 244 | 197 | -19.3% |
| **Number of Employees** | | | | | | | |
| CEMAR | 1,237 | 1,287 | 1,302 | 5.3% | 1,237 | 1,302 | 5.3% |
| Light | 953 | 931 | 934 | -2.0% | 953 | 934 | -2.0% |
| Total | 2,190 | 2,218 | 2,236 | 2.1% | 2,190 | 2,236 | 2.1% |

### 2.1 OPERATING PERFORMANCE – DISTRIBUTION

| CONSUMPTION CLASS AND FREE CLIENTS (GWh) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| Residential | 341.2 | 383.0 | 363.7 | *6.6%* | 681.9 | 746.7 | *9.5%* |
| Industrial | 92.8 | 90.6 | 80.7 | *-13.0%* | 196.6 | 171.2 | *-12.9%* |
| Commercial | 156.1 | 161.4 | 160.4 | *2.8%* | 306.6 | 321.7 | *4.9%* |
| Others | 182.6 | 181.8 | 186.6 | *2.2%* | 361.6 | 368.3 | *1.9%* |
| **CEMAR** | **772.7** | **816.8** | **791.4** | ***2.4%*** | **1,546.7** | **1,607.9** | ***4.0%*** |
| Residential | 455.3 | 540.8 | 465.5 | *2.2%* | 962.0 | 1,006.3 | *4.6%* |
| Industrial | 114.8 | 108.3 | 114.8 | *0.0%* | 227.5 | 223.0 | *-2.0%* |
| Commercial | 363.0 | 395.5 | 369.3 | *1.7%* | 746.3 | 764.8 | *2.5%* |
| Others | 199.3 | 205.8 | 205.5 | *3.1%* | 401.8 | 411.3 | *2.4%* |
| Free Clients | 170.3 | 146.8 | 152.3 | *-10.6%* | 340.5 | 299.0 | *-12.2%* |
| **Light** | **1,302.7** | **1,397.2** | **1,307.4** | ***0.4%*** | **2,678.1** | **2,704.4** | ***1.0%*** |
| Residential | 796.5 | 923.8 | 829.2 | *4.1%* | 1,643.9 | 1,753.0 | *6.6%* |
| Industrial | 207.6 | 198.9 | 195.5 | *-5.8%* | 424.1 | 394.2 | *-7.1%* |
| Commercial | 519.1 | 556.9 | 529.7 | *2.0%* | 1,052.9 | 1,086.5 | *3.2%* |
| Others | 381.9 | 387.6 | 392.1 | *2.7%* | 763.4 | 779.6 | *2.1%* |
| Free Clients | 170.3 | 146.8 | 152.3 | *-10.6%* | 340.5 | 299.0 | *-12.2%* |
| **Total** | **2,075.4** | **2,214.0** | **2,098.8** | ***1.1%*** | **4,224.8** | **4,312.3** | ***2.1%*** |

### 2.1.1 - ELECTRICITY MARKET – CEMAR

**ENERGY SALES**

In 2Q09, billed energy volume moved up by 2.4% over 2Q08, reaching 791.4 GWh. The severe slowdown observed in demand growth in this quarter compared with 1Q09 (2.4% vs. 5.5%) was fueled by two main factors: i) heavy rainfall afflicting the Maranhão State in the quarter and ii) the consequences of the economic crisis. The residential segment registered a quarterly growth of 6.6%; the commercial, an increase of 2.8%; and the industrial recorded a decrease of 13.0%.

The residential upturn was chiefly due to the new connections made by the Company. Comparing the second quarters of 2009 and 2008, there was a net expansion of more than 118 thousand residential clients, which represents a growth of 9.1% in the residential client base.

The 13.0% decrease in industrial consumption was largely due to the strong production decline experienced by clients from the pig-iron and steel segments, which suffered from the slowdown in global steel demand arising from the economic crisis.

We expect CEMAR's electricity market to record growth between 2% and 4% in 2009.

**ENERGY BALANCE**

CEMAR's required energy volume totaled 1,119.4 GWh in 2Q09, reflecting an increase of 0.1% over 2Q08 and a growth of 2.4% in energy sales volume. It is worth highlighting the losses reduction in the quarter, of 5.2%.

| ENERGY BALANCE (GWh) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| Required Energy (*) | 1,118.8 | 1,115.3 | 1,119.4 | 0.1% | 2,199.0 | 2,234.7 | 1.6% |
| Sales (**) | 774.1 | 818.2 | 792.6 | 2.4% | 1,549.4 | 1,610.7 | 4.0% |
| Losses | 344.8 | 297.1 | 326.8 | -5.2% | 649.5 | 624.0 | -3.9% |

(*) Includes own generation

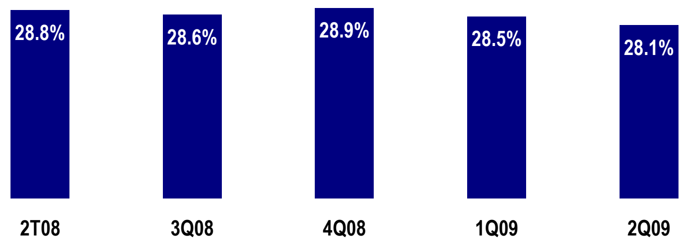
(**) Includes energy sales to consumers, own consumption and supply to CEPISA

**ENERGY LOSSES**

During the second quarter of 2008, the review of several operating procedures relating to the energy recovery program, aiming at optimizing results and making them sustainable in the long term, together with the questioning by the State Prosecution Service concerning the installation of electronic metering (whose accuracy was later tested and verified by Inmetro, the Brazilian Standards Bureau), significantly reduced the Company's ability to fight against losses in the quarter. As a result, the losses level in 2Q08 exceeded the average seen in other quarters.

When comparing the losses level for the past 12-month period ended in 2Q09 (excluding 2Q08 figures) with that registered at the close of 1Q09 (when 2Q08 data was still included), losses declined by 0.4 p.p., reaching 28.1%. Loss-combating initiatives in 2Q09 were hampered by the strong rainfall afflicting the Maranhão State, which harmed the access of teams deployed in detecting and inspecting theft to some inland locations of the state.

**Energy Losses (last 12 months)**




### 2.1.2 - ELECTRICITY MARKET – LIGHT

**ENERGY SALES**

Electricity consumption in Light's concession area (captive + free consumers) totaled 1,307 GWh in 2Q09, 0.4% up over 2Q08.

**CAPTIVE MARKET**

Total captive market consumption increased by 2.0% in 2Q09 compared with 2Q08, fueled by the sales upturn in the residential, commercial and public agencies segments. This result was driven by the higher temperature for the period, 0.5ºC above the average in 2Q08, despite the fact that there was 0.8 less billing days for low-voltage clients.

Industrial consumption remained flat against 2Q08, despite the economic slowdown. Heavy industry was the most impacted segment.

**NETWORK USAGE**[1]

Billed energy transported to free consumers and concessionaires amounted to 286 GWh in 2Q09, 12.0% down over 2Q08. Consumption by free customers came to 152 GWh, a 10.6% downturn compared with 2Q08, particularly in the steel industry, which was affected by the global economic crisis.

| FREE MARKET (GWh) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| Free | 170 | 147 | 152 | *-10.6%* | 341 | 299 | *-12.3%* |
| Concessionaires (*) | 155 | 156 | 134 | *-13.5%* | 314 | 290 | *-7.6%* |
| **TOTAL** | **325** | **303** | **286** | ***-12.0%*** | **655** | **589** | ***-10.1%*** |

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

**ENERGY BALANCE**

Light's required energy volume for own load (energy sales and losses) totaled 1,518 GWh in 2Q09, 1.5% more than in 2Q08, as shown in the table below:

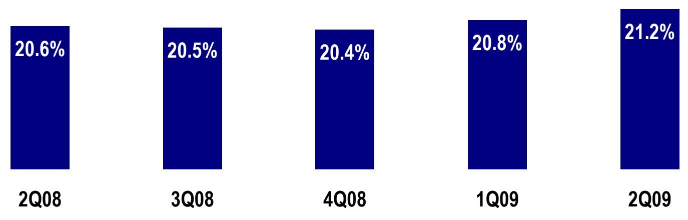
| ENERGY BALANCE (GWh) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| Required Energy | 1,496 | 1,787 | 1,518 | *1.5%* | 3,181 | 3,305 | *3.9%* |
| Sales | 1,133 | 1,251 | 1,155 | *1.9%* | 2,338 | 2,405 | *2.9%* |
| Losses (*) | 364 | 537 | 363 | *-0.3%* | 843 | 899 | *6.6%* |

(*) Do not include basic network losses

**ENERGY LOSSES**

**Energy Losses (*) (last 12 months) (**)**

[1] For reasons of comparison with the market ratified by ANEEL in the Tariff Review process, billed energy and demand by free consumers Valesul, CSN and CSA were excluded, in view of their scheduled migration to the Basic Network. Energy consumption by such clients totaled 99 GWh, while their demand amounted to 574 GW in 2Q09, against 181 GWh and 730 GWh, respectively, for 2Q08.




(*) Losses on wire load (required energy + free market)

Light's total losses on the wire load came to 21.23% for the 12-month period ended June 2009, reflecting a growth of 0.44 p.p. compared with the loss index in March 2009. Non-technical losses moved up by 0.33 p.p. over the wire load. The index was affected by a decline in consumption by large clients (which do not post non-technical losses), adversely affecting the wire load, which is the denominator of the index.

In June 2009, Inmetro approved the electronic meter of one of Light's suppliers, whose technology allows centralized metering and remote management of reading, disconnection and reconnection processes. Such approval is a key step in the progress of the loss-combating program, based on new technologies. Inmetro's delay in the approval and the requirements for the centralized metering system caused the initial plan to install 100,000 meters to be scaled back to 20,000. As part of the centralized metering system, the Company continues to invest in network modernization by protecting 175 km of the low-voltage network during this semester, with an additional 850 km to be protected by year-end. In 2008, 120 km were replaced. Light believes that its continuous investment in new metering and network protection technologies will result in sustainable loss reduction.

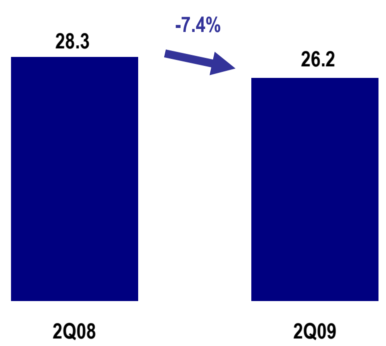
### 2.1.3 - SERVICE QUALITY

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.

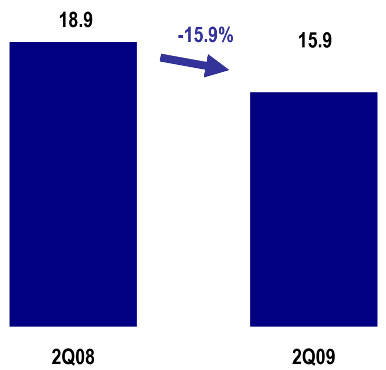
### CEMAR

At the close of 2Q09, last-12-month DEC reached 26.2 hours, which, compared with the 28.3 hours shown at the end of 2Q08, represents a 7.4% decline. Regarding last-12-month FEC at the end of 2Q09, the index reached 15.9 times, a 15.9% decrease comparing with the 2Q08 figure.

**DEC (hours – last 12 months)**




**FEC (times – last 12 months)**

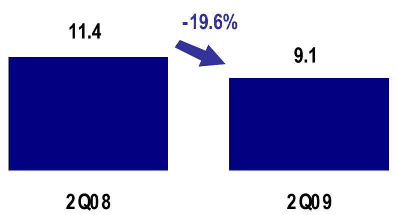



### LIGHT

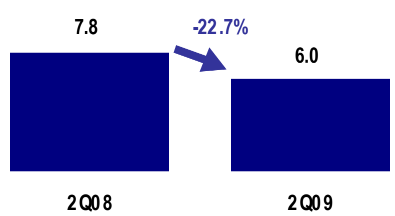
After a period of worsened quality indicators, in view of the higher number of programmed disconnections, Light's figures improved compared with 2Q08.

DEC and FEC indices (both for last 12 months) dropped by 19.6% and 22.7%, respectively, reaching 9.1 hours and 6.0 times.

**DEC (hours – last 12 months)**




**FEC (times – last 12 months)**



### 2.2 OPERATING PERFORMANCE – GENERATION

The information in this section reflects 25% of Light Energia's operations.

Electricity sold by Light Energia totaled 291 GWh in 2Q09, 3.6% down on the 2Q08 figure. In the regulated market (ACR), sales fell by 0.4% against 2Q08, arising mainly from the end of the contract for a 2.97 average MW product of the 2006/08 existing energy auction held in 2005, resold in the free contract market (ACL), which resulted in a 25.0% increase over 2Q08. The lower volume of energy sold in the spot market in 2Q09 was chiefly due to the decrease in secondary energy for sale in that market.

| GENERATION - Light Energia (GWh) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| Regulated Market Sales | 255 | 260 | 254 | *-0.4%* | 520 | 513 | *-1.3%* |
| Free Market Sales | 24 | 22 | 30 | *25.0%* | 52 | 52 | *0.0%* |
| Spot Sales (CCEE) | 23 | 34 | 7 | *-69.6%* | 33 | 42 | *27.3%* |
| Total | 302 | 316 | 291 | *-3.6%* | 605 | 607 | *0.3%* |

### 2.3 OPERATING PERFORMANCE – ENERGY TRADING

The energy trading information in this section reflects 25% of Light ESCO's operations.

In 2Q09, Light ESCO recorded sales of 35 GWh, 16.7% higher than in 2Q08. This upturn was chiefly due to greater energy availability for resale at the trading company, in view of the purchase of 2.97 average MW of energy from Light Energia, for the period from January 2009 to 2011.

In addition to direct sales, Light Esco continued to provide consulting services and represent free clients before CCEE. These activities included operations of around 66 GWh, encompassing 8 clients.

| Volume - GWh | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| *Trading* | 30 | 28 | 35 | *16.7%* | 63 | 63 | *0.0%* |
| *Broker* | 101 | 68 | 66 | *-34.7%* | 181 | 134 | *-26.0%* |
| Total | 131 | 96 | 101 | *-22.9%* | 244 | 197 | *-19.3%* |

## 3. FINANCIAL PERFORMANCE

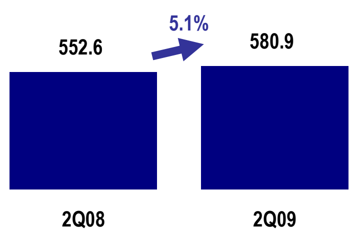
Information in this section reflects: i) 100% of CEMAR's operations, excluding 34.88% related to minority interests before net income, resulting in a 65.12% stake, and ii) 25% of Light's operations, excluding 11.97% related to minority interests before net income, resulting in a 13.03% stake (25% of 52.13%).

The 2Q08 figures in the tables and graphs are pro forma and assume the same percentage interests that Equatorial currently retains in RME and that RME retains in Light. In addition, Equatorial's pro forma results for 2Q08 are based on Light's pro forma results for the period, which include the adjustments related to Law 11,638, pursuant to CVM Instruction 469/08.

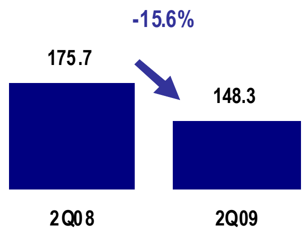
### 3.1 FINANCIAL PERFORMANCE – CONSOLIDATED

| INCOME STATEMENT - CONSOLIDATED (R$MM) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| Gross Operating Revenues (GOR) | 821.9 | 948.3 | 880.4 | 7.1% | 1,650.1 | 1,828.7 | 10.8% |
| Net Operating Revenues (NOR) | 552.6 | 622.6 | 580.9 | 5.1% | 1,114.7 | 1,203.5 | 8.0% |
| Electric Energy Cost | (271.2) | (325.7) | (318.1) | 17.3% | (561.9) | (643.8) | 14.6% |
| Operating Costs / Expenses | (105.7) | (105.2) | (114.5) | 8.3% | (211.6) | (219.7) | 3.8% |
| EBIT | 133.7 | 146.9 | 102.5 | -23.3% | 260.5 | 249.4 | -4.3% |
| **EBITDA** | **175.7** | **191.7** | **148.3** | -15.6% | **341.2** | **340.0** | -0.4% |
| Other Operating Revenues/Expenses | (2.2) | (6.4) | (3.6) | 63.6% | 4.1 | (10.0) | -343.9% |
| Financial Result | 101.9 | (1.6) | 1.1 | -98.9% | 82.1 | (0.5) | -100.6% |
| Operating Income | 233.4 | 138.9 | 100.0 | -57.2% | 346.7 | 238.9 | -31.1% |
| Goodwill Amortization | - | 0.3 | 2.0 | N/A | 18.5 | 2.3 | -87.6% |
| EBT | 233.4 | 139.2 | 102.0 | -56.3% | 365.2 | 241.2 | -34.0% |
| Income Tax / Social Contribution | (82.3) | (30.4) | 17.4 | -121.1% | (109.4) | (13.0) | -88.1% |
| Profit Sharing | (1.3) | (5.0) | (4.9) | 276.9% | (3.1) | (9.9) | 219.4% |
| Minority Interests | (65.6) | (40.9) | (43.1) | -34.3% | (97.2) | (84.0) | -13.6% |
| **Net Income** | **84.2** | **62.9** | **71.4** | -15.2% | **155.5** | **134.3** | -13.6% |

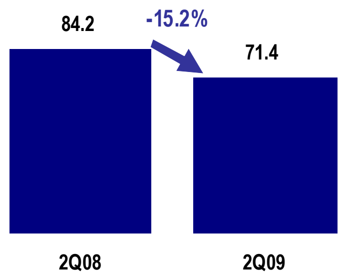
**NOR (R$MM) - Quarterly**



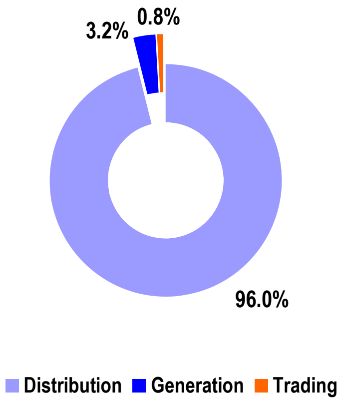

**EBITDA (R$MM) - Quarterly**



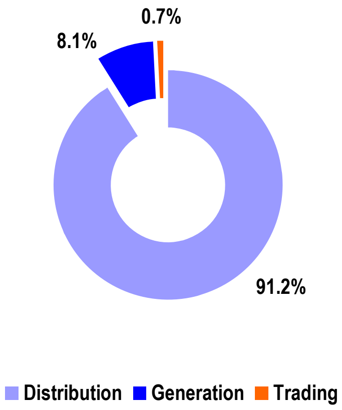

**Net Income (R$MM) - Quarterly**



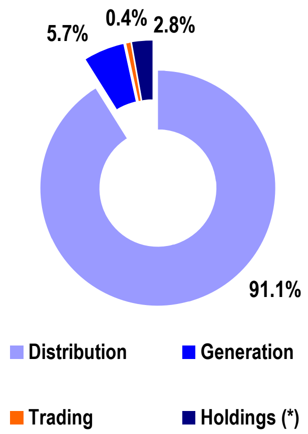

**NOR per Segment (%) – 2Q09**




**EBITDA per Segment (%) – 2Q09**




**Net Income per Segment (%) – 2Q09**

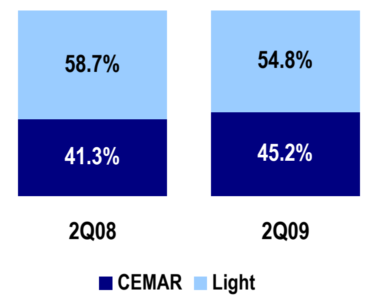


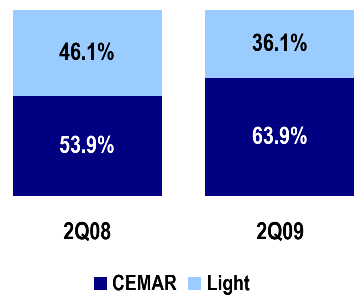

(*) Holdings: Equatorial, RME and Light S.A.

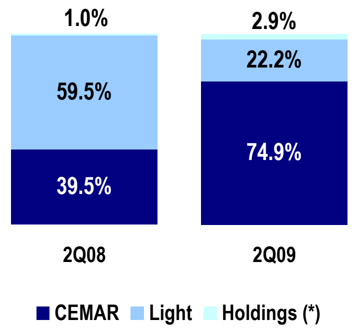
**NOR per Company (%)**
**Quarterly**

**EBITDA per Company (%)**
**Quarterly**

**Net Income per Company (%)**
**Quarterly**




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

### 3.1.1 - Operating Revenues

| OPERATING REVENUE - CONSOLIDATED (R$ MM) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| **Gross Energy Sales Revenue** | **736.5** | **862.1** | **797.0** | ***8.2%*** | **1,480.9** | **1,659.1** | ***12.0%*** |
| Residential | 332.9 | 411.3 | 359.5 | *8.0%* | 680.0 | 770.8 | *13.4%* |
| Industrial | 66.3 | 67.8 | 66.9 | *0.9%* | 130.7 | 134.7 | *3.1%* |
| Commercial | 222.9 | 251.3 | 236.0 | *5.9%* | 446.8 | 487.3 | *9.1%* |
| Other | 114.4 | 131.7 | 134.6 | *17.7%* | 223.4 | 266.3 | *19.2%* |
| **Energy Supply** | **4.6** | **4.9** | **5.0** | ***8.7%*** | **6.7** | **9.9** | ***47.8%*** |
| **Network Usage** | **35.1** | **30.3** | **30.4** | ***-13.4%*** | **67.0** | **60.7** | ***-9.4%*** |
| **Other Revenues** | **26.7** | **30.3** | **26.4** | ***-1.1%*** | **51.8** | **57.4** | ***10.8%*** |
| Low Income | 22.0 | 26.4 | 27.8 | *26.4%* | 41.7 | 54.2 | *30.0%* |
| Accrual (Amortization) of Regulatory Assets | (5.0) | (4.6) | (10.2) | *104.0%* | (9.0) | (14.8) | *64.4%* |
| Other Operating Revenues | 9.7 | 8.5 | 8.2 | *-15.5%* | 19.1 | 17.4 | *-8.9%* |
| Other Non-Recurring Operating Revenues | - | - | 0.6 | *N/A* | - | 0.6 | *N/A* |
| **Gross Operating Revenue - Distribution** | **802.9** | **927.6** | **858.8** | ***7.0%*** | **1,606.4** | **1,787.1** | ***11.2%*** |
| Generation | 19.1 | 19.9 | 21.5 | *12.6%* | 43.5 | 41.4 | *-4.8%* |
| Trading | 5.1 | 5.7 | 5.8 | *13.7%* | 14.0 | 11.5 | *-17.9%* |
| Eliminations | (5.2) | (5.0) | (5.7) | *9.6%* | (13.8) | (11.3) | *-18.1%* |
| **Gross Operating Revenue - Consolidated** | **821.9** | **948.2** | **880.4** | ***7.1%*** | **1,650.1** | **1,828.7** | ***10.8%*** |
| ICMS | (167.5) | (196.8) | (180.1) | *7.5%* | (338.8) | (376.9) | *11.2%* |
| PIS/Cofins | (61.0) | (45.9) | (81.1) | *33.0%* | (117.5) | (126.9) | *8.0%* |
| Consumer Charges | (40.8) | (82.9) | (38.3) | *-6.1%* | (79.1) | (121.4) | *53.5%* |
| **Net Operating Revenue - Consolidated** | **552.6** | **622.6** | **580.9** | *5.1%* | **1,114.7** | **1,203.5** | *8.0%* |

Consolidated net operating revenues (NOR) totaled R$580.9 million in 2Q09, 5.1% up on the R$552.6 million recorded in 2Q08. This account is mainly impacted by the distribution segment, which accounts for 96.0% of consolidated NOR, followed by generation (3.2%) and trading (0.8%). In company terms, Light contributed with 58.7% of the total and CEMAR, 41.3%. (For further information on NOR evolution, see CEMAR's and Light's Financial Performance.)

### 3.1.2 - Costs and Expenses

Consolidated operating costs and expenses came to R$482.1 million in 2Q09, 14.5% more than in 2Q08. This amount is comprised of non-manageable costs and expenses (purchase and transportation of energy, and sector charges), which stood at R$321.0 million and increased by 16.5%, while manageable costs and expenses climbed 23.9%.

| Operating Costs and Expenses | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| Purchased Energy (Includes Charges) | 93.4 | 107.5 | 116.1 | 24.3% | 187.7 | 223.7 | 19.2% |
| PMSO | 33.8 | 36.6 | 42.3 | 25.1% | 68.4 | 78.8 | 15.2% |
| Provisions and Other Operating Expenses | 5.6 | 20.0 | 11.1 | 98.2% | 18.2 | 31.3 | 72.0% |
| Depreciation | 20.6 | 25.6 | 26.7 | 29.6% | 39.4 | 52.3 | 32.7% |
| **CEMAR** | **153.4** | **189.7** | **196.2** | **27.9%** | **313.7** | **386.1** | **23.1%** |
| Purchased Energy (Includes Charges) | 181.8 | 220.2 | 204.9 | 12.7% | 382.0 | 425.3 | 11.3% |
| PMSO | 33.0 | 32.2 | 35.9 | 8.8% | 61.1 | 67.9 | 11.1% |
| Provisions | 29.7 | 18.4 | 23.0 | -22.6% | 50.5 | 41.2 | -18.4% |
| Depreciation | 20.3 | 19.1 | 19.1 | -5.9% | 40.2 | 38.1 | -5.2% |
| **Light S.A.** | **264.8** | **289.8** | **283.0** | **6.9%** | **533.8** | **572.5** | **7.2%** |
| PMSO | 3.2 | 2.5 | 2.9 | -9.4% | 5.0 | 5.4 | 8.0% |
| Othe Operating Revenue/Expenses | (0.2) | - | - | -100.0% | (2.4) | - | -100.0% |
| Depreciation | - | - | - | N/A | - | 0.1 | N/A |
| **Equatorial (holding)** | **3.0** | **2.5** | **2.9** | **-3.3%** | **2.6** | **5.5** | **111.5%** |
| **Equatorial Consolidated** | **421.2** | **482.0** | **482.1** | **14.5%** | **850.1** | **964.1** | **13.4%** |

### Distribution

In the distribution segment, manageable costs and expenses climbed 7.7%, totaling R$105.9 million. Of this total, R$72.9 million correspond to PMSO (expenses with personnel, materials, third party services and others), up by 15.0% when comparing 2Q09 with 2Q08 (see CEMAR's and Light's specific sections for details). As from 4Q08, profit sharing has been recognized in a specific account below Income Tax/Social Contribution. In 2Q09, costs related to profit sharing amounted to R$5.0 million, versus R$1.8 million in 2Q08.

Total provisions (including provisions for doubtful accounts, losses, contingencies and other provisions) dropped by 9.8% in 2Q09, and PDA and losses represented 2.6% of gross operating revenues (GOR), a 0.7 p.p. upturn. As from 4Q08, the Non-operating Result has been booked under Other Operating Revenues/Expenses. In 2Q09, this account totaled R$3.7 million, versus R$2.4 million in 2Q08.

Non-manageable costs and expenses climbed 16.9% in 2Q09, totaling R$320.2 million, reflecting a 24.3% growth in CEMAR and a 13.0% increase in Light SESA. It should be highlighted that such costs are passed on to tariffs upon their review/adjustment, and any variation in this account should cause no economic impact on the Companies.

| DISTRIBUTION SEGMENT (R$ MM) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| Personnel | 19.8 | 21.2 | 21.2 | 7.1% | 41.6 | 42.4 | 1.9% |
| Material | 3.0 | 3.0 | 2.7 | -10.0% | 5.9 | 5.6 | -5.1% |
| Third Party Services | 36.1 | 36.6 | 40.6 | 12.5% | 71.0 | 77.1 | 8.6% |
| Others | 4.5 | 5.0 | 8.4 | 86.7% | 10.2 | 13.4 | 31.4% |
| **PMSO** | **63.4** | **65.8** | **72.9** | **15.0%** | **128.7** | **138.5** | **7.6%** |
| *% Net Revenues* | *11.8%* | *10.9%* | *12.9%* | *1.1 p.p.* | *11.9%* | *11.8%* | *-0.1 p.p.* |
| Provisions | 32.5 | 28.9 | 29.3 | -9.8% | 63.7 | 58.3 | -8.5% |
| PDA and Losses | 15.1 | 25.7 | 22.3 | 47.7% | 40.5 | 48.1 | 18.8% |
| *% Gross Operating Revenue* | 1.9% | 2.8% | 2.6% | 0.7 p.p. | 2.5% | 2.7% | 0.2 p.p. |
| Provision for Contingencies and Other Provisions | 17.4 | 3.2 | 7.0 | -59.8% | 23.2 | 10.2 | -56.0% |
| Other Operating Expenses/Revenues | 2.4 | 6.3 | 3.7 | 54.2% | (1.7) | 10.1 | -694.1% |
| **MANAGEABLE COSTS AND EXPENSES** | **98.3** | **101.0** | **105.9** | **7.7%** | **190.7** | **206.9** | **8.5%** |
| *% Net Revenues* | *18.3%* | *16.7%* | *18.8%* | *0.5 p.p.* | *17.7%* | *17.7%* | *0.0 p.p.* |
| Electricity Purchased (including CVA and Charges) | 265.8 | 331.9 | 327.1 | 23.1% | 560.2 | 658.9 | 17.6% |
| Other Costs | 8.2 | -5.7 | -6.9 | N/A | 5.6 | -12.5 | N/A |
| **NON-MANAGEABLE COSTS AND EXPENSES** | **274.0** | **326.2** | **320.2** | **16.9%** | **565.8** | **646.4** | **14.2%** |
| *% Net Revenues* | *51.0%* | *53.9%* | *56.8%* | *5.8 p.p.* | *52.5%* | *55.3%* | *2.8 p.p.* |
| **TOTAL** | **372.3** | **427.2** | **426.1** | **14.5%** | **756.5** | **853.3** | **12.8%** |

### Generation

| Light Energia (R$ MM) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| Purchased Energy (CUSD) | 2.6 | 3.1 | 2.7 | 3.8% | 5.2 | 5.8 | 11.5% |
| Personnel | 1.2 | 1.0 | 1.2 | 0.0% | 2.4 | 2.2 | -8.3% |
| Material and Services | 0.7 | 0.9 | 0.8 | 14.3% | 1.6 | 1.7 | 6.3% |
| Depreciation | 1.6 | 1.5 | 1.5 | -6.3% | 3.2 | 3.1 | -3.1% |
| Other (includes Provisions) | 1.5 | 1.8 | 1.7 | 13.3% | 3.0 | 3.4 | 13.3% |
| **TOTAL** | **7.6** | **8.3** | **7.9** | **3.9%** | **15.4** | **16.2** | **5.2%** |

Operating costs and expenses in the generation segment totaled R$7.9 million in 2Q09, up by 3.9%. This upturn was mainly driven by the R$0.2 million increase in other expenses, arising from higher costs related to hydro resources royalties, the 3.8% increase in costs related to distribution system use (CUSD) and the 14.3% upturn in materials and outsourced services.

TRADING

| Light Esco (R$ MM) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| Purchased Energy (CUSD) | 2.4 | 3.0 | 3.3 | 37.5% | 8.1 | 6.3 | -22.2% |
| Personnel | 0.1 | 0.1 | 0.1 | 0.0% | 0.2 | 0.2 | 0.0% |
| Material and Services | - | 0.6 | 0.5 | N/A | 0.3 | 1.1 | 266.7% |
| Depreciation | 0.1 | 0.1 | 0.1 | 0.0% | 0.1 | 0.1 | 0.0% |
| Other (includes Provisions) | - | - | - | N/A | - | 0.1 | N/A |
| **TOTAL** | **2.6** | **3.8** | **4.0** | **53.8%** | **8.7** | **7.8** | **-10.3%** |

In 2Q09, costs and expenses totaled R$4.0 million, 53.8% higher than in 2Q08. Such result derived mainly from (i) the 14.3% increase in the energy volume purchased - up by 37.5% between quarters - intended to serve the new contracts of the trading company; and (ii) higher material costs in view of the expansion of electricity projects.

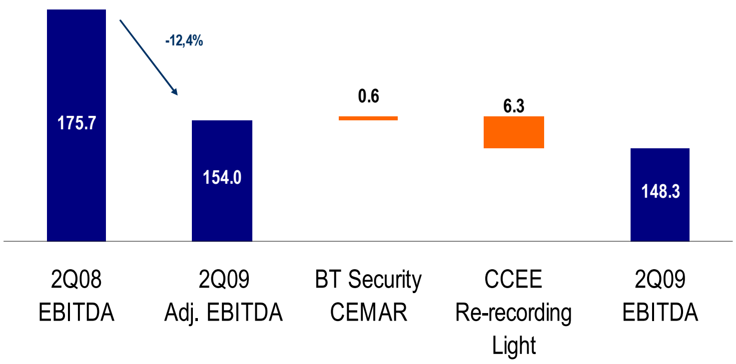
### 3.1.3 - EBITDA

Consolidated EBITDA fell by 15.6% in 2Q09, from R$175.7 million in 2Q08 to R$148.3 million, while the EBITDA margin slid 6.3 p.p., to 25.5%. The relative increase in electricity costs, which represented 54.8% of NOR, against 49.1% in 2Q08, together with the 0.6 p.p. increase in manageable costs as a percentage of net revenues, were some of the factors leading to such upturn.

Adjusting for non-recurring effects in 2Q09 EBITDA, the figure increases to R$154.0 million, and the decline in the comparison between quarters moves down to 12.4%. The adjustments are the following: i) R$0.6 million recognized in NOR, arising from the principal amount of the collateral offered by CEMAR to take out a loan with the Brazilian Treasury in prior years; and ii) R$6.3 million relating to 1Q09 energy purchase cost in Light, which was recognized only in 2Q09 in view of CCEE's re-recording.

In segment terms, distribution made the biggest contribution with 91.2%, followed by generation, with 8.1%, and energy trading, with 0.7%. CEMAR accounted for 63.9% of EBITDA and Light, 36.1%.

**Reconciliation of Adjusted EBITDA
Consolidated EBITDA**




| Consolidated EBITDA (R$ million) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| EBIT | 131.5 | 140.5 | 98.9 | *-24.8%* | 264.6 | 239.4 | *-9.5%* |
| Depreciation and Amortization | 42.0 | 44.8 | 45.8 | *9.0%* | 80.7 | 90.6 | *12.3%* |
| Other Operating Revenue/Expenses | 2.2 | 6.4 | 3.6 | *63.6%* | (4.1) | 10.0 | *-343.9%* |
| EBITDA | 175.7 | 191.7 | 148.3 | *-15.6%* | 341.2 | 340.0 | *-0.4%* |
| BT Security - CEMAR | - | - | (0.6) | *N/A* | - | (0.6) | *N/A* |
| CCEE Re-recording - Light | - | (6.3) | 6.3 | *N/A* | - | - | *N/A* |
| **Adjusted EBITDA** | **175.7** | **185.4** | **154.0** | **-12.4%** | **341.2** | **339.4** | **-0.5%** |

### 3.1.4 - FINANCIAL RESULT

| Financial Result (R$ MM) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| Financial income | 15.6 | 18.0 | 13.1 | -16.0% | 28.6 | 31.2 | 9.1% |
| Fine charged on energy sale | 16.9 | 13.4 | 16.3 | -3.6% | 29.3 | 29.7 | 1.4% |
| Other financial revenues | 18.3 | 13.9 | 13.4 | -26.8% | 29.2 | 27.2 | -6.8% |
| **Financial Revenue** | **50.8** | **45.3** | **42.8** | **-15.7%** | **87.1** | **88.1** | **1.1%** |
| Interest on loans and financing | (33.3) | (36.4) | (33.7) | 1.2% | (66.4) | (70.1) | 5.6% |
| Monetary and foreign exchange variation | (9.9) | (6.6) | (2.5) | -74.7% | (24.1) | (9.1) | -62.2% |
| Other financial expenses | (13.8) | (3.9) | (5.5) | -60.1% | (22.6) | (9.4) | -58.4% |
| Reversion of PIS/COFINS Provision | 108.1 | - | - | -100.0% | 108.1 | - | -100.0% |
| **Financial Expenses** | **51.1** | **(46.9)** | **(41.7)** | **-181.6%** | **(5.0)** | **(88.6)** | **1672.0%** |
| **Net Financial Result** | **101.9** | **(1.6)** | **1.1** | **-98.9%** | **82.1** | **(0.5)** | **-100.6%** |

In 2Q09, the consolidated financial result was a profit of R$1.1 million, versus R$101.9 million in 2Q08. Excluding the non-recurring effect of the reversal of the PIS/COFINS provision in Light during 2Q08, which positively affected Light's financial expenses by R$108.1 million, the financial result for that quarter would be an expense of R$6.2 million.

The main variations per company were:

- **CEMAR:** The financial result was an expense of R$0.8 million in 2Q09, versus an expense of R$8.8 million in 2Q08. In the net financial result breakdown, we can observe that the Company posted a R$27.8 million Financial Revenue (37.6% increase over 2Q08) and R$28.6 million Financial Expenses (1.4% reduction over 2Q08).

  The main factors affecting the growth in the Financial Revenue were: i) 21.6% increase in fines and interest on overdue bills, reaching R$9.0 million in 2Q09; ii) recording of R$4.5 million in inflation adjustment and exchange rate variation relating to the collateral offered to the Brazilian Treasury in previous years, registered in Other Financial Revenues.

  The Company's financial expenses remained virtually flat in the quarterly comparison, having as its main component the interest on loans, financing and debentures, totaling R$21.9 million in 2Q09, a 0.5% increase over 2Q08.

- **Light:** The financial result in the quarter was a negative R$2.9 million, compared with a positive R$105.2 million result in 2Q08. It should be highlighted that, in the second quarter of 2008, the Company recognized R$108.1 million as reversal of the provision relating to the expansion of the PIS/COFINS basis. Disregarding this non-recurring effect, Light's financial result in 2Q08 would be an expense of R$2.9 million, thus rendering a flat figure on a quarter-on-quarter basis.

  Financial revenue in the quarter came to R$9.8 million, 58.8% down over 2Q08. This reduction was chiefly due to the inflation adjustment for the recognition of PIS/COFINS credits on sector charges in 2Q08, affecting the other revenues line, and to the decrease in interest on energy bills paid in arrears because of the 29.4% decline in customer installments.

  The quarter's financial expense of R$12.7 million was 52.4% lower than that recorded in 2Q08 (already excluding the non-recurring impact from the reversal), primarily due to: (i) lower inflation adjustment of Braslight's liabilities as a result of the lower inflation index (IGP-DI) that restates the debt balance; (ii) smaller update of provisions for contingencies and tax liabilities, with a quarterly decline of nearly R$5.0 million; and (iii) present value adjustment of long-term receivables in other financial expenses.

- **Equatorial (holding):** Positive result of R$4.6 million, arising from the holding's cash position of around R$65.7 million at the close of 2Q09, already considering the cash outflow stemming from the reimbursement to shareholders because of capital reduction taken place in June 2009.

### 3.1.5 - Swap Operation

On August 13, 2008, as announced in a Material Fact published on the same date, Equatorial's Board of Directors authorized the Company to enter into swap agreements with Banco UBS-Pactual in the maximum amount of R$50 million.

These swaps comprised the exchange of future financial flows between Equatorial and Banco UBS-Pactual so that Equatorial, by executing these swap contracts, held an asset pegged to the variation in its share price and a loss pegged to the variation in the CDI plus a performance fee for the counterparty on that part of the appreciation of the Company's shares that exceeds the variation in the CDI during the term of the swap.

This operation did not involve the purchase or sale of Equatorial shares by the Company, only the exchange of financial flows between the Company and Banco UBS-Pactual.

The Company had a total of seven swap contracts, reaching a notional value of R$5.0 million. In June 2009, the Company executed all contracts by mutual consent between the parties, yielding a positive financial result for Equatorial of R$0.6 million. This result corresponds to the difference between the gross figure and the notional value on the settlement days, as shown below.

| Initial Date | Notional Value (Thousand of R$) | Initial Value (R$/share) | Settlement Date | Result (Thousand of R$) |
|---|---|---|---|---|
| 08/29/08 | 991 | 14.51 | 06/08/2009 | 78 |
| 09/01/08 | 1,409 | 14.53 | 06/05/2009 | 99 |
| 09/03/08 | 422 | 14.53 | 06/05/2009 | 31 |
| 09/04/08 | 577 | 14.49 | 06/05/2009 | 42 |
| 09/12/08 | 800 | 12.51 | 06/05/2009 | 166 |
| 09/16/08 | 551 | 12.22 | 06/05/2009 | 128 |
| 09/17/08 | 274 | 11.75 | 06/05/2009 | 65 |
| Total | 5,024 | | | 608 |

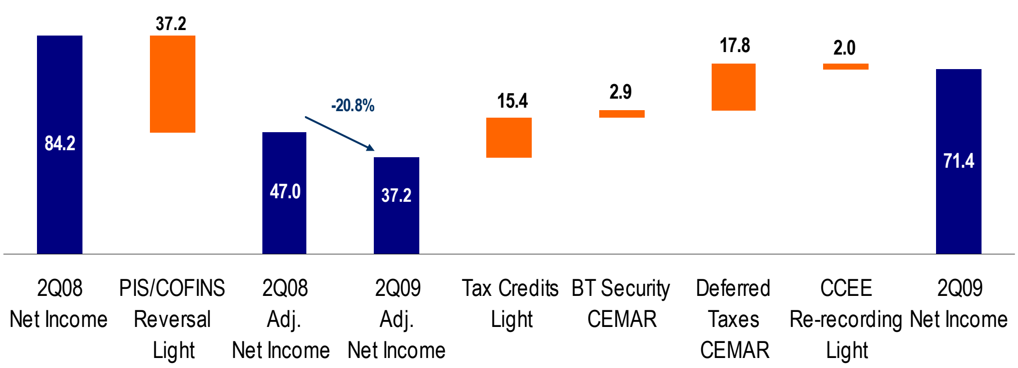
### 3.1.6 - Net Income

In 2Q09, the Company posted net income of R$71.4 million, down by 15.2% compared to 2Q08. However, for purposes of comparability between quarters on a recurring basis, some adjustments are needed, which are shown below.

- **Reversal of PIS/COFINS Provision:** In 2Q08, Light reversed the provisions relating to the expansion of the PIS/COFINS basis, which positively affected Equatorial's net income at that time in the amount of R$37.2 million, net of tax effects and minority interest.
- **Tax Credits Recognition:** In 2Q09, Light recognized tax credits that, net of non-controlling shareholders interest, positively affected Equatorial's result by R$15.4 million.
- **Brazilian Treasury Collateral:** In 2Q09, CEMAR recognized amounts comprising the principal, inflation adjustment and exchange rate variation relating to the collateral for a transaction carried out with the Brazilian Treasury in prior years. This transaction positively affected Equatorial's consolidated result by R$0.6 million in Net Revenues and R$4.5 million in Financial Result. After the determination of income tax/social contribution and minority interest, net income was positively affected by R$2.9 million.
- **Deferred Tax Assets:** In 2Q09, CEMAR reviewed the deferred tax assets line, comprising tax loss carryforwards and temporary differences. As a result, Equatorial's net income, after excluding the non-controlling shareholders interest, was positively affected by R$17.8 million.
- **CCEE's Re-recording:** In 2Q09, Light recognized R$6.3 million in its energy purchase costs relating to 1Q09, in view of CCEE's re-recording. Net of tax effects and minority interest, its impact on Equatorial's net income was an expense of R$2.0 million.

After the above-mentioned adjustments, as shown in the graph below, Equatorial's net income would have reached R$37.2 million in 2Q09, down by 20.8% compared with the net income recorded in 2Q08.

**Reconciliation of Adjusted Net Income**
**Equatorial - Consolidated**

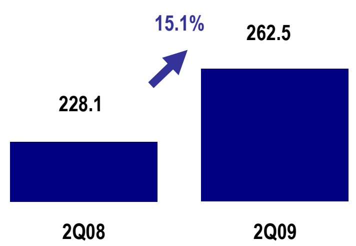


### 3.2 FINANCIAL PERFORMANCE - CEMAR

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

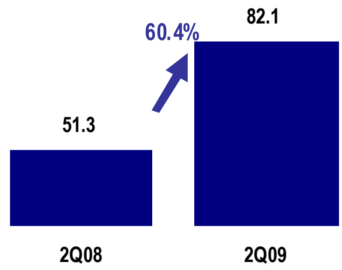
| INCOME STATEMENT CEMAR (R$ MM) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| Gross Operating Revenues (GOR) | 312.4 | 366.8 | 364.0 | 16.5% | 623.0 | 730.9 | 17.3% |
| Net Operating Revenues (NOR) | 228.1 | 263.2 | 262.5 | 15.1% | 461.4 | 525.6 | 13.9% |
| Electricity Energy Cost | (93.4) | (107.5) | (116.1) | 24.3% | (187.7) | (223.6) | 19.1% |
| Operating Costs and Expenses | (38.5) | (49.0) | (50.4) | 30.9% | (85.3) | (99.4) | 16.5% |
| **EBITDA** | **96.2** | **106.7** | **95.9** | **-0.3%** | **188.4** | **202.6** | **7.5%** |
| Other Operating Revenues/Expenses | (1.0) | (7.6) | (3.0) | 200.0% | (1.4) | (10.7) | 664.3% |
| EBIT | 74.6 | 73.5 | 66.2 | -11.3% | 147.6 | 139.6 | -5.4% |
| Financial Results | (8.9) | (1.9) | (0.8) | -91.0% | (12.1) | (2.7) | -77.7% |
| Operating Results | 65.7 | 71.6 | 65.4 | -0.5% | 135.5 | 136.9 | 1.0% |
| Income Tax / Social Contribution | (12.6) | (10.1) | 18.8 | -249.2% | (26.2) | 8.7 | -133.2% |
| Profit Sharing | (1.9) | (2.0) | (2.2) | 15.8% | (3.1) | (4.2) | 35.5% |
| **Net Income** | **51.2** | **59.5** | **82.1** | **60.4%** | **106.2** | **141.4** | **33.1%** |

NOR (R$MM) - Quarterly




EBITDA (R$MM) - Quarterly


Net Income (R$MM) - Quarterly




#### 3.2.1 – Operating Revenues

| OPERATING REVENUE - CEMAR (R$ Million) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| **Gross Energy Sales Revenue** | **287.9** | **336.6** | **338.9** | ***17.7%*** | **577.1** | **675.7** | ***17.1%*** |
| Residential | 127.5 | 161.4 | 156.5 | *22.7%* | 257.8 | 318.0 | *23.4%* |
| Industrial | 32.7 | 32.0 | 31.6 | *-3.4%* | 67.4 | 63.6 | *-5.6%* |
| Commercial | 68.9 | 78.8 | 81.0 | *17.6%* | 136.1 | 159.8 | *17.4%* |
| Other | 58.8 | 64.4 | 69.8 | *18.7%* | 115.8 | 134.3 | *16.0%* |
| **Energy Supply** | **3.3** | **4.9** | **3.0** | ***-9.1%*** | **4.9** | **7.9** | ***61.2%*** |
| **Network Usage** | **(0.1)** | **0.1** | **0.1** | ***-200.0%*** | **(0.1)** | **0.2** | ***-300.0%*** |
| **Other Revenues** | **21.3** | **25.2** | **22.0** | ***3.3%*** | **41.3** | **47.2** | ***14.3%*** |
| Low Income | 22.0 | 26.4 | 27.8 | *26.4%* | 41.7 | 54.2 | *30.0%* |
| Accrual (Amortization) of Regulatory Assets | (5.0) | (4.6) | (10.2) | *104.0%* | (9.0) | (14.8) | *64.4%* |
| Other Operating Revenues | 4.3 | 3.4 | 3.8 | *-11.6%* | 8.6 | 7.2 | *-16.3%* |
| Other Non-Recurring Operating Revenues | - | - | 0.6 | *N/A* | - | 0.6 | *N/A* |
| **Gross Operating Revenue** | **312.4** | **366.8** | **364.0** | *16.5%* | **623.0** | **730.9** | *17.3%* |
| ICMS | (46.7) | (55.8) | (53.9) | *15.4%* | (93.4) | (109.7) | *17.5%* |
| PIS/Cofins | (29.1) | (34.1) | (34.5) | *18.6%* | (51.2) | (68.6) | *34.0%* |
| Consumer Charges | (8.5) | (13.8) | (13.2) | *55.3%* | (17.1) | (27.0) | *57.9%* |
| **Net Operating Revenue** | **228.1** | **263.2** | **262.5** | *15.1%* | **461.4** | **525.6** | *13.9%* |

In 2Q09, gross revenues posted growth of 15.1%, fueled by the 10.25% tariff adjustment in August 2008 and by the upturn in energy sales of 2.4% in the quarter, compared with 2Q08. Net operating revenues totaled R$262.5 million in the quarter, 15.1% up year on year.

In 2Q09, CEMAR recorded R$0.6 million referring to the principal amount for the collateral in a transaction with the Brazilian Treasury carried out in previous years. This figure was booked under Other Non-Recurring Operating Revenues.

### 3.2.2 – Costs and Expenses

In 2Q09, manageable and non-manageable costs and expenses, excluding depreciation and amortization, totaled R$169.5 million, corresponding to 64.6% of net revenues, up by 6.3 p.p. over 2Q08, which stood at 58.3%.

**Manageable Operating Costs and Expenses**

In 2Q09, the Company's manageable costs and expenses, represented by personnel, materials, third party services and others (PMSO), excluding the provision for doubtful accounts, contingencies, as well as other costs, totaled R$42.3 million, an increase of 1.3 p.p. compared with 2Q08, as a percentage of net revenues.

Personnel expenses totaled R$9.6 million in 2Q09, increasing 7.9% over the 2Q08 figure, as a consequence of the collective agreement signed in November 2008, when an adjustment of 7.28% was granted. It is worth noting that, as from 4Q08, the recognition of Profit Sharing was transferred from the Personnel account to a specific line between Income Tax/Social Contribution and Net Income. In 2Q09, R$2.2 million were recognized as Profit Sharing (R$1.9 million in 2Q08).

Materials expenses totaled R$1.9 million in 2Q09, R$0.2 million less when compared with 2Q08. The main costs included in this account are: i) purchase of maintenance material, of R$0.8 million; and ii) purchase of fuel and lubricants to vehicles intended for support, repair and maintenance of the distribution network, totaling R$0.8 million.

Third-party services expenses moved up by 21.3% in 2Q09 versus 2Q08, totaling R$25.1 million in the quarter. The main services leading to such increase were: i) telecommunications and data transmission services, which climbed R$0.9 million; ii) R$0.8 million increase in stand-by services, with technician and electrician teams, due to the higher-than-average rainfall observed in Maranhão in 2Q09; iii) bill collection services, up by R$0.6 million, to combat delinquency; and iv) hiring of consulting services to assist in the Company's tariff review process in 2009.

In 2Q09, the provision for doubtful accounts (PDA) and losses moved up to R$5.7 million, or 1.6% of gross operating revenues (GOR), 0.5 p.p. higher than the 2Q08 result. In spite of the increase in the quarterly comparison, if we analyze the 1H09, comparing to 1H08, PDA and losses levels as a percentage of net revenues remain stable at 2.2%.

We expect that PDA and losses will remain in the range of 2% to 3% of gross operating revenues in upcoming years.

| R$ MM | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| Personnel | 8.9 | 9.4 | 9.6 | 7.9% | 18.5 | 19.0 | 2.7% |
| Material | 2.1 | 2.0 | 1.9 | -9.5% | 4.1 | 3.9 | -4.9% |
| Third Party Services | 20.7 | 23.3 | 25.1 | 21.3% | 41.2 | 48.3 | 17.2% |
| Others | 2.1 | 1.9 | 5.7 | 171.4% | 4.6 | 7.6 | 65.2% |
| **PMSO** | **33.8** | **36.6** | **42.3** | **25.1%** | **68.4** | **78.8** | **15.2%** |
| *% Net Revenues* | *14.8%* | *15.8%* | *16.1%* | *1.3 p.p.* | *14.8%* | *15.0%* | *0.2 p.p.* |
| Provisions | 4.6 | 12.4 | 8.1 | 76.1% | 16.8 | 20.6 | 22.6% |
| PDA and Losses | 3.2 | 10.6 | 5.7 | 78.1% | 13.6 | 16.4 | 20.6% |
| *% Gross Operating Revenue* | 1.0% | 2.9% | 1.6% | 0.6 p.p. | 2.2% | 2.2% | 0.0 p.p. |
| Provision for Contingencies and Other Provisions | 1.4 | 1.8 | 2.4 | 71.4% | 3.2 | 4.2 | 31.3% |
| Other Operating Expenses/Revenues | 1.0 | 7.6 | 3.0 | 200.0% | 1.4 | 10.7 | 664.3% |
| **MANAGEABLE COSTS AND EXPENSES** | **39.4** | **56.6** | **53.4** | **35.5%** | **86.6** | **110.1** | **27.1%** |
| *% Net Revenues* | *17.3%* | *21.5%* | *20.3%* | *3.0 p.p.* | *18.8%* | *20.9%* | *2.1 p.p.* |
| Electricity Purchased (including CVA and Charges) | 92.3 | 107.7 | 115.2 | 24.8% | 186.7 | 222.9 | 19.4% |
| Other Costs | 1.1 | -0.2 | 0.9 | -18.2% | 1.0 | 0.8 | -20.0% |
| **NON-MANAGEABLE COSTS AND EXPENSES** | **93.4** | **107.5** | **116.1** | **24.3%** | **187.7** | **223.7** | **19.2%** |
| *% Net Revenues* | *40.9%* | *40.8%* | *44.2%* | *3.3 p.p.* | *40.7%* | *42.6%* | *1.9 p.p.* |
| **TOTAL** | **132.8** | **164.1** | **169.5** | **27.6%** | **274.3** | **333.8** | **21.7%** |
| *% Net Revenues* | *58.2%* | *62.3%* | *64.6%* | *6.4 p.p.* | *59.4%* | *63.5%* | *4.1 p.p.* |

**Non-manageable Operating Costs and Expenses**

The Company's non-manageable operating costs and expenses totaled R$116.1 million in 2Q09, up by 24.4% over the R$93.4 million recorded in 2Q08. The quarter's upturn derives chiefly from higher expenses with energy purchase and network service charges, which moved up by 21.5% and 40.3%, respectively, compared with 2Q08. It is worth noting that such costs relate to Parcel A of the energy tariff. Therefore, their increase is passed on to the Company by means of the annual tariff adjustment index (IRT), and should not represent a financial loss to the Company.

### 3.2.3 - EBITDA

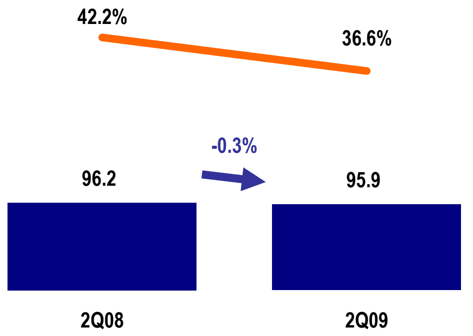
In 2Q09, EBITDA totaled R$95.9 million, down by 0.3% over the R$96.2 million recorded in 2Q08. In terms of EBITDA margin, its percentage of net revenues decreased 5.7 p.p., from 42.2% to 36.5%. The margin decline derives from the relative increase in manageable expenses, which corresponded to 20.3% of NOR (versus 16.9% in 2Q08), and from non-manageable expenses, which represented 44.2% of NOR in 2Q09 (versus 40.9% in 2Q08).

In 2Q09, CEMAR recorded R$0.6 million referring to the principal amount for the collateral in a transaction with the Brazilian Treasury carried out in previous years. Net of taxes, this recognition positively impacts the EBITDA figure by R$0.6 million.

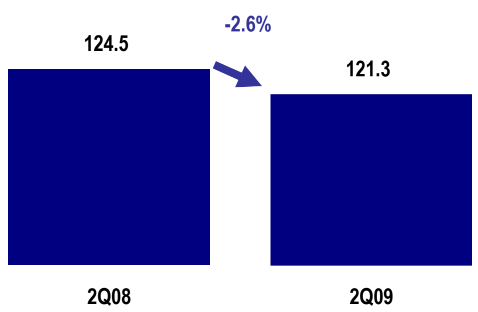
In terms of semester, there has been a 7.6% increase in 1H09 EBITDA, totaling R$202.7 million. The EBITDA margin posted in 1H09 was 38.6%, 2.2 p.p. lower than the one presented in 1H08.

| EBITDA (R$ MM) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| EBIT | 74.6 | 73.5 | 66.2 | -11.3% | 147.7 | 139.7 | -5.4% |
| Depreciation and Amortization | 20.6 | 25.6 | 26.7 | 29.6% | 39.4 | 52.3 | 32.7% |
| Other Operating Revenue/Expenses | 1.0 | 7.6 | 3.0 | 200.0% | 1.4 | 10.7 | 664.3% |
| **EBITDA** | **96.2** | **106.7** | **95.9** | **-0.3%** | **188.5** | **202.7** | **7.5%** |

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




**EBITDA (R$) per MWh: Quarterly**




### 3.2.4 - Financial Result

| Financial Result (R$ MM) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| Financial income | 6.3 | 6.5 | 5.5 | -12.7% | 12.0 | 12.0 | 0.0% |
| Fine charged on energy sale | 7.4 | 9.2 | 9.0 | 21.6% | 15.4 | 18.2 | 18.2% |
| Other financial revenues | 6.4 | 10.9 | 13.3 | 107.8% | 11.0 | 24.3 | 120.9% |
| **Financial Revenue** | **20.1** | **26.6** | **27.8** | **38.3%** | **38.4** | **54.5** | **41.9%** |
| Interest on loans and financing | (21.8) | (23.4) | (21.9) | 0.5% | (41.2) | (45.4) | 10.2% |
| Monetary and foreign exchange variation | (7.1) | (3.1) | (3.4) | -52.1% | (12.3) | (6.6) | -46.3% |
| Other financial expenses | (0.1) | (2.0) | (3.3) | 3200% | 3.0 | (5.3) | -276.7% |
| **Financial Expenses** | **(29.0)** | **(28.5)** | **(28.6)** | **-1.4%** | **(50.5)** | **(57.3)** | **13.5%** |
| **Net Financial Result** | **(8.9)** | **(1.9)** | **(0.8)** | **-91.0%** | **(12.1)** | **(2.8)** | **-76.9%** |

The financial result was an expense of R$0.8 million in 2Q09, versus an expense of R$8.8 million in 2Q08. In the net financial result breakdown, we can observe that the Company presented a R$27.8 million Financial Revenue (37.6% increase over 2Q08), and R$28.6 million Financial Expenses (1.4% reduction over 2Q08).

The main factors leading to the growth in the Financial Revenue were: i) 21.6% increase in fines and interest on overdue bills, reaching the amount of R$9.0 million in 2Q09; ii) recording of R$4.5 million as collateral offered to the Brazilian Treasury in previous years, registered in Other Financial Revenues.

The Company's financial expenses were almost stable in the quarterly comparison, having as its main component the interest on loans, financing and debentures, totaling R$21.9 million in 2Q09, a 0.5% increase over 2Q08.

Currently, CEMAR does not maintain any transactions involving financial derivative instruments.

### 3.2.5 - Income Tax and Social Contribution

In CEMAR, income tax and social contribution payable is positively impacted by the following items: i) income tax reduction benefit on installed capacity expansion granted by SUDENE (Northeast Region Development Authority) in December 2005 and expanded in 2007 to include the upgrading of all installed capacity; ii) tax benefit related to accelerated depreciation, granted by SUDENE, whereby investments in the expansion and modernization of the distribution network can be entirely booked as a tax-deductible expense between 2006 and 2013; and iii) offsetting of tax loss carryforwards. It's worth mentioning that the first two items refer only to the Income Tax, while the third item refers both to the Income Tax and Social Contribution.

**Breakdown of Income Tax and Social Contribution Effective Rates**

| Income Tax/ Social Contribution (R$ Million) | 2Q08 | 2Q09 |
|---|---|---|
| Earnings Before Taxes ( 1 ) | 65.7 | 65.4 |
| Income Tax/ Social Contribution Expenses | (12.6) | 18.7 |
| ( - ) Deferred Tax Assets | 9.0 | (23.4) |
| = Income Tax / Social Contribution | (3.6) | (4.7) |
| (+) Fiscal Credits | 3.6 | - |
| = Taxes - Cash Basis ( 2 ) | - | (4.7) |
| Effective Tax Rate = ( 2 ) / ( 1 ) | 0.0% | 7.2% |

It is necessary to consider that there was a change in the recognition of SUDENE benefit in 2008. The benefit was transferred to the Company's result, after the determination of EBIT (Earnings Before Income Tax), with a consequent positive effect on its Net Income. It is worth noting that the changes in the benefit recognition throughout 2008 affected neither the incentive amount booked by the Company nor its taxes payable.

In 2Q09, expenses related to income tax and social contribution totaled R$18.7 million, net of the R$13.1 million corresponding to the SUDENE incentive recorded by the Company. Furthermore, a revision on the tax loss carryforwards and negative social contribution basis from previous periods which its R$27.4 million impact caused adjustment of R$23.9 million, however, with no effect on the company's cash flow. Therefore, CEMAR paid R$4.7 million in taxes, which corresponds to an effective rate of 7.2%.

### 3.2.6 - Net Income

In 2Q09, CEMAR posted net income of R$82.0 million, 59.8% up year on year, even considering the 2Q08 net income on a pro forma basis, when the SUDENE incentive is recognized. Net income recorded in 2Q09 posted a net margin of 31.2%, up by 8.7 p.p. compared to the 22.5% booked in 2Q08.

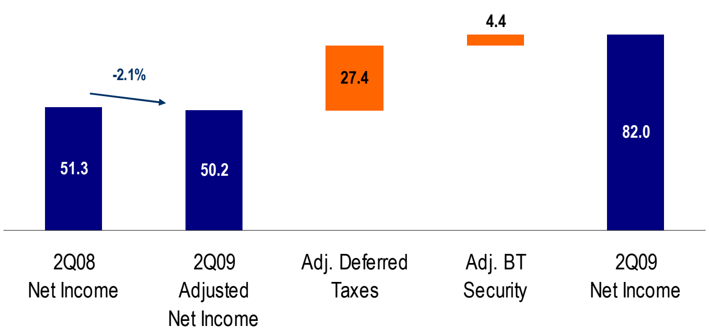
Earnings per share amounted to R$0.50 in 2Q09, 61.3% more than the R$0.31 booked in 2Q08. In 1H09, the earnings per share is R$0.86, a 32.3% increase over the  R$0.65 posted in 1H08.

In 2005, the Company had booked nearly R$259.3 million in Deferred Tax Assets arising from tax loss carryforwards and temporary differences from prior years. In 2Q09, assets were restated by an additional R$27.4 million, having a positive impact on the income for the year in the same amount.

Also, in 2Q09 the Company recorded R$5.2 million relating to the collateral for a transaction carried out with the Brazilian Treasury in prior years. Thus, a R$0.6 million gain was booked under the Other Revenues caption, while the remaining R$4.5 million were booked under Financial Revenues. The final impact on Net Income for the year, net of taxes, was a positive result in the amount of R$4.4 million.

Excluding these two non-recurring effects from the Company's results, Net Income for 2Q09 would be R$50.2 million, reducing 2.1% from the figure reported in 2Q08, as shown in the next chart.

**Reconciliation of Adjusted Net Income CEMAR**

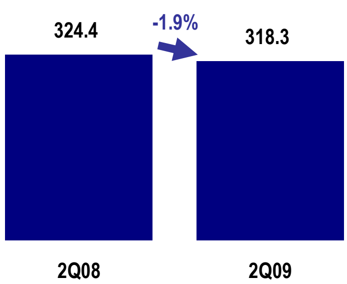


### 3.3 FINANCIAL PERFORMANCE - LIGHT

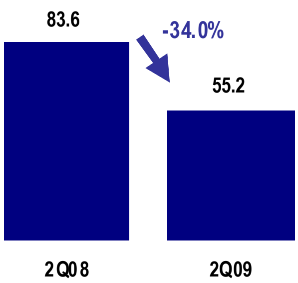
The information in this section reflects 25% of consolidated Light's operations.

| INCOME STATEMENT - LIGHT (R$MM) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| Gross Operating Revenues (GOR) | 509.4 | 581.4 | 516.2 | *1.3%* | 1,027.0 | 1,097.7 | *6.9%* |
| Net Operating Revenues (NOR) | 324.4 | 359.4 | 318.3 | *-1.9%* | 653.3 | 677.7 | *3.7%* |
| Electric Energy Cost | (178.9) | (218.0) | (203.0) | *13.5%* | (375.2) | (421.0) | *12.2%* |
| Operating Costs / Expenses | (61.9) | (54.0) | (60.2) | *-2.7%* | (117.6) | (114.3) | *-2.8%* |
| **EBITDA** | **83.6** | **87.4** | **55.2** | *-34.0%* | **160.6** | **142.5** | *-11.3%* |
| Other Operating Revenues/Expenses | (1.4) | 1.3 | (0.6) | *-57.1%* | 3.1 | 0.7 | *-77.4%* |
| EBIT | 62.1 | 69.7 | 35.5 | *-42.8%* | 123.8 | 105.2 | *-15.0%* |
| Financial Result | 105.3 | (6.2) | (2.9) | *-102.8%* | 84.3 | (9.1) | *-110.8%* |
| Operating Income | 167.4 | 63.5 | 32.7 | *-80.5%* | 208.1 | 96.1 | *-53.8%* |
| Income Tax / Social Contribution | (69.2) | (19.6) | (0.6) | *-99.1%* | (82.0) | (20.1) | *-75.5%* |
| Profit Sharing | (1.1) | (1.8) | (1.7) | *N/A* | (3.1) | (3.5) | *12.9%* |
| **Net Income** | **97.2** | **42.1** | **30.4** | *-68.7%* | **123.0** | **72.4** | *-41.1%* |

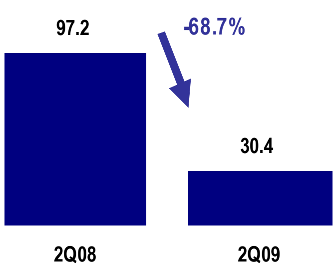
**NOR (R$MM) - Quarterly**




**EBITDA (R$MM) - Quarterly**




**Net Income (R$MM) - Quarterly**




#### 3.3.1 - OPERATING REVENUES

Net Operating Revenues (NOR) reached R$318.3 million in 2Q09, 1.9% down compared with 2Q08, chiefly as a result of the recording of R$7.3 million in 2Q08 relating to the low-income subsidy.

| OPERATING REVENUE - Light Consolidated (R$ MM) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| **Gross Energy Sales Revenue (R$ Million)** | **448.6** | **525.5** | **458.1** | ***2.1%*** | **903.8** | **983.4** | ***8.8%*** |
| Residential | 205.4 | 249.9 | 203.0 | *-1.2%* | 422.2 | 452.8 | *7.2%* |
| Industrial | 33.6 | 35.8 | 35.3 | *5.1%* | 63.3 | 71.1 | *12.3%* |
| Commercial | 154.0 | 172.5 | 155.0 | *0.6%* | 310.7 | 327.5 | *5.4%* |
| Other | 55.6 | 67.3 | 64.8 | *16.5%* | 107.6 | 132.0 | *22.7%* |
| **Energy Supply** | **1.3** | **-** | **2.0** | ***53.8%*** | **1.8** | **2.0** | ***11.1%*** |
| **Network Usage** | **35.2** | **30.2** | **30.3** | ***-13.9%*** | **67.1** | **60.5** | ***-9.8%*** |
| **Other Revenues** | **5.4** | **5.1** | **4.3** | ***-20.4%*** | **10.5** | **10.1** | ***-3.8%*** |
| **Gross Operating Revenue - Distribution** | **490.5** | **560.8** | **494.7** | *0.9%* | **983.2** | **1,056.0** | *7.4%* |
| Generation | 19.1 | 19.9 | 21.5 | *12.6%* | 43.5 | 41.4 | *-4.8%* |
| Trading | 5.1 | 5.7 | 5.8 | *13.7%* | 14.0 | 11.5 | *-17.9%* |
| Eliminations | (5.2) | (5.5) | (5.7) | *9.6%* | (13.7) | (11.1) | *-19.0%* |
| **Gross Operating Revenue - Consolidated** | **509.5** | **580.9** | **516.3** | *1.3%* | **1,027.0** | **1,097.8** | *6.9%* |
| ICMS | (120.8) | (141.0) | (126.2) | *4.5%* | (245.4) | (267.2) | *8.9%* |
| PIS/Cofins | (31.9) | (11.8) | (46.6) | *46.1%* | (66.3) | (58.3) | *-12.1%* |
| Consumer Charges | (32.3) | (69.3) | (25.1) | *-22.3%* | (62.0) | (94.4) | *52.3%* |
| **Net Operating Revenue - Consolidated** | **324.5** | **358.8** | **318.3** | *-1.9%* | **653.3** | **677.9** | *3.8%* |

### 3.3.2 - Costs and Expenses

Light's costs and expenses, including depreciation, grew 8.2% between 2Q09 and 2Q08, reaching R$282.2 million. This result derives chiefly from the 13.0% upturn in the distribution company's non-manageable costs. Though to a lesser extent, another factor leading to such increase was the provision, in the quarter, for the Stock Option Plan, which affected the personnel account of Light S.A. by R$2.5 million, while no provision for such purpose was set up in 2Q08.

| Light SESA - R$ MM | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| Personnel | 10.9 | 11.8 | 11.6 | 6.4% | 23.1 | 23.4 | 1.3% |
| Material | 0.9 | 1.0 | 0.8 | -11.1% | 1.8 | 1.7 | -5.6% |
| Third Party Services | 15.4 | 13.3 | 15.5 | 0.6% | 29.8 | 28.8 | -3.4% |
| Others | 2.4 | 3.1 | 2.7 | 12.5% | 5.6 | 5.8 | 3.6% |
| **PMSO** | **29.6** | **29.2** | **30.6** | **3.4%** | **60.3** | **59.7** | **-1.0%** |
| *% Net Revenues* | *9.6%* | *8.5%* | *10.2%* | *0.6 p.p.* | *9.8%* | *9.3%* | *-0.5 p.p.* |
| Provisions | 27.9 | 16.5 | 21.2 | -24.0% | 46.9 | 37.7 | -19.6% |
| PDA and Losses | 11.9 | 15.1 | 16.6 | 39.5% | 26.9 | 31.7 | 17.8% |
| *% Gross Operating Revenue* | 2.4% | 2.7% | 3.4% | 1.0 p.p. | 2.7% | 3.0% | 0.3 p.p. |
| Provision for Contingencies and Other Provisions | 16.0 | 1.4 | 4.6 | -71.3% | 20.0 | 6.0 | -70.0% |
| Other Operating Expenses/Revenues | 1.4 | (1.3) | 0.7 | -50.0% | (3.1) | (0.7) | -77.4% |
| **MANAGEABLE COSTS AND EXPENSES** | **58.9** | **44.4** | **52.5** | **-10.9%** | **104.1** | **96.7** | **-7.1%** |
| *% Net Revenues* | *19.1%* | *13.0%* | *17.4%* | *-1.7 p.p.* | *16.9%* | *15.0%* | *-1.9 p.p.* |
| Electricity Purchased (including CVA and Charges) | 173.5 | 224.2 | 211.9 | 22.1% | 373.5 | 436.0 | 16.7% |
| Other Costs | 7.1 | (5.5) | (7.8) | -209.9% | 4.6 | (13.3) | -389.1% |
| **NON-MANAGEABLE COSTS AND EXPENSES** | **180.6** | **218.7** | **204.1** | **13.0%** | **378.1** | **422.7** | **11.8%** |
| *% Net Revenues* | *58.5%* | *63.9%* | *67.8%* | *9.3 p.p.* | *61.3%* | *65.7%* | *4.4 p.p.* |
| **TOTAL** | **239.5** | **263.1** | **256.6** | **7.1%** | **482.2** | **519.4** | **7.7%** |

In Light SESA (distribution segment), manageable operating costs and expenses, including personnel, materials, outsourced services, provisions, depreciation and others, totaled R$52.5 million, representing a reduction of 10.9% between periods. This result can be mainly explained by the lower volume of provisions, 24.0% below the figure for 2Q08.

PMSO costs and expenses totaled R$30.6 million in the quarter, 3.4% higher than the R$29.6 million recorded in 2Q08. Such result derived mainly from the 6.4% upturn in personnel expenses, arising from the 5.6% increase granted in the labor agreement for this year.

In 2Q09, provisions for doubtful accounts, contingencies and others fell R$6.7 million, primarily because of the provisions made in 2Q08, relating to Low Income subsidy and the increase in Braslight's actuarial liabilities, reaching R$4.3 million and R$6.0 million, respectively.

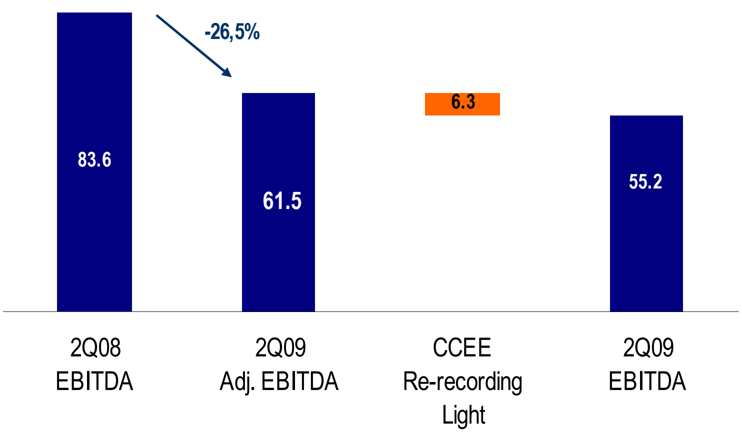
For details about costs and expenses incurred by Light Energia and Light Esco, see the "Financial Performance – Consolidated" section.

### 3.3.3 - EBITDA

Consolidated EBITDA totaled R$55.1 million in 2Q09, down by 34.0% over 2Q08, adjusting for the non-recurring effect of 2Q09 recognition of energy purchases relating to 1Q08 because of CCEE's re-recording.

This result derives chiefly from Light SESA's EBITDA reduction, which reflects the tariff review process taken place in November 2008, together with lower consumption, which mainly affected the consumption and demand by industrial clients.

**Reconciliation of Adjusted EBITDA**
**Light S/A**



### 3.3.4 – Financial Result

| Financial Result (R$ MM) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| Financial income | 3.1 | 4.4 | 2.6 | -16.1% | 6.4 | 7.0 | 9.4% |
| Fine charged on energy sale | 9.5 | 4.2 | 7.3 | -23.2% | 13.9 | 11.5 | -17.3% |
| Other financial revenues | 11.2 | 3.0 | (0.1) | -100.9% | 17.2 | 2.9 | -83.1% |
| **Financial Revenue** | **23.8** | **11.6** | **9.8** | **-58.8%** | **37.5** | **21.4** | **-42.9%** |
| Interest on loans and financing | (11.5) | (13.0) | (11.8) | 2.6% | (25.2) | (24.8) | -1.6% |
| Monetary and foreign exchange variation | (2.8) | (3.5) | 1.0 | -135.7% | (11.8) | (2.5) | -78.8% |
| Other financial expenses | (12.4) | (1.3) | (1.9) | -84.7% | (24.2) | (3.2) | -86.8% |
| Reversion of PIS/COFINS Provision | 108.1 | - | - | -100.0% | 108.1 | - | -100.0% |
| **Financial Expenses** | **81.4** | **(17.8)** | **(12.7)** | **-115.6%** | **46.9** | **(30.5)** | **-165.0%** |
| **Net Financial Result** | **105.2** | **(6.2)** | **(2.9)** | **-102.8%** | **84.4** | **(9.1)** | **-110.8%** |

The financial result in the quarter was a negative R$2.9 million, compared with a positive R$105.2 million result in 2Q08. It should be highlighted that, in the second quarter of 2008, the Company recognized R$108.1 million as reversal of the provision relating to the expansion of the PIS/COFINS basis. Disregarding this non-recurring effect, Light's financial result in 2Q08 would be an expense of R$2.9 million, thus rendering a flat figure on a quarter-on-quarter basis.

Financial revenue in the quarter came to R$9.8 million, 58.8% down over 2Q08. This reduction was chiefly due to the inflation adjustment for the recognition of PIS/COFINS credits on sector charges in 2Q08, affecting the other revenues line, and to the decrease in interest on energy bills paid in arrears because of the 29.4% decline in customer installments.

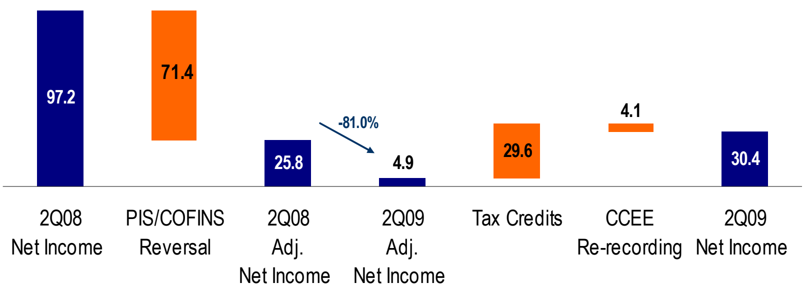
The quarter's financial expense of R$12.7 million was 52.4% lower than that recorded in 2Q08 (already excluding the non-recurring impact from the reversal), primarily due to: (i) lower inflation adjustment of Braslight's liabilities as a result of the lower inflation index (IGP-DI) that restates the debt balance; (ii) smaller update of provisions for contingencies and tax liabilities, with a quarterly decline of nearly R$5.0 million between quarters; and (iii) present value adjustment of long-term receivables in other financial expenses.

### 3.3.5 - Net Income

Light posted net income of R$30.4 million in 2Q09, down by 68.7% compared with the R$97.2 million recorded in 2Q08. This result is due to the non-recurring registration of the write-off of provisions relating to the expansion of the PIS/COFINS basis in 2Q08, which positively impacted net income by R$71.4 million in that quarter (net of taxes), compared with the recognition of non-recurring tax credits, which had a positive effect of R$29.6 million in 2Q09, and the net effect of the recognition in 2Q09 of the energy purchase costs relating to 1Q09, in view of CCEE's re-recording, with a negative impact of R$4.1 million.

It should be highlighted that, in 2Q09, the Company was negatively affected by the exchange rate variation in Light SESA's liabilities with its offshore subsidiary LIR, which increased income tax and social contribution by R$22.6 million. In 2Q08, the same event had a negative impact amounting to R$9.9 million.

**Reconciliation of Net Income**
**Light S/A**




Disregarding the non-recurring effects of both quarters, Light's net income would have come to R$4.9 million in 2Q09, down by 81.0% compared with 2Q08, also adjusting for non-recurring effects.

## 4. Debt

Equatorial closed the second quarter with gross debt, including charges, of R$1,695.7 million, 5.8% up on the 1Q09 figure.

In June 2009, only 2.3% of Equatorial's gross debt (100% CEMAR + 25% Light), or R$38.9 million, was denominated in foreign currency (mostly U.S. dollars), R$10.5 million of which from CEMAR and R$28.5 million from Light (considering the 25% consolidated by Equatorial).

Thanks to its low degree of exchange exposure, CEMAR does not possess any hedge protection against the devaluation of the Real against foreign currencies.

Light's exchange exposure in June 2009 represented 5.9% of its total debt, and the company hedges its future cash flows for the next 24 months through swap agreements with first-tier financial institutions. Considering swap operations currently in effect, foreign currency debt represents 3.8% of this total.

**Gross Debt (100% CEMAR + 25% Light + 25% Geranorte)[2]**

| | Index | Average Cost (p.a.) | Average Final Date (month/year) | Average Maturity (years) | Part. (%) |
|---|---|---|---|---|---|
| FOREIGN CURRENCY | **CEMAR** | **5.2%** | | **11.8** | **0.6%** |
| | Libor | 3.2% | Oct-20 | 11.5 | 0.3% |
| | Fixed (US$) | 6.6% | Apr-21 | 12.0 | 0.4% |
| | **Light** | **6.2%** | | **9.0** | **1.7%** |
| | Libor | 0.0% | Apr-20 | 11.0 | 1.2% |
| | U$ Treasury | 0.5% | Apr-24 | 15.0 | -1.2% |
| | Fixed (US$) | 6.6% | Apr-21 | 11.9 | 1.6% |
| | UmBNDES | 14.3% | Mar-10 | 1.0 | 0.0% |
| | **TOTAL** | **5.9%** | | **9.8** | **2.3%** |
| DOMESTIC CURRENCY | **CEMAR** | **9.9%** | | **7.1** | **65.3%** |
| | IGP-M | 5.5% | Dec-23 | 14.8 | 8.6% |
| | TJLP | 10.1% | Mar-13 | 4.5 | 5.4% |
| | Fixed (R$) | 8.5% | Oct-17 | 8.5 | 10.1% |
| | RGR | 6.5% | Dec-16 | 7.7 | 10.0% |
| | FINEL(**) | 10.1% | Dec-15 | 6.7 | 3.1% |
| | CDI | 12.9% | Mar-14 | 4.9 | 26.2% |
| | SELIC | 12.4% | Jul-10 | 1.2 | 1.9% |
| | **Light** | **12.5%** | | **5.3** | **31.0%** |
| | Fixed (R$) | 5.0% | Dec-17 | 8.0 | 0.1% |
| | TJLP | 10.6% | Sep-14 | 4.9 | 6.7% |
| | CDI | 13.1% | Oct-14 | 5.4 | 24.2% |
| | **GERANORTE** | **17.6%** | **Sep-09** | **0.3** | **1.4%** |
| | CDI | 17.6% | Sep-09 | 0.3 | 1.4% |
| | **TOTAL** | **10.8%** | | **6.4** | **97.7%** |
| | **TOTAL** | **10.7%** | | **6.5** | **100.0%** |

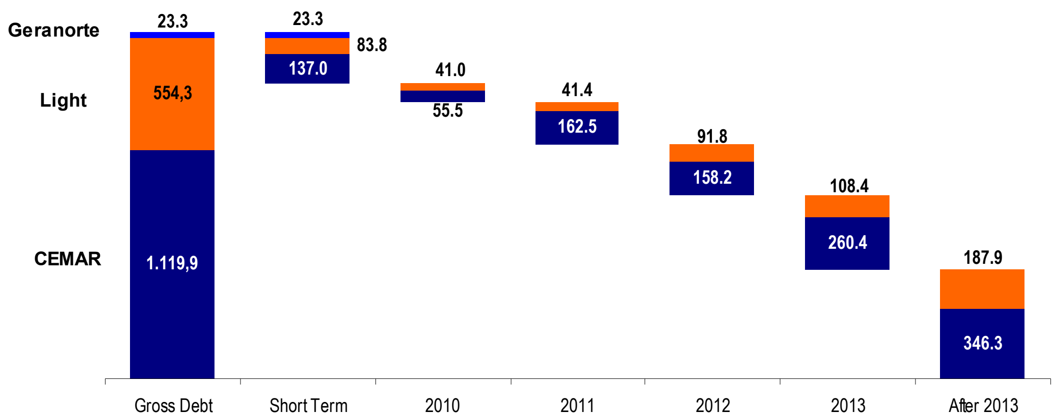
| Expiration | CEMAR | Light | Geranorte | Consolidated | % of Total |
|---|---|---|---|---|---|
| **Short Term** | **135.1** | **83.8** | **23.3** | **242.2** | **14.3%** |
| **Long Term** | **983.0** | **470.5** | **-** | **1,453.5** | **85.7%** |
| 2010 | 55.5 | 41.0 | - | 96.5 | 5.7% |
| 2011 | 162.5 | 41.4 | - | 203.9 | 12.0% |
| 2012 | 158.2 | 91.8 | - | 250.0 | 14.7% |
| 2013 | 260.4 | 108.4 | - | 368.8 | 21.7% |
| After 2013 | 346.4 | 187.9 | - | 534.3 | 31.5% |
| **Gross Debt** | **1,118.1** | **554.3** | **23.3** | **1,695.7** | **100.0%** |
| Cash and Cash Equivalents | 120.8 | 142.9 | 2.2 | 265.9 | |
| Cash - Equatorial (Holding) | | | | 65.7 | |
| Cash - Equatorial Soluções | | | | 3.4 | |
| Net Regulatory Assets | 91.3 | 69.7 | | 161.0 | |
| **Net Debt** | **906.0** | **341.7** | **21.1** | **1,199.7** | |

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

(**) Index that represents 20% of the IGP-M + spread ranging from 9.4% to 12.0%

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

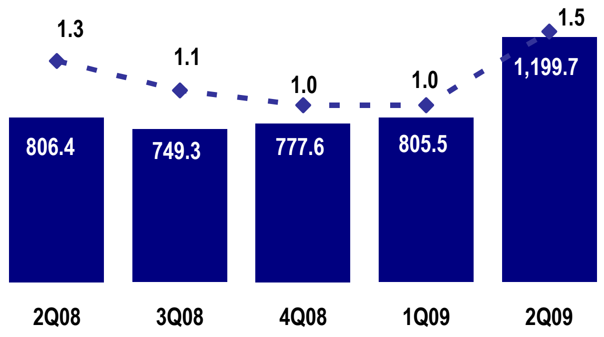
**Schedule of Gross Debt Maturities**



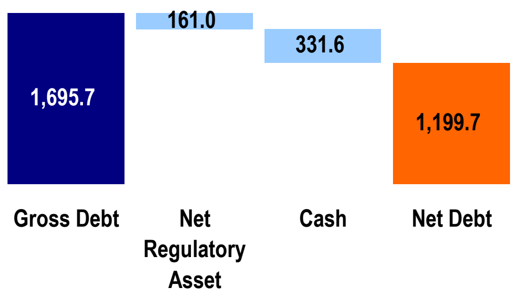

Net debt, including cash and cash equivalents and net regulatory assets, totaled R$1,199.7 million in 2Q09, R$394.0 million up over 1Q09, maintaining a net debt/EBITDA (last 12 months) ratio of 1.5x.

[2] For details, see Annex 4 – Indebtedness.

Net Debt (R$MM)(*) and Net Debt/EBITDA (last 12 months)
Consolidated (100% CEMAR + 25% Light + 25% Geranorte)



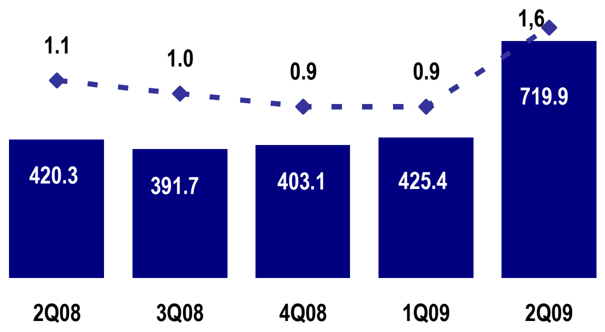

Reconciliation of Net Debt (R$MM)
Consolidated (100% CEMAR + 25% Light + 25% Geranorte)



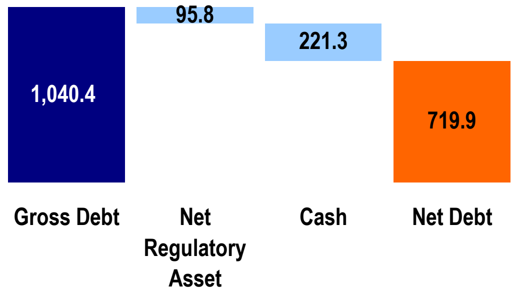

(*) Excluding the debt with Braslight

Total consolidated debt, adjusted for Equatorial's interests in CEMAR (65.12%) and Light (13.03%), came to R$719.9 million in June 2009, 1.6 times consolidated 12-month EBITDA.

Net Debt (R$MM) and Net Debt/EBITDA (last 12 months)
Adjusted Consolidated (65.12% CEMAR + 13.03% Light + 25% Geranorte)




Reconciliation of Net Debt (R$MM)
Adjusted Consolidated (65.12% CEMAR + 13.03% Light + 25% Geranorte)




(*) Excluding Light's debt with Braslight

## 5. Investments

The information related to the Investments made in the period reflects 100% of CEMAR's figures, 25% of Light's and 25% of Geranorte's.

| CAPEX (R$MM) | 2Q08 | 1Q09 | 2Q09 | Chg. | 1H08 | 1H09 | Chg. |
|---|---|---|---|---|---|---|---|
| **CEMAR** | | | | | | | |
| Own (*) | 58.3 | 43.3 | 70.1 | *20.2%* | 97.1 | 113.3 | *16.7%* |
| PLPT | 34.2 | 35.8 | 28.6 | *-16.4%* | 65.5 | 64.4 | *-1.7%* |
| **Total** | **92.5** | **79.1** | **98.7** | ***6.7%*** | **162.6** | **177.7** | ***9.3%*** |
| **Light** | | | | | | | |
| Distribution | 32.2 | 18.0 | 25.2 | *-21.7%* | 55.4 | 43.2 | *-22.0%* |
| Generation | 1.1 | 1.1 | 1.9 | *72.7%* | 1.6 | 3.0 | *87.5%* |
| Energy Trading | 0.0 | 0.3 | 0.2 | *N/A* | 0.0 | 0.5 | *N/A* |
| Administration | 1.7 | 0.6 | 3.7 | *117.6%* | 2.3 | 4.4 | *91.3%* |
| **Total** | **35.0** | **20.0** | **31.0** | ***-11.4%*** | **59.3** | **51.1** | ***-13.8%*** |
| **Geranorte** | | | | | | | |
| Generation | - | 7.9 | 21.9 | *N/A* | - | 29.8 | *N/A* |
| **TOTAL EQUATORIAL** | **127.5** | **107.0** | **151.6** | **18.9%** | **221.9** | **258.6** | **16.5%** |

(*) Including the indirect PLPT investments

### 5.1 - CEMAR

CEMAR's investments, excluding direct investments related to the PLPT, totaled R$70.1 million in 2Q09, representing a 20.2% increase over 2Q08. Of this total, R$36.8 million were allocated to the distribution network expansion in Maranhão State, R$28.9 million to maintenance of existing network and the remaining R$4.6 million are subdivided into equipment, systems and others.

#### Investments in PLPT (Light For All Program)

At the close of 2Q09, 196,587 clients were connected to CEMAR's distribution network through the PLPT, directly benefiting some 980,000 inhabitants in Maranhão State. The PLPT is already present in 208 (96%) of Maranhão's 217 municipalities, contributing to the development of areas isolated from the urban centers and generating wealth in these localities. In 2Q09, direct investments in the program, which include expenses with materials and outsourced services, totaled R$28.6 million, 16.4% down on the previous year.

### 5.2 - LIGHT

In 2Q09, Light's investments came to R$31.0 million, down by 11.4% over 2Q08. In the distribution segment, the major investment projects were allocated to the development of distribution networks in a total of R$25.2 million. These investments comprise new connections, capacity increases, repairs and quality improvement (structural optimization and preventive maintenance). Investments were also made in loss-combating initiatives amounting to R$11.0 million.

In the generation segment, investments totaled R$1.9 million, chiefly allocated to maintenance of the existing generation complex. Higher investments are scheduled until year-end, with a lower concentration of investments taking place in the first quarter of the year.

#### Generation Projects

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

In 2Q09, the developments in Light's generation capacity expansion projects were the following:

- The EPC consortium proposals for the construction of PCH Paracambi were received. These proposals were submitted to the Board of Directors, and the contracting of the winning consortium, comprised of the companies Orteng Equipamentos e Sistemas Ltda. and Construtora Quebec Ltda., was approved at the Board of Directors meeting held on August 7. The project's total cost is approximately R$195 million, and construction is slated to begin in September, with commercial operations expected to begin in August 2011.
- The Consortium with CEMIG for the construction of the PCH Paracambi is being turned into an SPE (Special Purpose Entity), in view of the requirements of the Brazilian Development Bank (BNDES) to grant Project Finance loans for the project.
- Bids have been requested to choose the company that will build the water intake system for PCH Lajes, and construction is expected to start in early September.

In addition to these projects, the Company is considering participation in other generation projects, which together ensure the increase in generation installed capacity by 50%.

## 6. Capital Markets

Equatorial Energia's shares closed 2Q09 at R$15.75, 43.8% up over the end of 1Q09 (R$10.95), already adjusted for shareholder payments.

Daily traded volume averaged R$2.9 million in the 60 trading sessions ended June 30, 2009. The Company's shares are listed in the Bovespa's *Novo Mercado* trading segment and in the IBrX100, IEE, ITAG and IGC indices.

## 7. CEMAR's Tariff Review

On June 16, 2009, in a public meeting held by its Board of Directors, ANEEL approved the proposal for CEMAR's second periodic tariff review of -6.06%. After including the financial components, the average effect noted by consumers will be 4.99%. We highlight that these are preliminary amounts. The definite figures of CEMAR's tariff review will be formalized on August 28, 2009.

Repositioning is the main outcome of the tariff review and derives from the assessment, on the part of ANEEL, of the efficient operating costs (by means of the Efficient Company methodology), the evaluation of prudent investments (through the Regulatory Asset Base), and the recognition of non-manageable costs, called Parcel A.

| 2009 TARIFF REVIEW - CEMAR - PRELIMINARY FIGURES (R$ thousands) | |
|---|---|
| Electricity Purchased for Resale | 420,242 |
| Charges | 93,167 |
| Energy Transportation | 88,799 |
| **Parcel A** | **602,208** |
| Reference Company | 261,952 |
| Provisions for Doubtful Accounts | 13,548 |
| Regulatory Depreciation | 117,913 |
| Interest on Asset | 207,922 |
| **Parcel B** | **601,335** |
| **Required Revenues (A+B)** | **1,203,543** |
| Other Revenues | 4,855 |
| Verified Revenues | 1,275,947 |
| **Repositioning Index** | **-6.06%** |
| **+ Financial Components** | **11.18%** |
| Low Income | 3.86% |
| Delta PB | 4.95% |
| Others | 2.37% |
| **Average Effect on Consumers** | **4.99%** |

When breaking down the financial components considered in this review, totaling a tariff rise of 11.18%, the highlights were the following: i) Low Income Grant, additional revenue from CDE subvention to cover rebates given to consumers from the residential subclass with low income, which accounted for a 3.86% increase in the tariff; and ii) Delta PB, tariff deferral agreed in the first tariff review, taken place in 2005, whose last parcel will be implemented in the next tariff year (from August 2009 to August 2010), leading to a positive tariff impact of 4.95%.

It should be stressed that the Low Income Grant (Financial Component) is used to cover rebates granted to consumers from the residential subclass with low income, and its funds derive from the other consumers belonging to the Company's concession area. Such grant was previously included in the Company's tariff structure. As from this cycle, it is considered as Financial Component to be added in each future annual tariff increase. This means that, assuming that there are no changes to the low-income consumer composition, the Company would receive the Financial Component relating to the Low Income grant every year.

Additionally, ANEEL defined new regulatory levels for losses, delinquency and X Factor. In regard to losses (including both technical and non-technical losses), a reduction path was established, from 25.6% of required energy in the first year of the cycle to 22.1% at the end of the cycle. Concerning delinquency, the level to be considered in this cycle is 0.9% of gross distribution revenues. For the X Factor, the proposed index stands at 2.72%.

## 8. Recent Events

**Capital Increase**

On June 4 and 8, 2009, beneficiaries subscribed 41,229 common shares of Equatorial's capital stock, due to the exercise of stock options from part of the first tranche of options granted under the Third Stock Option Plan. Consequently, the Company's capital stock was represented by 105,859,105 common shares, all registered shares with no par value.

**Dividend Distribution, Interest on Equity and Capital Reduction**

On April 6 and June 4, 2009, the amount of R$272.4 million was paid to the Company's shareholders relating to Interest on Equity, Capital Reduction reimbursement and the first two dividend portions.

The outstanding third dividend portion, amounting to R$12.0 million, will be paid in November 2009.

**Secondary Offering of Shares at Light S.A.**

On July 14, 2009, the Company published the notice of commencement of its secondary public distribution of shares issued by Light S.A., whereby 29,470,480 shares were placed, corresponding to 14.4% of the Company's capital stock. The offering price, determined in the bookbuilding process, was R$24.00, for a total of R$707.3 million. With this transaction, the effective free float of shares increased to 22.1% of the capital stock.

**Sixth Issue of Debentures at Light S.A.**

At the end of July 2009, Light concluded its sixth issue of simple debentures, not convertible into shares. The issue totaled R$300 million, remunerated at 115% of the CDI rate as determined in the bookbuilding process. The debentures were issued on June 1, 2009 and will be amortized in a single installment on June 1, 2011. The purpose of the issue was the early redemption of Light SESA's first issue of promissory notes in the amount of R$100 million, in addition to reinforcing the Company's working capital. It is also important to point out that Light SESA's corporate credit rating was raised by Standard & Poor's to brA+ and was included in Moody's Latin America credit coverage with an Aa2.br rating.

**New Department at Light S.A.**

At the Board of Directors meeting held on July 17, 2009, a new division called Network Department was created, with duties and responsibilities over the following issues: (i) operation and maintenance of the electricity network in any voltage, except for those of Light Energia; (ii) planning, engineering and expansion of the distribution system; and (iii) automation, protection and metering systems, which were previously exercised by the Chief Operations and Customers Officer.

**New Loans and Financing at Geranorte S.A.**

In July 2009, the controlled Company Geranorte took out loans with financial institutions, in the total amount of RS49.0 millon to finance its power plant construction. The interest rate applied to such loans is between 4.6%p.a. and 4.66%p.a. plus 100% of CDI, falling due on December 2009.

## 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 Independent Auditors

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

## 11. Disclosure Schedule

**Conference Call in English**
Thursday, August 13, 2009
12:00 pm (Brasília time)
11:00 am (New York time)
Telephone: +1 (973) 935-8893
Code: 19837983
Replay: +1 (706) 645-9291
Code: 19837983

**Conference Call in Portuguese**
Thursday, August 13, 2009
14:00 pm (Brasília time)
01:00 pm (New York time)
Telephone: +0 XX (11) 2188-0188
Replay: +0 XX (11) 2188-0188
Code: Equatorial

- Participants should connect approximately 10 minutes before the start of the call.
- **Slides and Webcast**: The presentation slides will be available for viewing and download on the Investor Relations section of our website http://www.equatorialenergia.com.br/ir as of the date of the calls. The calls will be transmitted live on the internet on the same site, remaining available after the events.
- **Replay**: The call replays will be available from August 13 to August 20, 2009. To access, please dial the above-mentioned numbers.

## Contacts

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## Additional Information on Light and CEMAR

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

- **Light**: www.light.com.br/ri
- **CEMAR**: www.cemar-ma.com.br/ir

## Disclaimer

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

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

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

## ANNEX 1 – CONSOLIDATED INCOME STATEMENT (R$ MM)

- In order to facilitate quarterly and annual comparisons, the 2Q08 figures are pro forma, assuming that Equatorial held the same interest in RME as it does currently.
- Equatorial's pro forma results for 2Q08 and 1H09 are based on Light's pro forma results for the same periods, which were adjusted to reflect the changes introduced by Law 11,638/07, pursuant to CVM Instruction 565/08, together with profit sharing, which is no longer recorded as personnel costs/expenses and is now recognized after the Income Tax line.

| INCOME STATEMENT (R$ MM) | 2Q08 | 1Q09 | 2Q09 | 1H08 | 1H09 |
|---|---|---|---|---|---|
| **GROSS OPERATING REVENUES** | **821.9** | **948.3** | **880.4** | **1,650.1** | **1,828.7** |
| Electricity Sales to Final Consumer | 753.4 | 883.8 | 814.6 | 1,512.8 | 1,698.4 |
| Electricity Supply | 23.8 | 25.9 | 26.7 | 51.4 | 52.6 |
| Other Revenues | 44.7 | 38.6 | 39.1 | 85.9 | 77.7 |
| **DEDUCTIONS FROM OPERATING REVENUES** | **(269.3)** | **(325.7)** | **(299.5)** | **(535.4)** | **(625.2)** |
| **NET OPERATING REVENUES** | **552.6** | **622.6** | **580.9** | **1,114.7** | **1,203.5** |
| **ELECTRICITY COSTS** | **(271.2)** | **(325.7)** | **(318.1)** | **(561.9)** | **(643.8)** |
| Electricity Purchased for Resale | (255.1) | (306.7) | (295.6) | (530.9) | (602.3) |
| Transmission and Distribution Network Usage Charges | (16.1) | (19.0) | (22.5) | (31.0) | (41.5) |
| **OPERATING COSTS/EXPENSES** | **(105.7)** | **(105.2)** | **(114.5)** | **(211.6)** | **(219.7)** |
| Personnel | (24.4) | (25.4) | (15.6) | (50.5) | (41.0) |
| Material | (3.0) | (3.1) | (3.0) | (6.0) | (6.1) |
| Services | (37.6) | (39.3) | (24.5) | (74.1) | (63.8) |
| Provisions | (32.5) | (28.9) | (32.7) | (63.6) | (61.6) |
| Others | (8.2) | (8.5) | (38.7) | (17.4) | (47.2) |
| **EBITDA** | **175.7** | **191.7** | **148.3** | **341.2** | **340.0** |
| Other Operating Revenue/Expenses | (2.2) | (6.4) | (3.6) | 4.1 | (10.0) |
| Depreciation and Amortization | (42.0) | (44.8) | (45.8) | (80.7) | (90.6) |
| **EBIT** | **131.5** | **140.5** | **98.9** | **264.6** | **239.4** |
| **EQUITY INCOME** | **-** | **0.3** | **2.0** | **18.5** | **2.3** |
| Equity Income | - | - | - | 18.4 | - |
| Goodwill Amortization | - | 0.3 | 2.0 | 0.1 | 2.3 |
| **FINANCIAL INCOME** | **101.9** | **(1.6)** | **1.1** | **82.1** | **(0.5)** |
| Financial Revenue | 50.8 | 45.3 | 42.8 | 87.1 | 88.1 |
| Financial Expenses | 51.1 | (46.9) | (41.7) | (5.0) | (88.6) |
| **RESULT BEFORE INCOME TAX** | **233.4** | **139.2** | **102.0** | **365.2** | **241.2** |
| Social Contribution | (3.9) | (7.0) | (29.6) | (6.7) | (36.6) |
| Income Tax | (30.7) | (20.5) | (7.5) | (56.5) | (28.0) |
| Deferred Taxes | (56.9) | (16.6) | 41.4 | (65.1) | 24.8 |
| SUDENE Incentive | 9.2 | 13.7 | 13.1 | 18.9 | 26.8 |
| **PROFIT SHARING** | **(1.3)** | **(5.0)** | **(4.9)** | **(3.1)** | **(9.9)** |
| **MINORITY INTERESTS** | **(65.6)** | **(40.9)** | **(43.1)** | **(97.2)** | **(84.0)** |
| **NET INCOME** | **84.2** | **62.9** | **71.4** | **155.5** | **134.3** |
| | | | | | |
| **NUMBER OF SHARES** | **105,638,030** | **105,800,626** | **105,859,105** | **105,638,030** | **105,859,105** |
| **INCOME PER SHARE (R$)** | **0.80** | **0.59** | **0.67** | **1.47** | **1.27** |

## 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 CEMAR + 25% of RME (which in turn consolidates 100% of Light S.A.) + eliminations.
- The "Minority Interest" line contains an adjustment so that the net income of each company in Equatorial's consolidated result reflects its actual stake in the companies. In the case of CEMAR, this interest amounts to 65.12% and in the case of Light S.A., it amounts to 13.03%, reflecting 25% of 52.13% (RME's stake in Light S.A.).

| INCOME STATEMENT PER COMPANY (R$MM) | Equatorial Holding | Equatorial Soluções 100% | CEMAR 100% | RME 25% | Eliminations | Equatorial Consolidated |
|---|---|---|---|---|---|---|
| **GROSS OPERATING REVENUES** | **-** | **0.1** | **364.1** | **516.2** | **-** | **880.4** |
| Electricity Sales to Final Consumer | - | - | 356.6 | 458.0 | - | 814.6 |
| Electricity Supply | - | - | 3.0 | 23.7 | - | 26.7 |
| Emergency Capacity Charge | - | - | - | - | - | - |
| Other Revenues | - | 0.1 | 4.5 | 34.5 | - | 39.1 |
| **DEDUCTIONS FROM OPERATING REVENUES** | **-** | **-** | **(101.6)** | **(197.9)** | **-** | **(299.5)** |
| **NET OPERATING REVENUES** | **-** | **0.1** | **262.5** | **318.3** | **-** | **580.9** |
| **ELECTRICITY COSTS** | **-** | **-** | **(115.2)** | **(203.0)** | **-** | **(318.1)** |
| Electricity Purchased for Resale | - | - | (92.7) | (203.0) | - | (295.6) |
| Transmission and Distribution Network Usage Charges | - | - | (22.5) | - | - | (22.5) |
| **OPERATING COSTS/EXPENSES** | **(2.9)** | **-** | **(51.4)** | **(60.2)** | **-** | **(114.5)** |
| Personnel | (1.8) | - | (9.6) | (4.1) | - | (15.6) |
| Material | - | - | (1.9) | (1.1) | - | (3.0) |
| Services | (0.8) | - | (25.1) | 1.3 | - | (24.5) |
| Provisions | - | - | (8.1) | (24.6) | - | (32.7) |
| Others | (0.3) | - | (6.7) | (31.7) | - | (38.7) |
| **EBITDA** | **(2.9)** | **0.1** | **95.9** | **55.1** | **-** | **148.3** |
| Other Operating Revenue/Expenses | - | - | (3.0) | (0.6) | - | (3.6) |
| Depreciation and Amortization | - | - | (26.7) | (19.1) | - | (45.8) |
| **EBIT** | **(2.9)** | **0.1** | **66.2** | **35.4** | **-** | **98.9** |
| **EQUITY INCOME** | **63.8** | **-** | **-** | **1.2** | **(62.9)** | **2.0** |
| Equity Income | 62.9 | - | - | - | (62.9) | - |
| Goodwill Amortization | 0.9 | - | - | 1.2 | - | 2.0 |
| **FINANCIAL INCOME** | **4.6** | **0.1** | **(0.8)** | **(2.9)** | **-** | **1.1** |
| Financial Revenue | 5.0 | 0.1 | 27.9 | 9.8 | - | 42.8 |
| Financial Expenses | (0.4) | - | (28.7) | (12.7) | - | (41.7) |
| **RESULT BEFORE INCOME TAX** | **65.5** | **0.2** | **65.4** | **33.7** | **(62.9)** | **102.0** |
| Social Contribution | (0.2) | - | (4.7) | (24.7) | - | (29.6) |
| Income Tax | (0.6) | - | (13.1) | 6.2 | - | (7.5) |
| Deferred Taxes | - | - | 23.4 | 17.9 | - | 41.4 |
| SUDENE Incentive | - | - | 13.1 | - | - | 13.1 |
| **PROFIT SHARING** | **(1.0)** | **-** | **(2.2)** | **(1.7)** | **-** | **(4.9)** |
| **MINORITY INTERESTS** | **-** | **-** | **-** | **(14.5)** | **(28.6)** | **(43.1)** |
| **NET INCOME** | **63.7** | **0.2** | **81.9** | **16.9** | **(91.5)** | **71.4** |

## ANNEX 3 – BALANCE SHEET (R$ MM)

► In order to facilitate comparisons between quarters, the 1Q08 figures are pro forma, assuming that Equatorial held the same interest in RME as it does currently.

| ASSETS (R$ MM) | 1Q08 | 2Q08 | 3Q08 | 4Q08 | 1Q09 | 2Q09 |
|---|---|---|---|---|---|---|
| **CURRENT ASSETS** | **1,661.7** | **1,595.3** | **1,647.7** | **1,739.9** | **1,673.6** | **1,352.7** |
| Cash and Cash Equivalents | 652.8 | 494.7 | 591.8 | 614.7 | 604.9 | 335.0 |
| Consumers and Resellers | 573.6 | 563.9 | 592.3 | 638.6 | 653.9 | 626.9 |
| Inventories | 7.6 | 10.4 | 12.2 | 12.9 | 16.9 | 16.6 |
| Taxes Recoverable | 124.7 | 197.9 | 200.5 | 192.8 | 171.5 | 182.4 |
| Low Income | 13.1 | 24.1 | 26.8 | 30.7 | 21.6 | 22.4 |
| Regulatory Assets | 78.8 | 106.3 | 52.2 | 137.4 | 94.2 | 48.1 |
| Other Accounts Receivable | 211.1 | 198.0 | 171.9 | 112.8 | 110.6 | 121.3 |
| **LONG-TERM ASSETS** | **792.7** | **698.4** | **804.8** | **829.2** | **857.1** | **929.1** |
| Consumers and Resellers | 96.3 | 98.4 | 104.2 | 102.4 | 118.7 | 130.1 |
| Taxes Recoverable | 90.4 | 88.8 | 94.1 | 103.5 | 104.4 | 108.2 |
| Deferred Taxes - Income Tax / Social Contribution | 495.7 | 447.1 | 466.3 | 478.7 | 471.8 | 515.4 |
| Other Accounts Receivable | 110.3 | 64.1 | 140.2 | 144.6 | 162.2 | 175.4 |
| **PERMANENT ASSETS** | **2,198.9** | **2,315.0** | **2,399.6** | **2,490.1** | **2,568.7** | **2,654.8** |
| Investments | 3.5 | 3.5 | 3.4 | 3.6 | 4.9 | 4.9 |
| Deferred | 16.0 | 14.9 | 14.2 | 3.8 | 3.7 | 3.7 |
| Goodwill | 344.6 | 302.9 | 233.9 | 364.9 | 362.3 | 358.7 |
| Fixed Assets | 2,406.5 | 2,560.6 | 2,752.8 | 2,822.8 | 2,903.0 | 3,022.0 |
| (-) Obligations related to Service Concession | (571.7) | (567.0) | (604.8) | (705.0) | (705.2) | (734.5) |
| **TOTAL ASSETS** | **4,653.3** | **4,608.7** | **4,852.2** | **5,059.2** | **5,099.4** | **4,936.6** |

| LIABILITIES AND SHAREHOLDERS' EQUITY (R$ MM) | 1Q08 | 2Q08 | 3Q08 | 4Q08 | 1Q09 | 2Q09 |
|---|---|---|---|---|---|---|
| **CURRENT LIABILITIES** | **885.9** | **694.7** | **750.1** | **1,137.1** | **1,137.7** | **861.2** |
| Suppliers | 235.4 | 241.9 | 264.2 | 305.3 | 274.3 | 257.1 |
| Salaries | 1.0 | 1.3 | 1.0 | 1.5 | 1.1 | 1.0 |
| Dividends / Interest on Equity | 209.5 | 0.6 | 0.6 | 309.4 | 309.4 | 23.5 |
| Taxes and Social Contribution | 123.4 | 102.2 | 119.1 | 97.4 | 73.1 | 88.2 |
| Loans and Financings | 80.0 | 96.0 | 106.7 | 110.3 | 131.7 | 214.1 |
| Debentures | 24.2 | 25.1 | 18.6 | 27.8 | 20.2 | 29.2 |
| Public Lighting | 20.0 | 20.5 | 22.1 | 23.7 | 24.9 | 24.3 |
| Provisions for Contingencies | 5.2 | 8.6 | 8.8 | 10.0 | 7.3 | 5.9 |
| Regulatory Liabilities | 12.3 | 11.2 | 17.2 | 55.1 | 37.1 | 26.7 |
| Others | 174.9 | 187.3 | 191.8 | 196.6 | 258.6 | 191.2 |
| **NON-CURRENT LIABILITIES** | **2,084.0** | **2,077.4** | **2,147.9** | **2,280.1** | **2,293.8** | **2,288.4** |
| Taxes and Social Contribution | 134.2 | 169.3 | 182.3 | 204.3 | 213.8 | 222.0 |
| Debentures | 506.9 | 511.3 | 506.9 | 503.7 | 497.3 | 493.3 |
| Loans and Financings | 807.0 | 858.9 | 906.1 | 944.1 | 956.4 | 959.2 |
| Provisions for Contingencies | 364.9 | 253.1 | 244.0 | 243.8 | 244.0 | 241.3 |
| Negative Goodwill | - | - | - | 52.0 | 83.6 | 81.6 |
| Others | 271.0 | 284.9 | 308.6 | 332.2 | 298.7 | 291.0 |
| **DEFERRED RESULTS** | **85.1** | **102.9** | **115.3** | **-** | **-** | **-** |
| **MINORITY INTERESTS** | **525.9** | **585.0** | **628.4** | **541.0** | **583.2** | **633.7** |
| **SHAREHOLDERS' EQUITY** | **1,072.4** | **1,148.7** | **1,210.4** | **1,101.1** | **1,084.8** | **1,153.3** |
| Capital Stock | 987.0 | 987.6 | 987.6 | 987.6 | 906.9 | 907.3 |
| Profit Reserves | 14.0 | 13.6 | 13.6 | 113.5 | 113.9 | 114.6 |
| Retained Earnings/Accumulated Deficit | 71.4 | 147.4 | 209.2 | - | 64.0 | 131.4 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **4,653.3** | **4,608.7** | **4,852.2** | **5,059.3** | **5,099.5** | **4,936.6** |

## Annex 4 – Indebtedness

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

| LOANS AND FINANCING LINES (R$ MM) | 2Q08 | | | | 2Q09 | | | |
|---|---|---|---|---|---|---|---|---|
| | S. T. - Charges | S. T. - Principal | L. T. | Total | S. T. - Charges | S. T. - Principal | L. T. | Total |
| **FOREIGN CURRENCY** | **1.9** | **7.4** | **38.2** | **47.5** | **0.6** | **5.4** | **32.9** | **38.9** |
| National Treasury | 1.9 | 5.4 | 37.7 | **45.0** | 0.6 | 4.2 | 32.7 | **37.5** |
| Others | 0.0 | 2.0 | 0.5 | **2.5** | 0.0 | 1.2 | 0.2 | **1.4** |
| **DOMESTIC CURRENCY** | **17.1** | **84.6** | **860.6** | **962.3** | **24.6** | **182.4** | **927.2** | **1,134.2** |
| Eletrobrás | 1.4 | 37.1 | 275.7 | **314.2** | 1.1 | 58.8 | 341.4 | **401.3** |
| Financial Institutions | 15.7 | 43.1 | 561.3 | **620.1** | 23.5 | 118.9 | 563.3 | **705.7** |
| Debt with Pension Fund | 0.0 | 4.4 | 23.6 | **28.0** | 0.0 | 4.7 | 22.5 | **27.2** |
| **SUB TOTAL - LOANS AND FINANCING** | **19.0** | **92.0** | **898.8** | **1,009.8** | **25.2** | **187.8** | **960.1** | **1,173.1** |
| Debentures | 5.8 | 21.6 | 497.5 | **524.9** | 14.5 | 14.6 | 493.3 | **522.4** |
| **TOTAL DEBT** | **24.8** | **113.6** | **1,396.3** | **1,534.7** | **39.7** | **202.4** | **1,453.4** | **1,695.5** |

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

### Considering 65.12% of CEMAR and 13.03% of Light (Excluding the Debt with Braslight) + 25% of Geranorte

| EMPRESTIMOS E FINANCIAMENTOS (R$MM) | 2Q08 | | | | 2Q09 | | | |
|---|---|---|---|---|---|---|---|---|
| | S. T. - Charges | S. T. - Principal | L. T. | Total | S. T. - Charges | S. T. - Principal | L. T. | Total |
| **FOREIGN CURRENCY** | **1.0** | **4.0** | **21.0** | **26.0** | **0.3** | **2.9** | **18.4** | **21.6** |
| National Treasury | 1.0 | 2.9 | 20.7 | **24.6** | 0.3 | 2.3 | 18.3 | **20.9** |
| Others | 0.0 | 1.1 | 0.3 | **1.4** | 0.0 | 0.6 | 0.1 | **0.7** |
| **DOMESTIC CURRENCY** | **10.1** | **52.3** | **531.0** | **593.4** | **14.6** | **120.7** | **575.1** | **710.4** |
| Eletrobrás | 0.9 | 24.0 | 179.5 | **204.4** | 0.7 | 38.2 | 222.3 | **261.2** |
| Financial Institutions | 9.2 | 25.4 | 336.2 | **370.8** | 13.9 | 79.4 | 338.1 | **431.4** |
| Debt with Pension Fund | 0.0 | 2.9 | 15.3 | **18.2** | 0.0 | 3.1 | 14.7 | **17.8** |
| **SUB TOTAL - LOANS AND FINANCING** | **11.1** | **56.3** | **552.0** | **619.4** | **14.9** | **123.6** | **593.5** | **732.0** |
| Debentures | 3.0 | 12.6 | 294.1 | **309.7** | 8.8 | 7.6 | 291.8 | **308.2** |
| **TOTAL DEBT** | **14.1** | **68.9** | **846.1** | **929.1** | **23.7** | **131.2** | **885.3** | **1,040.2** |

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

## Annex 5 – Cash Flow Statement

| CONSOLIDATED CASH FLOW (R$MM) | 2Q08 | 3Q08 | 4Q08 | 1Q09 | 2Q09 |
|---|---|---|---|---|---|
| Cash and Cash Equivalents - Initial Balance | 652.8 | 494.7 | 591.8 | 614.7 | 604.9 |
| **CF from Operating Activities** | | | | | |
| *Net Income* | 71.9 | 61.7 | 94.7 | 63.0 | 71.2 |
| *(+) Non Cash Expenses* | 41.3 | 41.7 | 39.8 | 44.5 | 43.8 |
| *Changes in Assets* | 2.3 | (61.8) | (93.7) | 28.6 | (20.9) |
| *Changes in Liabilities* | 18.7 | 117.2 | 62.3 | 37.7 | (39.3) |
| **(=) Cash Flow from Operating Activities** | **134.2** | **158.9** | **103.1** | **173.8** | **54.8** |
| **CF from Investments** | | | | | |
| Fixed Assets | (152.9) | (233.9) | (223.3) | (124.9) | (164.8) |
| Others | *0.6* | *69.8* | (7.3) | 1.7 | 5.6 |
| **(=) Cash Flow from Investments** | **(152.3)** | **(164.1)** | **(230.6)** | **(123.2)** | **(159.2)** |
| **CF from Financing** | | | | | |
| Loans and Financing | *73.1* | *47.0* | *47.5* | *19.8* | *90.0* |
| Dividends | *(209.0)* | - | - | - | *(285.9)* |
| Capital Increase | 0.6 | - | 2.6 | *(80.3)* | *1.1* |
| Subsidies | (4.7) | 55.3 | 100.3 | *0.2* | *29.2* |
| **(=) Cash Flow from Financing** | **(140.0)** | **102.3** | **150.4** | **(60.3)** | **(165.6)** |
| **(=) Quarterly Cash Flow** | **(158.1)** | **97.1** | **22.9** | **(9.7)** | **(270.0)** |
| Cash and Cash Equivalents - Final Balance | 494.7 | 591.8 | 614.7 | 604.9 | 335.0 |

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# Independent accountants' special review report

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

**1.** We have performed a special review of the Quarterly Information of Equatorial Energia S.A., the Company's and its subsidiaries' consolidated quarterly information of the quarter ended June 30, 2009, comprising the consolidated balance sheets, statements of income, changes in shareholders' equity and cash flows, the performance report and the notes to the quarterly information, which are the responsibility of its management.

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

**3.** Based on our special review, we are not aware of any material changes that should be made to the Quarterly Information abovementioned for it to be in conformity with accounting practices adopted in Brazil and rules and regulations issued by the Brazilian Securities and Exchange Commission (CVM), specifically applicable to the preparation of the quarterly information.

**4.** The report for the joint venture RME - Rio Minas Energia S.A., includes an emphasis paragraph, given that the financial statements of Fundação de Seguridade Social Braslight, a pension fund sponsored by the indirect subsidiary Light S.A., for the year ended April 30, 2009, were audited by other independent auditors, who issued their opinion, dated June 2, 2009, which included an emphasis paragraph on the existence of the balance for R$ 133,520 thousand which referred to tax credits originating from the Entity's tax immunity process, which has been judged, and which, according to projections prepared by its management, can be compensated in approximately nine years, against taxes to be paid in subsequent years. The future realization of the asset is dependent on the continuity of the compensation process with the Federal Inland Revenue Services, which was suspended in September 2005. If this suspension is maintained, this could result in the Company having to make a provision against the asset. This asset which guarantees the Entity's actuarial reserves was deducted for purposes of calculating the actuarial deficit for the sponsor subsidiaries, as required by CVM Pronouncement 371/00. Consequently, if a provision is made for this amount, the liability in the joint venture, RME - Rio Minas Energia S.A. and in the indirect subsidiary Light S.A. could be adjusted, and consequently, the Company's investment could be proportionally adjusted, for the amount of R$ 17,398 thousand.

5. The report for the joint venture RME - Rio Minas Energia S.A., includes an emphasis paragraph, as a result of the second periodic tariff review for the indirect subsidiary Light Serviços de Eletricidade S.A. ("Light SESA"), provided in the concession contract, whereby the National Electrical Energy Agency (ANEEL) authorized, on a provisionary basis, the tariff adjustment for the subsidiary to be 1.96%, to be applied as from November 07, 2008. After considering the additional financial charges of 2.3%, the impact on the tariff amounted to 4.27%. Possible effects arising from the final review, if implemented, will be reflected in the equity and financial position of the indirect subsidiary, Light SESA, in subsequent periods, and in the Company's indirect investment, on a proportional basis.

6. As reported in note 3, as a result of the alterations to the accounting practices adopted in Brazil during 2008, the statements of income, the changes in shareholders' equity and cash flows, for the first quarter ending June 30, 2008, presented for comparison purposes, have been adjusted and restated as provided in NPC 12 - Accounting Practices, Changes in Accounting Estimates and Correction of Errors, approved by CVM Decision 506/06. This quarterly information has been revised by us and based on our review, we are not aware of any significant alterations that should be made to this compulsory quarterly information.

7. At June 30, 2009, the quarterly information for the investments RME – Rio Minas e Energia S.A. and Equatorial Soluções S.A., included in the consolidation of the Company, had not been revised by us or by any other independent auditors

August 10, 2009

KPMG Auditores Independentes
CRC SP-014428/O-6 F-AM

João Alberto da Silva Neto
CRC RS-048980/O-0 S-MA

Equatorial Energia S.A.

**Publicly-held Company**

## Balance sheets

**June 30, 2009 and March 31, 2009**

*(In thousands of Reais)*

| | | Parent Company | | Consolidated | |
|---|---|---|---|---|---|
| **Assets** | **Note** | **06/30/09** | **03/31/09** | **06/30/09** | **03/31/09** |
| **Current assets** | | | | | |
| Cash and cash equivalent | 5 | 16 | 25 | 7,754 | 21,585 |
| Marketable securities | 5 | 65,708 | 187,045 | 327,264 | 583,324 |
| Consumers and resellers | 6 | - | - | 846,407 | 882,488 |
| Low income consumers | 7 | - | - | 22,397 | 21,590 |
| Services requested | 11 | - | - | 39,216 | 23,944 |
| Allowance for doubtful accounts | 6 | - | - | (219,498) | (228,564) |
| Recoverable taxes | 8 | 13,137 | 10,848 | 182,431 | 171,457 |
| Deferred income tax and social contribution | 9 | - | - | 61,102 | 61,334 |
| Prepaid expenses | | 51 | 9 | 5,842 | 4,112 |
| Inventories | | - | - | 16,558 | 16,860 |
| Regulatory assets | 10 | - | - | 48,056 | 94,166 |
| Dividends receivable | | 12,221 | 156,546 | - | - |
| Other accounts receivable | 11 | 10 | 4,281 | 15,129 | 21,295 |
| | | 91,143 | 358,754 | 1,352,658 | 1,673,591 |
| **Non-current assets** | | | | | |
| **Long-term assets** | | | | | |
| Consumers and resellers | 6 | - | - | 130,138 | 118,712 |
| Recoverable taxes | 8 | - | - | 108,229 | 104,384 |
| Deferred income tax and social contribution | 9 | - | - | 515,411 | 471,839 |
| Prepaid expenses | | - | - | 2,460 | 905 |
| Regulatory assets | 10 | - | - | 130,752 | 127,371 |
| Judicial deposits | | - | - | 34,583 | 30,709 |
| Others accounts receivable | 11 | - | - | 7,545 | 3,223 |
| | | - | - | 929,118 | 857,143 |
| **Property, plant and equipment** | 13 | 293 | 293 | 2,287,494 | 2,197,770 |
| **Investiments** | 12 | 835,979 | 763,153 | 4,923 | 4,881 |
| **Intangible** | 14 | 247,212 | 247,212 | 360,964 | 362,311 |
| **Deferred assets** | 15 | 543 | 580 | 3,642 | 3,737 |
| Total | | 1,175,170 | 1,369,992 | 4,938,799 | 5,099,433 |

| | | Parent Company | | Consolidated | |
|---|---|---|---|---|---|
| **Liabilities** | **Note** | **06/30/09** | **03/31/09** | **06/30/09** | **03/31/09** |
| **Current liabilities** | | | | | |
| Suppliers | 16 | 127 | 299 | 257,137 | 274,314 |
| Payroll | | 35 | 36 | 1,006 | 1,133 |
| Payroll charges | | 98 | 86 | 22,142 | 24,489 |
| Loans and financing | 17 | - | - | 214,083 | 131,742 |
| Debentures | 18 | - | - | 29,173 | 20,231 |
| Regulatory taxes | 19 | - | - | 31,389 | 30,696 |
| Taxes payable | 20 | 1,693 | 842 | 87,706 | 73,132 |
| Dividends and interest on shareholders' equity | | 11,984 | 200,441 | 23,473 | 309,387 |
| Provision for contingences | 21 | - | - | 5,921 | 7,280 |
| Public lighting tariff | | - | - | 24,331 | 24,893 |
| Regulatory liabilities | 10 | - | - | 26,736 | 37,134 |
| Researches and development and Energy Efficiency Program | 22 | - | - | 76,992 | 65,367 |
| Profit sharing | | 2,300 | 1,150 | 6,705 | 3,353 |
| Capital restructuring to the shareholders | | 1 | 82,302 | 1 | 82,302 |
| Other accounts payable | 23 | 30 | 75 | 53,892 | 52,281 |
| | | 16,268 | 285,231 | 860,687 | 1,137,734 |
| **Non-current liabilities** | | | | | |
| Loans and financing | 17 | - | - | 959,151 | 956,390 |
| Debentures | 18 | - | - | 493,262 | 497,265 |
| Taxes payable | 20 | - | - | 222,026 | 213,818 |
| Provision for contingences | 21 | - | - | 241,320 | 244,001 |
| Researches and development and Energy Efficiency Program | 22 | - | - | 11,684 | 11,684 |
| Regulatory liabilities | 10 | - | - | 245 | 336 |
| Other accounts payable | 23 | - | - | 282,365 | 286,651 |
| Negative goodwill | 12 | - | - | 81,591 | 83,639 |
| | | - | - | 2,291,644 | 2,293,784 |
| Minority interest | | - | - | 627,566 | 583,154 |
| **Shareholder's equity** | | | | | |
| Capital | 24 | 907,315 | 906,891 | 907,315 | 906,891 |
| Capital reserves | 24 | 3,705 | 2,681 | 3,705 | 2,681 |
| Profit reserves | 24 | 110,866 | 110,866 | 110,866 | 110,866 |
| Income for the period | | 137,016 | 64,323 | 137,016 | 64,323 |
| | | 1,158,902 | 1,084,761 | 1,158,902 | 1,084,761 |
| Total | | 1,175,170 | 1,369,992 | 4,938,799 | 5,099,433 |

See the accompanying notes to the financial statements.

Equatorial Energia S.A.

**Publicly-held Company**

## Statements of income

**Periods ended June 30, 2009 and 2008**

*(In thousands of Reais, except profit per lot of one thousand shares)*

| | Note | Parent Company | | Consolidated | |
|---|---|---|---|---|---|
| | | 06/30/09 | 06/30/08 (reclassified) | 06/30/09 | 06/30/08 (reclassified) |
| **Revenues** | 25 | - | - | 1,828,651 | 1,650,077 |
| Energy electric sales | | - | - | 1,698,392 | 1,513,542 |
| Energy electric supply | | - | - | 52,599 | 51,441 |
| Other revenues | | - | - | 77,660 | 85,094 |
| **Deductions** | | - | - | (625,160) | (535,369) |
| Value-Added Tax - ICMS on electricity sales | | - | - | (378,647) | (340,855) |
| Social contribution on billings - COFINS and Social Integration Program – PIS | | - | - | (124,773) | (115,013) |
| Consumer charges | | - | - | (112,619) | (72,540) |
| Quota in Global Reversal Reserve - RGR | | - | - | (8,411) | (6,272) |
| Services Tax - ISS | | - | - | (298) | (285) |
| Emergency capacity charges | | - | - | 3 | - |
| Others | | - | - | (415) | (404) |
| **Net revenues** | | - | - | 1,203,491 | 1,114,708 |
| **Cost of sales and/or services rendered** | | - | - | (787,563) | (686,961) |
| **Cost of electric energy** | 26 | - | - | (643,821) | (561,868) |
| Electric energy purchased for resale | | - | - | (602,335) | (530,909) |
| Charge for the transmission and distribution system use | | - | - | (41,486) | (30,959) |
| **Operating cost** | 26 | - | - | (143,733) | (125,091) |
| Personal | | - | - | (25,199) | (22,461) |
| Material | | - | - | (5,040) | (4,352) |
| Third party service | | - | - | (31,024) | (26,387) |
| Depreciation and amortization | | - | - | (78,620) | (69,056) |
| Leasing and rent | | - | - | (26) | (15) |
| Others | | - | - | (3,824) | (2,820) |
| **Cost from third party service** | 26 | - | - | (9) | (2) |
| Personal | | - | - | (1) | - |
| Material | | - | - | - | (1) |
| Third party service | | - | - | (8) | (1) |
| Others | | - | - | - | - |
| **Gross profit** | | - | - | 415,928 | 427,747 |
| Selling expenses | | - | - | (39,323) | (30,628) |
| General and administrative expenses | | (2,093) | (1,189) | (30,445) | (34,710) |
| Management remuneration | | (2,331) | (1,875) | (13,045) | (11,307) |
| Allowance for doubtful accounts and credit losses | | - | - | (48,033) | (40,474) |
| Provision (reversal) for contingencies | | - | - | (9,088) | (23,176) |
| Depreciation and amortization | | (74) | (49) | (11,975) | (10,318) |
| Others operating income (expenses) | | (859) | (835) | (14,593) | (11,433) |
| Others non recurrent income (expenses) | | (93) | 2,371 | (10,022) | 4,066 |
| **Service operating result** | | (5,450) | (1,577) | (176,524) | (157,980) |
| **Financial income (expenses)** | 26 | 11,193 | 9,946 | (451) | 78,808 |
| Financial income | | 12,088 | 10,249 | 52,167 | 55,930 |
| Fine charged on electric energy sale | | - | - | 29,770 | 29,248 |
| Loans and financing charges | | - | - | - | (27) |
| Monetary and foreign exchange variation | | - | - | 15,665 | 6,063 |
| Interest on loans and financing | | - | - | (75,068) | (78,993) |
| Interest on shareholders' equity | | - | - | - | - |
| Others | | (895) | (303) | (22,985) | 66,587 |
| **Equity in income** | 26 | 135,061 | 151,467 | 2,320 | 18,518 |
| **Operating income/expenses** | | 140,804 | 159,836 | (174,655) | (60,654) |
| **Operating income** | | 140,804 | 159,836 | 241,273 | 367,093 |
| **Income before income tax and social contribution** | | 140,804 | 159,836 | 241,273 | 367,093 |
| **Provision of income tax and social contribution tax** | | (1,644) | (1,462) | (13,119) | (109,689) |
| Social contribution tax | | (438) | (390) | (16,797) | (6,711) |
| Income tax | | (1,206) | (1,072) | (47,842) | (56,454) |
| Tax subsidy from SUDENE | | - | - | 26,756 | 18,940 |
| Deferred income before income tax and social contribution | | - | - | 24,764 | (65,464) |
| **Income before profit sharing** | | 139,160 | 158,374 | 228,154 | 257,404 |
| Profit sharing | | (2,144) | (1,490) | (9,870) | (7,599) |
| **Income before minority interest** | | 137,016 | 156,884 | 218,284 | 249,805 |
| Minority interest | | - | - | (84,030) | (96,039) |
| Interest on shareholders' equity reversal | | - | - | - | - |
| **Net income for the period** | | 137,016 | 156,884 | 134,254 | 153,766 |
| **Income per share (lot of thousand)** | | 1.29 | 0,00149 | 1.27 | 0,00146 |
| **Number of shares** | | 105,859 | 105,638,030 | 105,859 | 105,638,030 |

See the accompanying notes to the financial statements.

Equatorial Energia S.A.

**Publicly-held Company**

## Statements of changes in shareholders' equity

**Periods ended June 30, 2009 and March 31, 2009**

*(In thousands of Reais)*

| | Capital | Capital reserves | Profit reserves: Legal | Profit reserves: Investment and expansion | Profit reserves: Unrealized profit | Retained earnings | Total |
|---|---|---|---|---|---|---|---|
| **Balances at December 31, 2007** | 713,217 | - | 13,599 | - | - | - | 726,816 |
| Adjusts first adoption of Law 11.638/07 and Provisional Measure 449/08 | - | - | - | - | - | (9,680) | (9,680) |
| Grantee stock options | | 2,611 | | | | - | 2,611 |
| Capital increase | 274,432 | - | - | - | - | - | 274,432 |
| Net income for the year | - | - | - | - | - | 308,963 | 308,963 |
| Distributions: | | | | | | | |
| Legal reserve | - | - | 14,964 | - | - | (14,964) | - |
| Retained earnings reserve | | | | 82,303 | | (82,303) | - |
| Dividends | - | - | - | - | - | (190,151) | (190,151) |
| Interest on shareholders' equity | - | - | - | - | - | (11,865) | (11,865) |
| **Balances at December 31, 2008** | 987,649 | 2,611 | 28,563 | 82,303 | - | - | 1,101,126 |
| Grantee stock options | - | 70 | - | - | - | - | 70 |
| Capital increase | 1,545 | - | - | - | - | - | 1,545 |
| Capital decrease | (82,303) | - | - | - | - | - | (82,303) |
| Net income for the period | - | - | - | - | - | 64,323 | 64,323 |
| **Balances at March 31, 2009** | 906,891 | 2,681 | 28,563 | 82,303 | - | 64,323 | 1,084,761 |
| Grantee stock options | - | 1,024 | - | - | - | - | 1,024 |
| Capital increase | 424 | - | - | - | - | - | 424 |
| Capital decrease | - | - | - | - | - | - | - |
| Net income for the period | - | - | - | - | - | 72,693 | 72,693 |
| **Balances at June 30, 2009** | 907,315 | 3,705 | 28,563 | 82,303 | - | 137,016 | 1,158,902 |

See the accompanying notes to the financial statements.

# Statements of cash flows

**Periods ended June 30, 2009 and 2008**

*(In thousands of Reais)*

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | **06/30/09** | **06/30/08 (reclassified)** | **06/30/09** | **06/30/08 (reclassified)** |
| **Cash flows from operating activities** | | | | |
| Net income | 72,692 | 85,397 | 71,234 | 82,294 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | | | |
| Depreciation and amortization | 37 | 37 | 45,832 | 40,726 |
| Monetary variation | - | - | 12,488 | 8,027 |
| CVA | - | - | 14,089 | (600) |
| Credits from income tax and social | - | - | (41,357) | 57,450 |
| Minority interest | - | - | 43,127 | 64,390 |
| Amortization of goodwill | (888) | 1,113 | (2,048) | (47) |
| Allowance for doubtful accounts | - | - | 22,363 | 15,068 |
| Provision (reversal) for contingencies | - | - | 5,904 | 17,425 |
| | 71,841 | 86,547 | 171,632 | 284,733 |
| **Changes in assets and liabilities** | | | | |
| Increase in accounts receivable | - | - | 2,293 | 10,580 |
| Increase in inventories | - | - | 301 | (2,808) |
| Increase (decrease) in recoverable taxes | (2,288) | (2,000) | (14,820) | (71,584) |
| Increase (decrease) in other accounts receivable | 148,554 | 111,734 | (3,802) | (5,389) |
| Increase (decrease) in suppliers | (172) | 239 | (17,177) | 6,442 |
| Increase (decrease) in taxes payable | 851 | 1,134 | 22,782 | 13,829 |
| Increase (decrease) in other accounts payable and provisions | (81,185) | 675 | (92,080) | (76,815) |
| | 65,760 | 111,782 | (102,503) | (125,745) |
| Net cash provided by operating activities | 137,601 | 198,329 | 69,129 | 158,988 |
| **Cash flows from investment activities** | | | | |
| Purchases of property, plant and equipment | (37) | (280) | (135,555) | (173,414) |
| Intangibles | 888 | - | 3,395 | (1,959) |
| Investments | (72,826) | (84,343) | (42) | (1) |
| Others | 37 | 37 | 95 | 1,118 |
| Net cash used in investment activities | (71,938) | (84,586) | (132,107) | (174,256) |
| **Cash flows from financing activities** | | | | |
| Capital integralization | 424 | 620 | 424 | 620 |
| Capital reserves | 1,024 | 427 | 1,024 | 427 |
| Dividends paid | (188,457) | (148,717) | (285,914) | (208,953) |
| Loans Payment | - | - | 77,553 | 65,095 |
| Net cash used in financing activities | (187,009) | (147,670) | (206,913) | (142,811) |
| **Net cash in the period** | (121,346) | (33,927) | (269,891) | (158,079) |
| **Increase (decrease) in cash and cash equivalents** | | | | |
| At beginning of period | 187,070 | 221,565 | 604,909 | 652,811 |
| At end of period | 65,724 | 187,638 | 335,018 | 494,732 |
| **Decrease in cash and cash equivalents** | (121,346) | (33,927) | (269,891) | (158,079) |

See the accompanying notes to the financial statements.

# Equatorial Energia S.A.

**(Publicly-held Company)**

# Notes to the quarterly information

**Period ended June 30, 2009**

*(In thousands of Reais, unless when specified)*

## 1 Operations

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

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

On April 07 of 2008, Equatorial Energia converted its preferred shares into common shares (in the proportion, 1 preferred share to 1 common share) and also grouped its shares, converting 3 common shares into 1 common share. Consequently, Equatorial started to be negotiated on the São Paulo Stock Exchange, under ticker 'EQTL3'. On April 23, 2008, the Company concluded its process to migrate from Corporate Governance Level 2 of BM&FBOVESPA to the Novo Mercado.

Equatorial holds investments, as presented below:

**Companhia Energética do Maranhão ("CEMAR"):** a private stock corporation, whose main activity is the distribution of electrical energy. CEMAR's concession area is the State of Maranhão, attending, at December 31, 2008, more than 1.5 million clients and covering an area in excess of 333 thousand $Km^2$. The concession contract for the distribution of electricity, number 060, agreed between the Company, the National Electrical Energy Agency - ANEEL and CEMAR, is effective until August 10, 2030, and can be extended for a further 30 years. At June 30, 2009, the Company held an investment interest of 65.12% (65.12% at March 31, 2009) in CEMAR.

**Rio Minas Energia Participações S.A. ("RME"):** On February 12, 2008, the Extraordinary General Meeting of Equatorial approved the incorporation of PCP Energia Participações S.A., a company that holds an indirect interest of 13.03% in Light S.A., through RME - Rio Minas Energia Participações S.A., in which it holds a 25% investment interest and which, through the shareholders' agreement, shares the control of the aforementioned company. The incorporation resulted in the investments in the energy sector in Latin America being concentrated in Equatorial, making it the only vehicle to expand its investment in the electrical energy market, through new investments and acquisitions. On this way, the Company now holds 25% in RME (Rio Minas Energia Participações S.A.), which held, at June 30, 2009, 52.13% in Light S.A. Light's activities include the sale, distribution and generation of electricity in 31 municipalities in the State of Rio de Janeiro, covering an area of 10,970 Km$^{2,}$ which corresponds to 25% of the State territory, including 10 million inhabitants. With approximately four million clients, the sales of energy by Light S.A. represent more than 70% of all of the energy consumed in the state of Rio de Janeiro.

**Geradora de Energia do Norte S.A. ("Geranorte"):** Geranorte (pre-operational) is the Company responsible for implanting and operating the thermo-electric plants at Tocantinópolis and Nova Olinda, in the municipal of Miranda do Norte, in the State of Maranhão, with installed capacity of 330 MW, which will provide the energy for the National Interconnected System. On October 01, 2008, Equatorial acquired 25% of the capital in Geranorte. The consortium that controls Geranorte comprises Equatorial Energia S.A. (25%), Fundo de Investimentos em Participações Brasil Energia (25%) and GNP S.A. (50%). GNP S.A., comprises Servtec Investimentos e Participações Ltda. (50%) and Companhia Ligna de Investimentos (50%). The control of Geranorte will be shared and governed by the Shareholders' Agreement.

The subsidiary CEMAR, and the joint subsidiaries RME and GERANORTE, shall hereafter be referred to in the notes as the "Subsidiaries", when mentioned together.

## 2 Presentation of quarterly information

The individual and consolidated quarterly information are presented in thousands of Reais, except when stated otherwise, including the notes to the statements, and were prepared in accordance with accounting practices adopted in Brazil, which include Brazilian Corporate Legislation, the Pronouncements, Guidelines and Interpretations issued by the Accounting Pronouncements Committee - CPC, the norms issued by the Securities Commission - CVM and specific legislation issued by the National Agency for Electrical Energy - ANEEL.

# Equatorial Energia S.A.

**(Publicly-held Company)**

# Notes to the quarterly information

*(In thousand of Reais, unless when specified)*

Given that the Company's activities involve holding investment interests in other companies, the notes reflect, basically, the accounting practices and details of the accounts of its subsidiaries and joint ventures.

***Alterations to Corporate Legislation***

For purposes of preparing the financial statements for 2008, the Company adopted, for the first time, the alterations to Corporate Legislation introduced by Law 11638, approved on December 28, 2007, with the respective alterations introduced by Provisionary Measure 449, issued on December 03, 2008 approved by law. 11,941, on May 27, 2009.

Law 11,638/07 and Provisionary Measure 449/08, approved by law. 11,941, on May 27, 2009, altered Law 6,404/76, in aspects related to the preparation and disclosure of the financial statements.

The adjustments related to the initial adoption of Law 11,638/07 and Provisionary Measure 449/08, approved by law. 11.941, on May 27, 2009, are detailed in note 3 to the quarterly information.

In accordance with CVM Decision 506, of July 19, 2006 and as provided as an option in CVM/SNC/SEP Official Circular 02/2009, issued on May 5, 2009, the quarterly information for the period ended June 30, 2008, presented for comparison purposes, was prepared consistent with the accounting practices adopted for the quarter ended June 30, 2009.

## 3 Summary of significant accounting practices

### *3.1 Initial adoption of Law 11,638/07*

The Company and its subsidiaries and joint ventures opted to prepare the transition balance sheet on January 1, 2008, which is the starting point for the accounting records, according to Corporate Legislation altered by Law 11,638/07 and by Provisionary Measure 449/08. The alterations introduced by this legislation are characterized as changes to accounting practices, however, according to the option offered by Technical Pronouncement CPC 13 - Initial Adoption of Law 11,638/07, approved by CVM Decision 565, of December 17, 2008, and Provisionary Measure 449/08, approved by law. 11,941, on May 27, 2009, all of the adjustments that have an impact on the results, for both the subsidiaries and joint ventures and also the parent company, were registered against accumulated profits and losses, on the date of the transition, under the terms of article 186 of Law 6,404/76, without any retrospective effects on the financial statements.

**a.** The main accounting practices altered by the initial adoption of Law 11,638/07 and Provisionary Measure 449/08, approved by law. 11,941, on May 27, 2009:

- In accordance with Decision 553/2008, of November 12, 2008, which approved Technical Pronouncement CPC 4, intangibles will include the rights that refer to non physical assets allocated to maintain the Company or used for this purpose. On December 31, 2008, CEMAR reclassified the amount of R$47,453 to intangibles, which had previously been registered to fixed assets. In addition, this Technical Pronouncement determined that goodwill and negative goodwill which is based on facts, should be classified to intangibles, and that the investment accounts should only include the goodwill or negative goodwill that is not based on facts. Until December 31, 2007, the goodwill and negative goodwill, irrespective of whether it was based on facts, was registered to investments (see note 14).

- Provisionary Measure 449/08, approved by Law 11,941, on May 27, 2009, determined there is no requirement for the segregation between operational and non operational results. Consequently, the Company has reported this income/expense to the operational group and not after the line "operational results", under the heading "Other nonrecurring income/expenses" (see note 27).

*(In thousand of Reais, unless when specified)*

- In compliance with Decision 565/2008, of December 17, 2008, which approved Technical Pronouncement CPC 13, the employees and management's participation, even in the form of financial instruments, defined as being based on the proportional right to the entity's profit, were classified as profit share, after the line for income tax.

As a result of the alterations stated above, the Company has made the following reclassifications to the statements for the year ending June 30, 2008, for comparison purposes:

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | **Published** | **Reclassified** | **Published** | **Reclassified** |
| Others operating income (expenses) | (1,949) | 415 | (82,481) | (73,409) |
| Others non operational income (expenses) | 2,172 | - | 6,289 | - |
| Participations | - | (599) | - | (3,739) |

| | Parent Company | | | |
|---|---|---|---|---|
| | **Published** | **Reclassified PLR** | **Adjustments for Law 11638/07 and Provisionary Measure 449/08** | **Adjusted** |
| Operational income/expense | | | | |
| General and administrative expenses | (4,604) | 1,490 | ( 834) | (3,948) |
| Others operating income | | | 2,793 | 2,793 |
| Others operating expenses | | | ( 422) | ( 422) |
| Non operational results | | | | |
| Revenues | 2,793 | | ( 2,793) | - |
| Expenses | ( 422) | | 422 | - |
| Statutory shares/contributions | | | | |
| Participations | - | (1,490) | - | (1,490) |
| Total | 2,233 | - | ( 834) | (3,067) |

*(In thousand of Reais, unless when specified)*

| | Consolidated | | | | |
|---|---|---|---|---|---|
| | Published | Reclassified PLR | ANEEL Regulations (*) | Adjustment for Law 11638/07 e Provisionary Measure 449/08 | Adjusted |
| **Operational income** | | | | | |
| Supply of electricity | 1,515,218 | - | (1,676) | - | 1,513,542 |
| Electricity supplies | 50,820 | - | 621 | - | 51,441 |
| **Deductions from income** | | | | | |
| Consumer charges | ( 76,903) | - | 4,363 | - | ( 72,540) |
| **Cost of goods and/or services provided** | | | | | |
| Personnel | ( 18,301) | 1,920 | - | - | ( 16,381) |
| Depreciation and amortization | ( 36,330) | - | - | 1,301 | ( 35,029) |
| Electricity purchased for resale | ( 526,838) | - | (4,072) | | ( 530,910) |
| **Operational income/expense** | | | | | |
| Selling expenses | ( 36,270) | 213 | - | - | ( 36,057) |
| General and administrative expenses | ( 136,265) | 5,466 | 764 | ( 1,117) | ( 131,152) |
| Financial income (expense) | 82,140 | - | - | ( 3,331) | 78,809 |
| Others operating income | - | - | - | 8,049 | 8,049 |
| Others operating expenses | - | - | - | ( 3,983) | ( 3,983) |
| **Non operational results** | | | | | |
| Revenues | 8,049 | - | - | ( 8,049) | - |
| Expenses | ( 3,983) | - | - | 3,983 | - |
| Deferred income tax | ( 45,216) | - | - | ( 348) | ( 45,564) |
| Tax incentive - SUDENE | - | - | - | 18,940 | 18,940 |
| Statutory shares/contributions Participations | - | (7,599) | - | - | ( 7,599) |
| Total | 776,121 | - | - | 15,445 | 791,566 |

(*) In compliance with ANEEL, through Notification 2.877, of August 01, 2008, the Compensation Account for Variations in the Values of Items from "Part A" - CVA, when liabilities, are now recorded to the heading "Supply", included in income, with the corresponding entry recorded to "Regulatory Liabilities". The subsidiary CEMAR made the corresponding reclassifications retrospectively, for comparison purposes.

- In compliance with CVM Decision 556, of November 12, 2008, which approved Technical Pronouncement CPC 08, its subsidiaries and joint ventures started to register the costs incurred from obtaining funds from third parties as reductions against the borrowing and financing accounts and amortize the amounts based on the same amortization curve for the respective loan. Until December 31, 2007, these costs had been registered as prepayments and amortized on a straight line basis, over the period of the loan (see note 17).

- In compliance with CVM Decision 566, of December 17, 2008, which approved Technical Pronouncement CPC 14, the derivatives of the subsidiaries and joint ventures were considered to be "derivative financial instruments allocated for hedging" and the foreign currency debts were considered to be "objects of hedging", and are registered at their fair values (see note 30). Until December 31, 2007, the derivatives in the subsidiaries and joint ventures had been registered in accordance with contractual terms. The net effect of the mark-to-market of the derivatives and the respective foreign currency debts (*"hedge accounting"*) did not generate significant differences.

- In compliance with CVM Decision 564, of December 17, 2008, which approved Technical Pronouncement CPC 12, the balance for trade accounts receivable arising from the installment payments of long term debts was adjusted to its present value using interest rates that reflect the nature of these assets with respect to the time period, risk, currency, and pre-fixed or post-fixed recovery terms. The effects from the present value adjustment as a result of the initial adoption of Law 11,638/07 and Provisionary Measure 449/08 were registered against accumulated profits and losses on the date of the transition. After analyzing the relevance of the other items, both in current assets and current liabilities, the present value adjustment was judged immaterial by Management, and was not recognized in the quarterly information (see note 6).

- In compliance with CVM Decision 527, of November 1, 2007, which approved Technical Pronouncement CPC 01, the Company is required to periodically analyze the recoverability of the amounts registered to fixed assets, intangibles and deferred charges. After the Company had performed these tests, it observed that there is no evidence of devaluation of its assets, and consequently, no provision was registered in the quarterly information.

*(In thousand of Reais, unless when specified)*

- In compliance with CVM Decision 562, of December 17, 2008, which approved Technical Pronouncement CPC 10, the effects of the payments based on shares are reflected in the Company's income statement and balance sheet, to the heading options granted recognized.

- In compliance with CVM Decision 555, of November 12, 2008, which approved Technical Pronouncement CPC 07, the amount corresponding to the donations and subsidies for investment, including tax exemptions or reductions, granted to encourage the implantation or expansion of economic enterprises, and also any donations, made by the public power, will be registered to an income account. Until 2007, these amounts had been recorded directly to a capital reserve account. The subsidiary CEMAR registered the amounts that refer to the subsidies from the SUDENE tax incentive, for the first semester of 2009, to results, as a reduction against the income tax expense for the amount of R$26,756.

The quarterly information at June 30, 2008, herein presented, was also adjusted to reflect the adjustments arising from adopting Law 11,638/07 and the Technical Pronouncements - CPC issued in 2008, thus enabling a comparison to be made between the results for the quarters, as demonstrated below:

| | Parent Company 06/30/2008 | Consolidated 06/30/2008 |
|---|---|---|
| Net profit for the quarter excluding effects of Law 11,638/07 and Provisionary Measure 449/08, approved by law. 11.941/09 (published) | 147,431 | 143,755 |
| Adjustment for effects arising from initial adoption of Law 11,638/07 and Provisionary Measure 449/08, approved by law. 11.941/09: | | |
| Present value adjustment of subsidiary CEMAR - Accounts Receivable | - | ( 3,309) |
| Deferred assets - indirect subsidiary Light | - | 1,025 |
| Income tax and Social Contribution Temporary differences (indirect subsidiary Light) | - | ( 348) |
| Stock Options | ( 834) | ( 862) |
| Equity in income of subsidiaries | 10,287 | - |
| Tax incentive income SUDENE | - | 18,940 |
| Minority interest | - | ( 5,435) |
| Net profit for the quarter according to Law 11,638/07 and Provisionary Measure 449/08 approved by law. 11,941/09 (adjusted) | 156.884 | 153,766 |

The difference between profit for the parent company and the profit on consolidation refers to the recording of the Stock Options in the subsidiary CEMAR which were registered to its shareholders' equity.

### *3.2 Significant accounting polices*

Summary of the accounting practices altered by the initial adoption of Law 11,638/07 and Provisionary Measure 449/08, approved by Law 11,941, on May 27, 2009:

**a. Statements of income**

Operating income and expense are recognized on an accrual basis.

**b. Accounting estimates**

In compliance with CVM Decision 539, of March 14, 2008, the preparation of the quarterly information in accordance with accounting practices adopted in Brazil requires that management from the Company and from its subsidiaries and joint ventures use their judgment in determining and registering accounting estimates. Assets and liabilities subject to estimates and assumptions include the residual value of fixed assets, intangibles, the provision for impairment, the allowance for doubtful receivables, the provision for devaluation of inventories, deferred income tax asset, the provision for contingencies, the measurement of financial instruments and the assets and liabilities related to employee benefits. Settlement of the transactions that involve these estimates could result in amounts that differ from the estimates, given the inaccuracies inherent to the process for determining such. The Company and its subsidiaries and joint ventures review these estimates and assumptions at least annually.

**c. Financial instruments**

The non-derivative financial instruments include marketable securities, investments in debt and equity instruments, accounts receivable and other receivables, including the receivables that refer to the assignment services, cash and cash equivalents, borrowings and financing, and also accounts payable and other debts.

Non-derivative financial instruments are recognized initially at their fair values plus any transaction costs directly attributable to the instruments that are not recognized at their fair values through results. Subsequent to the initial recognition, the non derivative financial instruments are measured as described below.

- ***Instruments held to maturity***

  If the Company intends and has the capacity to hold its financial instruments to maturity, they are classified as 'held to maturity'. Investments held to maturity are stated at cost amortized using the effective interest rate, less any impairment.

- ***Instruments available for sale***

  The Company's investments in financial instruments are classified as available for sale when, after being initially recognized, they are then valued at their fair values and any variations, except impairment, and the foreign currency differences related to these instruments are recognized directly to shareholders' equity, net of tax effects. When the investment is no longer recognized, the gain or loss accumulated to shareholders' equity is transferred to results.

- ***Financial instruments at fair values through results***

  An instrument is classified at its fair value through results, if it is held for trading, that is, registered as such when it is initially acquired. Financial instruments are stated at their fair values through results if the Company manages these investments and makes the purchasing and selling decisions based on their fair values in accordance with the investment and risk management strategies documented by the Company. After being initially recognized, the transaction costs attributable to these instruments are then recognized to results when incurred. Financial instruments at fair values through results are measured at their fair values, and any variations are recognized to results.

- ***Borrowings and receivables***

  These are non derivative financial assets with fixed payments or payments that can be calculated, and are not quoted on an active market.

**d. Foreign currency**

Monetary assets and liabilities denominated in foreign currencies were translated into Reais at the foreign exchange rate ruling at the balance sheet date. Any differences arising from converting foreign currency were recognized to the results for the period (see Note 17).

**e. Current and non-current assets**

- ***Marketable securities***

  They are stated at the original values plus income earned to the balance sheet date, calculated based on a pro-rata basis, which is equivalent to their market values. The financial instruments are classified as available for trading (see Note 5).

- ***Consumers and resellers***

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

- ***Allowance for doubtful accounts***

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

- ***Inventories (including Property, plant and equipment)***

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

- ***Low income customers***

  Include the amounts deriving from the criteria for classifying consumer units in the low income residential subclass, as established by Law 10,438/02 (see Note 7).

- ***Investments***

  Represented by the interest in the subsidiaries and joint ventures, valued using the equity method.

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

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

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

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

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

In Light the balance for special obligations refers to consumers' financial participation, the Government's budget allocations, and federal, state and municipal funding to implement the enterprises necessary to meet the demand for electrical energy.

- ***Intangible***

  Stated at acquisition cost of the permanent right of way access, and the software for maintenance of the corporate systems, and in the case of the latter, after deducting accumulated amortization at the rate of 20% p.a. (see Note 15).

  Intangibles also include the goodwill or negative goodwill registered from the purchase of the subsidiaries and joint ventures, CEMAR, RME and Geranorte, derived from the difference between the acquisition price and the book value of company acquired, in accordance with CVM Instruction 247, of March 27, 1996, less accumulated amortization.

- ***Other current and non-current assets***

  Stated at net realizable values.

**f. Current and non-current liabilities**

Current and noncurrent liabilities are stated at known or calculated amounts, plus, when applicable, the corresponding charges, monetary and/or foreign exchange variations incurred to the balance sheet date. When applicable, the current and noncurrent liabilities are stated at present values based on interest rates that reflect the term, currency and risk for each transaction. The corresponding entry for the adjustments to present value is registered against the income account that gave rise to the liability in question. The difference between the present value of a transaction and the face value of the liability is appropriated to the results over the period of the contract based on amortized cost and effective interest rate. The Company has performed studies to calculate the present value adjustments for its liabilities and after analyzing the relevance of the amounts involved, the present value adjustment was considered immaterial by Management, and was not recognized in the quarterly information.

- ***Loans, financing, charges and debentures***

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

- ***Provision for contingence***

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

- ***Other current and non-current liabilities***

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

**g. Provisions**

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

**h. Current and deferred income tax and social contribution**

Current and deferred income tax and social contribution are calculated based on the rates of 15% plus a surtax of 10% on taxable profit in excess of R$240 for income tax and 9% on taxable profit for social contribution on net profit, and consider compensation of tax loss carry forwards and the negative social contribution base, limited to 30% of taxable profit.

The deferred tax assets arising from the tax loss carry forwards, negative social contribution base and temporary differences, were registered in accordance with CVM Instruction 371, of June 27, 2002, and consider past profitability and expected generation of future taxable profits based on a technical viability study approved by the management bodies.

As provided in Provisionary Measure 449/08, approved by Law 11,941/09, on May 27, 2009, the Company and its subsidiaries and joint ventures, opted to adopt the Transition Taxation System (RTT) for calculating taxable profit, and as such the alterations to the criteria for recognizing income, costs and expenses, calculated for determining net profit for the period do not have any effects for purposes of determining taxable profit for companies subject to RTT, and for tax purposes, the accounting criteria and methods in force at December 31, 2007, should be considered.

**i. Retirement and pension supplementation plan**

The costs relating to the retirement and pension plans sponsored by CEMAR are recorded on an accrual basis and in accordance with CVM Instruction 371/00 and IBRACON NPC 26.

The costs from sponsoring the pension plan are recognized as expenses since they refer to defined contribution plans.

**j. Remuneration plan based on shares**

The effects of the remuneration plan based on shares are calculated based on the fair values of the equity instruments granted and recognized in the balance sheet and statement of income, provided the contractual terms are fulfilled.

## 4 Consolidated quarterly information

The quarterly information were prepared according to the rules established by Instruction 247 issued on March 27, 1996 by the Brazilian Securities and Exchange Commission (CVM) and includes the quarterly information of the Company and its subsidiaries and joint ventures.

When applicable the following consolidation procedures were also adopted:

- Full recognition of the assets, liabilities, income and expenses for the period for CEMAR, in which it holds an investment interest of 65.12% and proportional recognition of the assets, liabilities, income and expenses for the period from the date of acquiring RME, of 25%, and GERANORTE, of 25%, corresponding to the percentages interest in those Companies, respectively;

*(In thousand of Reais, unless when specified)*

- Elimination of interests in the shareholders' equity of the subsidiaries and joint ventures;
- Elimination of equity in the net income;
- Elimination of the balances of assets and liabilities among consolidated companies;
- Elimination of the income and expenses balances arising from negotiations between the companies;
- Separate statement of minority interest in the liabilities and income statement.

Presented below is the statement of the variation in the results of the parent company and on consolidation, for June 2009:

| | **Value** |
|---|---|
| **Net profit of the parent company at June 30, 2009** | 137,016 |
| Payment based on shares - Light (registered as a credit to shareholders' equity in the indirect subsidiary Light S.A.). | ( 2,613) |
| Payment based on shares - CEMAR (registered as a credit to shareholders' equity in the subsidiary CEMAR). | ( 149) |
| **Consolidated net profit at June 30, 2009** | 134,254 |

## 5 Cash and cash equivalents

The marketable securities refer to the operations undertaken with national financial institutions, remunerated under normal market terms and rates, and are available to be used in the operations undertaken by the Company and its subsidiaries and joint ventures, that is, they are financial assets that are available for sale. At June 30,2009, the Committed Debentures (fixed income securities remunerated at % of CDI or with pre-fixed rates) from the Unibanco issue, for the amount of R$33,941, and Banco Bradesco, for the amount of R$16,723, were the most significant,

*(In thousand of Reais, unless when specified)*

### a. *Composition of cash and cash equivalents*

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| **Cash and cash equivalents:** | **06/30/09** | **03/31/09** | **06/30/09** | **03/31/09** |
| Cash and banks | 16 | 25 | 7,754 | 21,585 |
| Marketable securities | 65,708 | 187,045 | 327,264 | 583,324 |
| Total | 65,724 | 187,070 | 335,018 | 604,909 |

### b. *Composition of marketable securities*

| | | | Parent Company | | Consolidated | |
|---|---|---|---|---|---|---|
| | | | **06/30/09** | **03/31/09** | **06/30/09** | **03/31/09** |
| **Investment type** | **Index** | **Maturity** | | | | |
| Overnight (Indirect Subsidiaries LIR e LOI) | - | Daily | - | - | 219 | 246 |
| CDB (Bank deposits certificate) | CDI | Daily | 15,044 | 52,016 | 209,598 | 272,350 |
| Investments funds | - | - | - | - | 14,032 | 6,211 |
| LFT* | - | - | - | - | 6,465 | 23,902 |
| Committed Debentures | CDI | - | 50,664 | 135,029 | 90,941 | 274,767 |
| Others | CDI | Daily | - | - | 6,009 | 5,848 |
| Total | | | 65,708 | 187,045 | 327,264 | 583,324 |

(*) LFT (Financial Treasury Bills) - Investments in National Treasury securities through the custodian bank.

*(In thousand of Reais, unless when specified)*

## 6 Consumers and resellers

| | Consolidated | |
|---|---|---|
| | **06/30/09** | **03/31/09** |
| **Current** | | |
| Billed power supply | 602,869 | 642,756 |
| Unbilled power supply | 107,716 | 103,160 |
| Installment payment of debts | 98,961 | 88,524 |
| | 809,546 | 834,440 |
| Sales within the CCEE ambit (Note 26) | 1,469 | 1,823 |
| Supply and charges for the use of the electricity network | 11,217 | 11,824 |
| Credits recoverable on the tariff | 9,161 | 13,127 |
| PERCEE | 118 | 117 |
| Concessionaries | 205 | 232 |
| Services rendered | 692 | 968 |
| Checks in collection | 1,223 | 1,269 |
| Others | 12,776 | 18,688 |
| | 36,861 | 48,048 |
| | 846,407 | 882,488 |
| (-) Allowance for doubtful debts | (219,498) | (228,564) |
| | 626,909 | 653,925 |
| **Non-current** | | |
| Sales within the CCEE ambit (Note 26) | 8,010 | 8,010 |
| Installment payment of debts (1) | 122,128 | 110,702 |
| Checks in collection | 3,638 | 3,638 |
| | 133,776 | 122,350 |
| (-) Allowance for doubtful debts | ( 3,638) | ( 3,638) |
| | ( 3,638) | ( 3,638) |
| | 130,138 | 118,712 |

(1) The installment payments for debts have been adjusted to their present values, when applicable, in accordance with Law 11,638/07.

During the second quarter of 2009, the indirect subsidiary Light, wrote off the amount of R$ 25,638 (R$ 50,379 at March 31, 2009), as non recoverable from clients.

### *a. Allowance for doubtful debts*

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

**Consumers with relevant debts**

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

**For other cases**

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

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

*(In thousand of Reais, unless when specified)*

The balances overdue and falling due from supplies billed for electricity and installment payment of debits are distributed as follows:

| | 06/30/2009 | | | |
|---|---|---|---|---|
| **Consolidated** | **Undue** | **90 days or less** | **Over 90 days** | **Total** |
| Residential | 64,430 | 88,243 | 180,106 | 332,779 |
| Industrial | 15,294 | 11,842 | 50,353 | 77,489 |
| Commercial | 49,294 | 29,872 | 52,930 | 132,096 |
| Rural | 3,288 | 2,817 | 3,275 | 9,380 |
| Public Power | 18,161 | 11,222 | 27,438 | 56,821 |
| Public lighting fee | 8,515 | 4,523 | 10,015 | 23,053 |
| Public Service | 80,562 | 3,104 | 3,704 | 87,370 |
| **Billed power supply and installment payment (current and non current)** | 239,544 | 151,623 | 327,821 | 718,988 |

| | 03/31/2009 | | | |
|---|---|---|---|---|
| **Consolidated** | **Undue** | **90 days or less** | **Over 90 days** | **Total** |
| Residential | 80.475 | 95.592 | 186.521 | 362.588 |
| Industrial | 15.442 | 12.738 | 55.964 | 84.144 |
| Commercial | 52.982 | 29.551 | 52.387 | 134.920 |
| Rural | 2.951 | 3.065 | 2.966 | 8.982 |
| Public Power | 18.121 | 13.222 | 27.217 | 58.560 |
| Public lighting fee | 8.130 | 3.566 | 9.748 | 21.444 |
| Public Service | 77.131 | 4.118 | 3.592 | 84.841 |
| **Billed power supply and installment payment (current and noncurrent)** | 255,232 | 161,852 | 338,395 | 755,479 |

(*) These tables don't contain the CEMAR's installments payment total amount of R$104,977 at June 30, 2009(R$86,502 at March 31, 2009).

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

### *b. Electric Energy Trade Chamber - CCEE*

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

The amounts referring to trading at the Electric Energy Trade Chamber - CCEE were recorded based on information disclosed by CCEE. At June 30, 2009 the operations undertaken within the CCEE ambit create the right to a credit for the amount of R$941 (R$922 at March 31, 2009).

Of this total, CEMAR has a balance receivable of R$8,010, which is being legally contested (between the agents CCEE/ ANEEL), and has been evaluated by the legal advisors of this subsidiaries as representing a possible risk of loss, therefore, was not registered allowance for this value. This balance may be altered, depending on the decision given for the legal processes in progress, regarding the interpretation of the market rules in force.

## 7 Low income customers

On July 1st, 2003, ANEEL issued Resolution 320, which provided additional procedures for approval of the economic subsidy for consumers in the Low Income residential subclass. As result of these procedures, as of June 30, 2009, R$ 22,397 (R$21,590 at March 31, 2009) was receivable from ELETROBRÁS by the subsidiaries and joint ventures. The indirect subsidiary Light S.A. registered the amount of R$1,539 (R$1,428 at March 31, 2009) homologated by ANEEL, however it is pending receiving and R$2,578 (R$2.941 at March 31, 2009) is in the process of being homologated

(In thousand of Reais, unless when specified)

## 8 Recoverable taxes

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

| | Assets | | | |
|---|---|---|---|---|
| | Parent Company | | Consolidated | |
| | 06/30/09 | 03/31/09 | 06/30/09 | 03/31/09 |
| **Current** | | | | |
| Recoverable income tax and social contribution (d) | - | - | 43,873 | 51,862 |
| IRRF (Withholding income tax) | 4,618 | 1,335 | 9,930 | 4,906 |
| ICMS (value-added tax on sales and services) (b) | - | - | 73,087 | 67,081 |
| PIS (Social Integration Program) and COFINS (Social Contribution on Revenues) (c) | - | - | 12,304 | 19,340 |
| Prepaid income tax and social contribution (a) | 1,291 | 490 | 27,263 | 9,743 |
| Recoverable income tax | 7,097 | 8,892 | 7,861 | 9,644 |
| Others | 131 | 131 | 8,113 | 8,881 |
| Total | 13,137 | 10,848 | 182,431 | 171,457 |
| **Non-current** | | | | |
| ICMS (value-added tax on sales and services) (b) | - | - | 54,803 | 57,756 |
| PIS (Social Integration Program) and COFINS (Social Contribution on Revenues) (c) | - | - | 49,947 | 45,123 |
| Others | - | - | 3,479 | 1,505 |
| | - | - | 108,229 | 104,384 |

(a) Prepaid Income Tax (IR) and Social Contribution on Net Profit (CSLL) refer to the amounts paid on a monthly basis, based on estimates or suspension trial balances, under article 2 of Law 9,430, December, 27, 1996 and refer to tax credits to compensate arising from reimbursement of marketable securities and public bodies.

(b) Subsidiaries CEMAR and Light pursuant to Complementary Law 102, July 11, 2000, the Subsidiaries have recorded ICMS recoverable on the purchase of fixed assets. In the indirect joint subsidiary Light SESA, the value of the credits arises from renegotiating the debt with CEDAE, that represent at June 30, 2009 R$13,793 (R$ 15,625 at March 31, 2009).

(c) In subsidiary CEMAR the PIS and COFINS off settable refer to the non cumulative system established by Laws 10,637/02 and 10,833/03, respectively. It should be noted that PIS and COFINS off settable included in non-current assets refers to the exclusion of ICMS and ISS from the aforementioned calculation bases, in accordance with injunctions 2006.37.00.005574-3 and 2008.37.00.004357-1, respectively.

In RME this refers to off settable tax credits deriving from corrections of the calculation bases for PIS and COFINS tax for the period from February, 2004 to April, 2008, in which certain sector-specific charges were deducted from the calculation bases for these taxes. Related to the period from November, 2008 to April, 2009, the amount referred to credits estimated are been transferred for the consumers. The amount of R$6,478 is recognized in other debts account (R$8,362 at March 31, 2009).

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

## 9 Deferred income tax and social contribution

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

These deferred tax credits do not have a deadline for their recovery and are recorded in accordance with CVM Resolution 273, dated August 20, 1998 and CVM Directive 371, dated June 27, 2002.

On this way, the referred credits are recorded in the subsidiary CEMAR, as noncurrent assets based on the projected future taxable income of CEMAR and subject to a limit of 30% for annual offsetting against taxable profits, except for credit deriving from temporary differences, which will be fully recovered upon its realization.

*(In thousand of Reais, unless when specified)*

### a. *Breakdown of the income tax and social contribution credits*

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06/30/09 | 03/31/09 | 06/30/09 | 03/31/09 |
| **Assets - Current and non-current** | | | | |
| Negative bases for income tax and social contribution | - | - | 427.178 | 407,972 |
| Allowance for doubtful debts | - | - | 60.652 | 63,216 |
| Provision for profit share | - | - | 1.804 | 3,386 |
| Provision for labor claims | - | - | 13.189 | 13,482 |
| Provision for tax contingencies | - | - | 35.883 | 35,505 |
| Provision for civil contingencies | - | - | 24.118 | 23,719 |
| Impacts of first time adoption Law 11,638 | | | 5.796 | 6,426 |
| Other provisions | - | - | 6.646 | 7,789 |
| | - | - | 575,266 | 561,495 |
| (-) Provision for recovery | - | - | - | ( 29,616) |
| Total | | | 575,266 | 531,879 |
| Negative bases for income tax and social contribution - Light Energia e Light Esco | - | - | 1,247 | 1,294 |
| Total | - | - | 576,513 | 533,173 |

### b. *Recovery expectation*

*Companhia Energética do Maranhão – CEMAR*

Company management performed an analysis of its tax losses and negative social contribution base, accumulated during the calendar years 1990 to 2005, and based on the Annual Corporate Economic Tax Return – DIPJ and the Taxable Profit Register – LALUR, which was analyzed by tax specialists. Consequently, at June 30, 2009, an additional credit was recognized in the balance sheet, for the amount of R$27,415 for additional deferred tax asset. The expectation for recovering these tax credits observes the limits for the Company's forecast results.

*(In thousand of Reais, unless when specified)*

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

| **CEMAR** | **Value** |
|---|---|
| 2009 (*) | 2,938 |
| 2010 | 7,962 |
| 2011 | 13,464 |
| 2012 | 20,920 |
| 2013 | 29,212 |
| 2014 to 2017 | 168,440 |
| Total | 242,936 |

(*) International Accounting Standards IAS 1 determines that deferred tax carry forwards should be recognized in the long term. According to Brazilian legislation in force, in the absence of a specific standard, IFRS practices should be adopted. Therefore, the Company has reclassified these credits to noncurrent assets.

The aforementioned technical studies correspond to Management's best estimates of the Company's future growth and the market in which it operates. These studies for the year 2007 were approved by the Management Board from CEMAR, on December 18, 2006. A new technical viability study for 2009 was prepared by the Company, which was submitted and approved by the Management Board on February 17, 2009.

*Light SESA*

In order to establish the basis for registering deferred tax credits, the indirect subsidiary Light SESA prepared technical viability studies, approved by the Management Board and considered by the Statutory Audit Committee, based on forecasts prepared in December 2008, which identified that the credits would be recovered within 11 years. The tax credit recorded considers that the amount will be recovered within 10 years, as defined in the CVM Instruction 371/2002 and assuming there is no limitation period according to IRPJ Regulation, which is the reason why the Company has a provision for non recovery for the amount of R$29,616. At June 30, this provision was reversed, based on new forecasts that demonstrated the recovery of the credits within a period of less than 10 years.

*(In thousand of Reais, unless when specified)*

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

### c. *Reconciliation of income tax and social contribution*

The reconciliation of expense calculated by applying the tax rates to the result of the Parent Company and the Consolidated of Income Tax (IR) and Social Contribution (CS) expense debited in net income is stated, on the quarterlies of 2009 and 2008 as follows:

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | **06/30/09** | **06/30/08 (*)** | **06/30/09** | **06/30/08 (*)** |
| Profit before income and social contribution taxes | 140,804 | 159,836 | 241,273 | 367,093 |
| Profit sharing | ( 2,144) | ( 1,490) | ( 79,175) | ( 96,039) |
| Profit before income and social contribution taxes | 138,660 | 158,346 | 162,098 | 271,054 |
| Taxes rates | 34% | 34% | 34% | 34% |
| **Income and Social Contribution taxes calculated at statutory rates** | ( 47,144) | ( 53,838) | ( 55,113) | ( 92,158) |
| Effects of income tax and social contribution on net income on the permanent additions and exclusions | ( 419) | | 25,614 | ( 4,227) |
| Effect of income tax and social contribution on net income on the equity income of external subsidiary | 45,919 | 52,376 | ( 38,293) | ( 28,901) |
| Difference between calculation bases - IR and CS | - | | 9 | - |
| Offshore Company Income - 2008 | - | - | - | ( 3,000) |
| Reversal of IRPJ and CSLL provision – Deferred | - | - | 29,616 | - |
| Compensation of tax loss - 30% - not recognized to results | - | - | - | ( 110) |
| Credits not recognized - Light S.A. | - | - | ( 1,837) | ( 374) |
| Fiscal Incentives | - | - | 26,885 | 19,081 |
| **Subtotal** | ( 1,644) | ( 1,462) | ( 13,119) | (109,689) |
| Current income and social contribution taxes | ( 1,644) | ( 1,462) | ( 37,883) | ( 44,225) |
| Deferred income and social contribution taxes | - | - | 24,764 | ( 65,464) |
| | ( 1,644) | ( 1,462) | ( 13,119) | (109,689) |

(*) Book profit without the effects from the reclassifications according to Note 3.1. (c).

**(1) Incentive for Accelerated Depreciation**

Art. 31 of Law 11,196/2005, regulated by Decree 5,988/2006, granted an incentive for accelerated depreciation, for purposes of calculating income tax, for assets acquired between January 01, 2006 and December 31, 2013, by corporate entities that have had projects approved that refer to installation, extension, modernization or diversification, that fall within the sectors of the economy considered priorities for regional development, in less developed micro-regions located in areas where SUDENE and SUDAM operated. Incentive accelerated depreciation consists of the full depreciation of the asset in the same year that it is purchased.

This incentive was obtained by CEMAR through government decree 0043 issued by ADENE on April 27, 2007. Under the terms of the Government decree MIN nº 1,211, issued on December 20, 2006, the Ministry of National Integration listed the 217 municipalities in the State of Maranhão, that are classified as less developed micro-regions referred to in the Government decree from ADENE. Consequently, CEMAR has adopted the incentive for all of the 217 municipalities from the State of Maranhão.

**(2) Incentive for Income Tax reduction**

On May 14, 2007, the Northeast Development Agency - ADENE, now the Superintendence for the Development of the Northeast - SUDENE, which belongs to the Ministry of National Integration, issued Constitutive Report 0061/2007, which granted to CEMAR an increase in the percentage reduction to income tax from 25% to 75%, justified by the total modernization of its electrical facilities. This reduction is valid from 2007 until the year 2016.

The CVM, through decision 555, approved Technical Pronouncement CPC 07, which refers to government grants and assistance, and determined the book recognition of grants given in the form of reduction or exemption of taxation on income In the subsidiary CEMAR, total income to June 30, 2009, was R$26,756 (to June 30, 2008 was 18,940). Law 11,638/07 eliminated Capital Reserves and Donations for Investments and created the Tax Incentive Reserve, whereby the general shareholders meeting can, after being proposal by the management bodies, allocate to the tax incentive reserve the part of net profit that arises from government subsidies or grants for investments, which can be excluded from the calculation base for compulsory dividends.

## 10 Regulatory assets and liabilities

| | Consolidated - Assets | | | |
|---|---|---|---|---|
| | Current | | Non-current | |
| | 06/30/09 | 03/31/09 | 06/30/09 | 03/31/09 |
| **Details - Compensation Account for Variations (CVA)** | | | | |
| Energy Development Account - CDE | 548 | 385 | - | - |
| Fuel Consumption Account - CCC | 16,358 | 28,034 | 304 | 5,131 |
| Cost of acquisition electric energy | - | - | 48,915 | 41,063 |
| Charge from System Service - ESS | 16,400 | 26,440 | 3,312 | 4,453 |
| Transport of Energy by the Basic network | 494 | 1,373 | 346 | 1,071 |
| PROINFA | 3,693 | 2,554 | 4,328 | 2,170 |
| Deferred Tariff Re-composition - RTD | 6,572 | 11,753 | 60,447 | 60,447 |
| Portion ‘A’ | - | 14,209 | - | - |
| Excess contracting of energy | - | - | - | - |
| Price of Liquidation of Differences - PLD | - | - | 8,418 | 8,354 |
| PIS/COFINS | - | - | - | - |
| Financial adjustment TUSD | 2,289 | 4,440 | - | - |
| Financial adjustment CUSD | - | 37 | - | - |
| Frontier Adjustment Installment | - | 733 | - | - |
| Lights for All Program - PLPT | 13 | 55 | 4,470 | 4,471 |
| Transport of Energy by Itaipu | 227 | 433 | 212 | 211 |
| Financial exposition | - | - | - | - |
| Other regulatory assets | 1,462 | 3,520 | - | - |
| Total CVA | 48,056 | 93,966 | 130,752 | 127,371 |

| | Consolidated - Liabilities | | | |
|---|---|---|---|---|
| | Current | | Non-current | |
| | 06/30/09 | 03/31/09 | 06/30/09 | 03/31/09 |
| **Details - Compensation Account for Variations (CVA)** | | | | |
| Fuel Consumption Account - CCC | 491 | 998 | - | - |
| Energy Development Account - CDE | 2,595 | 5,058 | 245 | 336 |
| Cost of acquisition electric energy | 14,238 | 23,025 | - | - |
| Charge from System Service - ESS | - | - | - | - |
| PROINFA | 265 | 516 | - | - |
| Transport of Energy by the Basic network | 424 | - | - | - |
| Transfer found of over contraction of electric energy (art.38 do Dec.5,163/04) | 1,447 | 2,598 | - | - |
| Excess contracting of energy | 217 | 572 | - | - |
| Frontier Adjustment RB | 299 | 947 | - | - |
| Financial exposition | 2,559 | 3,033 | - | - |
| Portion ‘A’ | 4,055 | | | |
| Others | 146 | 387 | - | - |
| Total CVA | 26,736 | 37,134 | 245 | 336 |

**a. *Compensation Account for Variations in the Values of Installment 'A' Items - CVA***

The Inter-Ministry Ruling for the Treasury Ministry and Mines and Energy Ministry, number 25, of January 24, 2002, established a Compensation Account for the Variation in Values for Items from "Installment A' - CVA, in order to register the variations in costs, both negative and positive, arising during the period between the annual tariff adjustments, for those items included in the assignment contracts for the distribution of electrical energy.

**b. *Deferred Tariff Re-composition - RTD:***

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

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

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

*(In thousand of Reais, unless when specified)*

In August 2008, ANEEL decided to postpone recovery, by the subsidiary CEMAR, of the third installment of the deferment, for the amount of R$60,447, which will be granted as a financial component only at the time of the periodic tariff review in August 2009, which will be amortized over the following twelve months. This amount has been registered to noncurrent assets, based on expected realization. At June 30, 2009, CEMAR had calculated the total amount of R$67,019 as "Regulatory Asset" (R$72,200 at March 31, 2009).

## 11 Other accounts receivable

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | **06/30/09** | **03/31/09** | **06/30/09** | **03/31/09** |
| **Current** | | | | |
| Advances to supplies and employees | - | - | 4,835 | 3,602 |
| Public lighting contribution - CIP | - | - | 5,617 | 5,878 |
| Rental of real estate | - | - | 128 | 89 |
| Service orders | - | - | 39,215 | 23,944 |
| Swap deposits | - | 4,263 | - | 4,263 |
| Others | 9 | 18 | 4,549 | 7,463 |
| Total | 9 | 4,281 | 54,344 | 45,239 |
| **Non-current** | | | | |
| Others | - | - | 2,016 | 2,016 |
| Goods and rights allocated for sale | - | - | 5,529 | 1,207 |
| Total | 9 | - | 7,545 | 3,223 |

*(In thousand of Reais, unless when specified)*

## 12 Investments in subsidiaries and joint ventures, intangible assets, and transactions with related parties

The main data about investments in subsidiaries is as follows:

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | **06/30/09** | **03/31/09** | **06/30/09** | **03/31/09** |
| Shareholder's equity equivalents: | | | | |
| CEMAR (1) | 476,031 | 422,495 | - | - |
| RME (2) | 329,383 | 311,151 | - | - |
| Geranorte (3) | 33,505 | 33,505 | - | - |
| Equatorial Soluções | 169 | - | - | - |
| Subtotal | 839,088 | 767,151 | - | - |
| Others | - | - | 4,923 | 4,881 |
| Negative goodwill | ( 3,109) | ( 3,998) | - | - |
| Subtotal | - | - | 4,923 | 4,881 |
| Total | 835,979 | 763,153 | 4,923 | 4,881 |

According to Technical Pronouncement CPC 02 item 53, for consolidation purposes, the negative goodwill was reclassified to noncurrent liabilities, for the amount of R$81,591 (R$83,639 at March 31, 2009).

*(In thousand of Reais, unless when specified)*

### *Information about subsidiaries and joint ventures*

| | CEMAR | RME | Geranorte | Equatorial Soluções |
|---|---|---|---|---|
| **Balances at 03/31/2009** | | | | |
| Interest (%) | 65.12% | 25.00% | 25.00% | 100% |
| Capital | 310,278 | 709,310 | 88,020 | 1 |
| Shareholder's equity | 648,760 | 1,244,604 | 134,020 | - |
| Net income for the period | 55,545 | 97,341 | - | - |
| **Balances at 06/30/2009** | | | | |
| Interest (%) | 65.12% | 25.00% | 25.00% | 100% |
| Capital | 310,278 | 709,310 | 88,020 | 1 |
| Shareholder's equity | 730,968 | 1,317,534 | 134,020 | 169 |
| Net income for the period | 141,529 | 170,271 | - | 168 |

### *Movement of investments in subsidiaries and joint ventures*

| | CEMAR | RME | Geranorte | Equatorial Soluções |
|---|---|---|---|---|
| **Balances at 03/31/2009** | 422,495 | 311,151 | 33,505 | - |
| Equity in the income of subsidiaries and joint ventures | 53,536 | 18,232 | - | 169 |
| **Balances at 06/30/2009** | 476,031 | 329,383 | 33,505 | 169 |

**(1) CEMAR**

Companhia Energética do Maranhão ("CEMAR"), a private stock corporation, whose main activity is the distribution of electricity. CEMAR's concession area is the state of Maranhão, and at March 31, 2009, it attended approximately 1.5 million clients, covering an area in excess of 333 thousand $Km^2$. Contract number 060, which assigned the distribution of electricity, was agreed between the Company, the National Electrical Energy Agency - ANEEL and CEMAR, and is valid until August 10, 2030, and can be extended for a further 30 years.

**(2) RME**

On February 12, 2008, the Extraordinary General Meeting approved the incorporation, in Equatorial, of PCP Energia Participações S.A., a company that holds an indirect investment of 13.03% in Light S.A., through RME - Rio Minas Energia Participações S.A., which, through the shareholders' agreement, shares the control in the aforementioned company. The incorporation will enable investments in the Brazilian energy sector to be concentrated in Equatorial, making it the only vehicle for expanding its participation in the electrical energy sector, through new investments and acquisitions. Furthermore, the incorporation will provide added value through the exchange of best practices for managing investments, which will result in benefits for Equatorial and consequently, for its shareholders.

**(3) GERANORTE**

Equatorial Energia S.A. ("Equatorial" or the "Company") acquired 25% of the shares in the Company Geradora de Energia do Norte S.A. ("Geranorte").

Geranorte is a company at the pre-operational phase, and is responsible for the implantation and operation of the thermo-electric plants at Tocantinópolis and Nova Olinda, in the municipal of Miranda do Norte, in the State of Maranhão, and has installed capacity of 330 MW, which will provide energy for the National Inter-connected system.

In accordance with the Notice to the Market, published on April 23, 2008, this purchase was conditional upon: (i) previous authorization from the National Electrical Energy Agency - ANEEL; (ii) the completion of a legal and financial audit of Geranorte by Equatorial; and (iii) the finalization of the negotiations between the parties of the terms and conditions for the related documents that regulate the operation.

With respect to the items stated above, the Company has confirmed that: (i) it obtained previous authorization from ANEEL in relation to the request by Equatorial to belong to the group controlling Geranorte, according to the authorization published in the Official Government Gazette, dated September 18, 2008; (ii) it has concluded the legal and financial audit of Geranorte; and (iii) it has signed contracts that define the terms and conditions for the operation between the parties.

The consortium that retains the control in Geranorte consists of Equatorial Energia S.A. (25%), Fundo de Investimentos em Participações Brasil Energia (25%) and GNP S.A. (50%). GNP S.A. is also a consortium and consists of Servtec Investimentos e Participações Ltda. (50%) and Companhia Ligna de Investimentos (50%). The control over Geranorte will be shared and governed by a Shareholders' Agreement.

The authorization to construct and operate the plants at Tocantinópolis and Nova Olinda was obtained by auction A-3, held in June 2007. During this auction, 240 MW (120 MW for each plant) were sold, guaranteeing annual fixed income of approximately R$136.2 million (approximately R$68.1 million for each plant).

The plants will be constructed by the Finnish Group Wärtsilä, in the form of a EPC system (Engineering Procurement Construction), and each plant will consist of 19 generating groups of 20V32, which will use heavy oil with a high viscosity level. The project started to be implanted during the second semester of this year, and the plants should become commercially operational in January 2010.

The total value of the project is approximately R$500 million and the investment interest held by Equatorial (25%), is equivalent to R$125 million. The Company invested R$45 million using its own funds, and intends to finance the remaining amount through financing lines.

### *Transactions with related parties*

The main asset and liability balances at June 30, 2009 and 2008, and the transactions that affected the results for the period, from related party transactions, refer to transactions between the Company and its subsidiaries and joint ventures and its related parties, between shareholders, and related parties, key professionals from management and other related parties, in accordance with CVM Decision 560, of December 11, 2008, which approved Technical Pronouncement CPC 05 - Disclosure of Related Parties.

*(In thousand of Reais, unless when specified)*

*Subsidiary CEMAR*

| Companies | Ref | Transaction Nature | 06/30/09 Assets | 06/30/09 Liabilities | 06/30/09 Income statement | 06/30/08 Assets | 06/30/08 Liabilities | 06/30/08 Income statement |
|---|---|---|---|---|---|---|---|---|
| ELETROBRÁS | (a) | Loans | - | 399,844 | 5,161 | - | 312,138 | 4,538 |
| | | Dividends | - | 135 | - | - | 124 | - |
| FASCEMAR | (b) | Loans | - | 27,219 | 762 | - | 27,963 | 854 |
| | | Private pension | - | - | 382 | - | - | 325 |
| EQUATORIAL | (c) | Sharing agreement | 101 | - | - | 50 | - | - |
| | | Dividends | - | 262 | - | - | 241 | - |
| LIGHT | (d) | Electric energy purchased | - | 1,003 | 4,425 | - | 912 | 3,877 |
| | | Distribution system use | - | 1 | 4 | - | 1 | 3 |
| CHESF | (e) | Electric energy purchased | - | 8,278 | 36,365 | - | 7,532 | 32,492 |
| | | Distribution system use | - | 500 | 3,176 | - | 553 | 3,685 |
| ELETRONORTE | (f) | Electric energy purchased | - | 4,210 | 18,184 | - | 3,904 | 16,273 |
| | | Distribution system use | - | 2,198 | 11,186 | - | 1,852 | 22,895 |
| FURNAS | (g) | Electric energy purchased | - | 12,264 | 53,977 | - | 11,146 | 48,213 |
| | | Distribution system use | - | 747 | 3,442 | - | 646 | 2,995 |
| CEMIG | (h) | Electric energy purchased | - | 2,341 | 10,151 | - | 1,449 | 6,101 |
| | | Distribution system use | - | 200 | 908 | - | 168 | 785 |
| CEPISA | (i) | Electric energy purchased | - | - | - | - | - | - |
| | | Distribution system use | 17,210 | 17,210 | 6,912 | - | 3,954 | 5,788 |

(a) The amounts with ELETROBRÁS refer to the dividends payable and loan contracts. The loan contracts with ELETROBRÁS arise from the financing lines specifically for the Electrical Sector and the terms agreed are the same as those practiced with other Brazilian electrical energy distributors (see Note 17);

(b) The amounts with FASCEMAR refer to borrowings and contributions between the sponsor CEMAR and FASCEMAR. The loan contracts are described in note 17 and the terms of the pension plan between CEMAR and FASCEMAR are presented in Note 29.

(c) The amounts with Equatorial Energia S.A. (parent company of CEMAR) refer to the contract to share human resources, administration and the proportional allocation of the respective expenses incurred, for an indeterminate period; and also dividends payable.

(d) The amounts with Light Serviços de Eletricidade S.A. refer to the contracts to purchase electrical energy, and are agreed under normal market terms and valid as follows: product CCEAR 2005 number 320/2005 until 2012 and product CCEAR 2006 number 705/2004 and 27167 until 2013.

(e) The amounts with Companhia Hidroelétrica do São Francisco - CHESF refer to the contracts to purchase electrical energy, which are agreed under normal market terms and also use of the network. The products contracted from CHESF are: CCEAR 2005 nº 82/2004 valid until 2012, CCEAR 2006 nº 460/2004 valid until 2013, CCEAR 2007 nº 770/2004 valid until 2014, CCEAR 2008 nº 1,158/2005 valid until 2015, contract A-1 nº 3,172/2006 valid until 2014, and CCEAR 2009 nº 27220 valid until 2016.

(f) The amounts with Centrais Elétricas do Norte do Brasil S.A. - ELETRONORTE refer to the contracts to purchase electrical energy, which are agreed under normal market terms and also use of the network The contracts are: contract CCEAR 2005 nº 184/2004 valid until 2012, contract CCEAR 2006 nº 565/2004 valid until 2013, contract CCEAR 2007 nº 863/2004 valid until 2014, contract CCEAR 2008 nº 1226/2005 valid until 2015, contract A-1 nº 3193/2006 valid until 2014, and contract CCEAR 2008 nº 8404 valid until 2015.

(g) The amounts with Furnas Centrais Elétricas S.A. - FURNAS, refer to the contracts to purchase electrical energy, which are agreed under normal market terms and also use of the network. The contracts are: contract CCEAR 2005 nº 286/2004 valid until 2012, contract CCEAR 2006 nº 670/2004 valid until 2013, contract CCEAR 2007 nº 925/2004 valid until 2014 and contract P8 new nº 1833/2005 valid until 2037, contract CCEAR 2009 nº 27219 valid until 2016.

(h) The amounts with Cemig Geração e Transmissão S.A. - CEMIG refer to the contracts to purchase electrical energy, which are agreed under normal market terms and also use of the network. The contracts are: contract CCEAR 2006 nº 390/2004 valid until 2013, contract product CCEAR 2008 nº 1056/2005 valid until 2015 and contract CCEAR 2009 nº 3293 valid until 2016.

(i) The amounts with Companhia Energética do Piauí - CEPISA refer to use of the network.

*(In thousand of Reais, unless when specified)*

*Joint venture RME*

| | | | Assets | | Liabilities | | Income | | Expense | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Companies** | **Ref** | **Transaction nature** | **06/30/09** | **03/31/09** | **06/30/09** | **03/31/09** | **06/30/09** | **03/31/09** | **06/30/09** | **03/31/09** |
| Cemig | (a) | Electric energy purchased | - | - | 3,037 | 3,418 | - | - | 13,215 | 10,372 |
| Cemig | (a) | Electric energy sale | 612 | 591 | - | - | 2,716 | 2,593 | - | - |
| Cemig | (a) | Charges of system use Light SESA with Cemig | 42 | 43 | - | - | 255 | 234 | - | - |
| Cemig | (a) | Commitment for charges from use of Basic Network of Light SESA with CEMIG | - | | 370 | 383 | | | 1,698 | 1,587 |
| Cemig | (a) | Commitment for charges from use of Basic Network of Light SESA with CEMIG | - | | 18 | 19 | | | 83 | 78 |
| CEMAR | (c) | Electric energy sale | 246 | 237 | - | - | 1,080 | 969 | - | - |
| BNDES | (b) | Loans FINEM | - | - | 108,876 | 113,986 | - | - | 96 | 76 |
| BNDES | (b) | Loans Credit line | - | - | 311 | 483 | 59 | 28 | - | - |
| BNDES | (b) | Debentures 1st issue | - | - | 4,015 | 3,911 | - | - | 199 | 392 |
| BNDES | (b) | Pro Esco and Energy efficiency project of Santos Dumont Condominium | - | - | 470 | 152 | - | - | 8 | 4 |
| BNDES | (b) | Debentures 4th issue | - | - | 29 | 37 | - | - | 9 | 76 |
| Braslight | (d) | Foundation of social security - BRASLIGHT | - | - | 251,530 | 254,500 | - | - | 5,122 | 21,575 |

(a) Controlling Group - Rio Minas Energia Participações S.A - RME, a company that is jointly controlled by Companhia Energética de Minas Gerais - CEMIG, Andrade Gutierrez Concessões, Luce do Brasil Fundo de Investimento em Participações and Equatorial Energia S. A.

(b) BNDESPAR holds direct and indirect interests in the subsidiaries and the joint operational ventures of Light S.A.

(c) The amounts with Companhia Energética do Maranhão - CEMAR arise from contracts to purchase electricity, agreed under normal market terms, and valid as follows: product CCEAR 2005 nº 320/2005 until 2012 and product CCEAR 2006 nº 705/2004 and 27167 until 2013.

*(In thousand of Reais, unless when specified)*

(d) BRASLIGHT is the foundation that manages the complementary pensions for employees from Light. The terms of Light's pension plan with BRASLIGHT are presented in Note 28.

Presented below is a summary of the contracts agreed with the related parties of RME:

| Item | Contracts with the same group Objects and characteristics of the contract | Relationship with Light S.A. | Original value Thousand | Original value Date | Overdue date | Rescission conditions | Remaining balance 06/30/09 Thousand |
|---|---|---|---|---|---|---|---|
| 1 | Contract agreeing to purchase electricity from Light SESA with CEMIG | CEMIG (Member of controlling group) | 153,512 | 01/01/2006 | 12/31/2038 | 30% of remaining balance | 128,589 |
| 2 | Contract agreeing to purchase electricity from Light Energia with CEMIG | CEMIG (Member of controlling group) | 39,060 | Jan/05 | Dec/13 | N/A | 22,936 |
| 3 | Contract to use the distribution system of Light SESA with CEMIG | CEMIG (Member of controlling group) | - | Nov/03 | Indeterminate | N/A | 42 |
| 4 | Commitment with charges for use of Basic Network of Light SESA with CEMIG | CEMIG (Member of controlling group) | - | Dec/02 | Indeterminate | N/A | 370 |
| 5 | Commitment with charges for use of Basic Network of Light SESA with CEMIG | CEMIG (Member of controlling group) | | Dec/02 | Indeterminate | N/A | 18 |
| 6 | Commitment to sell electricity by Light Energia to CEMAR | Equatorial (Member of controlling group) | 15,281 | Jan/05 | Dec/13 | N/A | 8,580 |
| 7 | Loans FINEM | BNDES (Member of controlling group) | 137,333 | Nov/07 | Sept/14 | N/A | 108,876 |
| 8 | Loans - credit lines | BNDES (Member of controlling group) | 3,537 | Mar/99 | Apr/99 | N/A | 311 |
| 9 | Debentures Loans 1st issue - Non convertible | BNDES (Member of controlling group) | 26,250 | Jan/98 | Jan/10 | N/A | 4,015 |
| 10 | | | | | | | |
| 11 | Pro Esco and Energy efficiency project of Santos Dumont Condominium | BNDES (Member of controlling group) | 149 | Dec/08 | Oct/14 | N/A | 470 |
| 12 | Debentures Loans 1st issue - Convertible | BNDES (Member of controlling group) | 191,813 | Jun/05 | Jun/15 | N/A | 29 |
| 11 | Pension plans - Social Security Foundation BRASLIGHT | BRASLIGHT (Member of controlling group) | 133,763 | Jun/01 | Jun/26 | Until the contract deadline | 251,530 |

***Additional information - agreements in progress***

Light, in order to potentially its capacity to develop and implant new generating projects and given the recognized capacity in this area, of its shareholder Companhia Energética de Minas Gerais - CEMIG ("Cemig"), has agreed a Memorandum of Understanding ("Memorandum") which, amongst other rulings, establishes that the parties will seek to produce, together, business plans to development and implant generating projects of energy ("Generating Project"). The Memorandum also determines that the parties will agree specific instruments for each of the Generating Projects that are implemented, and that the Company's investment, directly or through its subsidiaries, in each of these consortiums, will be 51% and that the investment by CEMIG, directly or through its subsidiaries, will be 49%.

Light's portfolio includes some projects that are at the development stage, and it has formalized, through its subsidiaries Lightger Ltda., Itaocara Energia Ltda. and Light Energia S.A., three contracts for the Constitution of Consortium with Cemig Geração e Transmissão S.A. ("Cemig GT"), a wholly owned subsidiary of CEMIG, the purpose of which it to exploit the hydro-electric enterprises in the regions of Paracambi, Itaocara and Lajes, respectively.

All of the aforementioned private instruments were agreed by the parties under suspensive terms, therefore, their effectiveness depends on obtaining all of the authorizations or consent required from the appropriate regulatory bodies, including, but not limited to, ANEEL - National Agency for Electrical Energy, the regulatory and investigation body of electrical energy services.

Equatorial provides guarantees as the cosignatory or guarantor surety.

Total remuneration received by management for the period ending June 30, 2009, is represented by short term benefits for the amount of R$3,248 (R$2,041 in the period ended at June 30, 2008).

(In thousand of Reais, unless when specified)

## 13 Property, plan and equipment

| | Consolidated | | | |
|---|---|---|---|---|
| | 06/30/09 | | | 03/31/09 |
| Activities | Costs | Accumulated depreciation | Net value | Net value |
| Generation | 238,172 | ( 110,661) | 127,511 | 128,991 |
| Transmission | 4,324 | ( 2,025) | 2,299 | 2,319 |
| Distribution | 3,786,914 | (1,418,910) | 2,368,004 | 2,190,875 |
| Administration | 119,661 | ( 53,922) | 65,739 | 67,462 |
| Trading | 17,951 | ( 8,902) | 9,049 | 9,361 |
| In service | 4,167,022 | (1,594,420) | 2,572,602 | 2,399,008 |
| Generation | 73,816 | - | 73,816 | 49,408 |
| Distribution | 356,594 | - | 356,594 | 439,853 |
| Administration | 18,338 | - | 18,338 | 14,238 |
| Trading | 603 | - | 603 | 477 |
| In progress | 449,351 | - | 449,351 | 503,976 |
| Total | 4,616,373 | (1,594,420) | 3,021,953 | 2,902,984 |
| Obligation related to the concession (a) | ( 734,459) | - | ( 734,459) | ( 705,214) |
| Total, net | 3,881,914 | (1,594,420) | 2,287,494 | 2,197,770 |

According to articles 63 and 64 of Decree 41,019, of February 26, 1957, equipment and facilities used in the sub-transmission, distribution and sale of electricity are tied to these services, and cannot be removed, sold, assigned or given as mortgage guarantees without previous express authorization from ANEEL.

ANEEL Resolution 20, of February 3, 1999, regulates the detachment of the assets of Public Electricity Service concessions, granting prior authorization for the detachment of assets that no longer serve for the Concession and are to be sold, and determines that the proceeds from the sale shall be deposited in a dedicated bank account for investment in the concession. As of June 30, 2009 the balance of disposal of goods and rights is R$208 (R$ 208 at March 31, 2009).

The indirect subsidiary Light SESA capitalized the central administration costs to its fixed assets, for the amount of R$ 1,418 (R$ 1,385 in the second quarter of 2008), resulting, in the first quarter of 2009, the amount of R$ 2,423 (R$ 2,460 in the same period of 2008), registered as a transfer, with the corresponding entry recorded to results for the period, to operational expenses - general and administrative.

**(a) Fixed assets in progress:**

In subsidiary CEMAR, the balance of fixed assets in progress refers to work in progress, materials in storage, purchase in progress and prepayment of suppliers, in the amounts of R$ 174,813, R$ 64,831, R$ 5,218 e R$ 11,107, respectively (R$ 280,208, R$ 51,713, R$ 5,908 and R$ 9,159 at March 31, 2009, respectively).

Of the total materials in storage, the amount of R$ 34,943 (R$ 29,922 at March 31, 2009), represents material held in storage to meet the requirements of the “Programa Luz para Todos”, of subsidiary CEMAR, and mainly refers to poles, transformers, cables, meters, power converters, among other items to be used for works in progress.

A provision was made, by the subsidiary CEMAR, for losses deriving from items which have not been used for over 180 days, with amount at June 30, 2009 of R$ 1,959 (R$ 1,959 at March 31, 2009). The balance of fixed assets in progress for distribution is net of this provision.

In the indirect subsidiary Light SESA, fixed assets in progress include the inventories of materials for projects, which, at June 30, 2009, amounted to R$ 14,634 (R$ 17,359 at March 31, 2009) and a provision for devaluation of inventory of R$ 650 (R$ 372 at March 31, 2009).

*(In thousand of Reais, unless when specified)*

**(b) Depreciation rates:**

The main annual depreciation rates, according to ANEEL Resolution 44, of March 17, 1999, as amended by ANEEL Resolution 473, of March 6, 2006, are as follows:

***Subsidiary CEMAR***

| **Generation** | **%** | **Distribution** | | | |
|---|---|---|---|---|---|
| | | Lines, networks and substations - voltage < 69KV | % | Lines, networks and substations - voltage < 69KV | % |
| Generator | 3.3 | | | | |
| Buildings | 4.0 | Condenser banks | 6.7 | Condenser banks | 5.0 |
| Gas turbines | 5.0 | Switches | 6.7 | Switches | 3.3 |
| Generator sets | 5.9 | Conductors | 5.0 | Conductors | 2.5 |
| Internal combustion engines | 6.7 | Buildings | 4.0 | Buildings | 4.0 |
| | | Structures | 5.0 | Structures | 2.5 |
| **Sales/administration** | **%** | Regulators | 4.8 | Regulators | 3.5 |
| Furniture and fixtures | 10.0 | Re-connectors | 4.3 | Re-connectors | 4.3 |
| Buildings | 4.0 | Transformers | 5.0 | Power Transformers | 2.5 |
| Vehicles | 20.0 | Meters | 4.0 | Meters | 3.0 |

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

**(c) Concession obligations:**

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

*(In thousand of Reais, unless when specified)*

The contributions from consumers refer to funds received to execute the services required to meet electricity supply requests. In the subsidiary CEMAR, the donations and subsidies are mainly the amounts provided by ELETROBRÁS to finance the "Programa Luz para Todos", to the amount of R$850,670 until June 30, 2009 (R$816,019 at March 31, 2009), net of taxes. Government participation refers to federal funds received to execute electrical projects linked to the Public Electricity Service.

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

Stated as offsets to property, plant and equipment, obligations related to the concession mainly refer to funds received from consumers to implement ventures necessary to meet electricity orders. These obligations are directly related to the public electricity service concession. According to SFF/ANEEL Circular 1,314/2007, issued June 27, 2007, they shall be amortized as from the 2nd periodical tariff review (August 28, 2009 to CEMAR and on November 2008 to Light SESA) at a rate to be specified by ANEEL corresponding to the average rate of the assets in service. In Light SESA the average rate calculated for amortization of special obligations was 3.5%, taking into consideration the registration units for the distribution activity.

## 14 Intangible

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | **06/30/09** | **03/31/09** | **06/30/09** | **03/31/09** |
| **Goodwill based on expected future profitability** | | | | |
| Goodwill on the purchase of CEMAR | 240,331 | 240,331 | 240,331 | 240,331 |
| Goodwill on the purchase of Geranorte | 11,500 | 11,500 | 11,500 | 11,500 |
| Amortization during the period | (4,619) | (4,619) | (4,619) | (4,619) |
| | 247,212 | 247,212 | 247,212 | 247,212 |
| **Other intangibles (b)** | - | - | 113,752 | 115,099 |
| Total | 247,212 | 247,212 | 360,964 | 362,311 |

*(In thousand of Reais, unless when specified)*

### a. *Goodwill based on expected future profitability*

The historic cost of goodwill refers to the acquisitions of CEMAR, on June 30, 2000 and Geranorte, on October 1, 2008. Since it refers to goodwill based on expected future profitability, the Company has recorded the amounts to intangible.

### b. *Other intangible*

Intangible consist of the following, by activity:

| | Consolidated | | | |
|---|---|---|---|---|
| | 06/30/09 | | | 03/31/09 |
| **Intangible activity** | **Cost** | **Accumulated amortization** | **Net value** | **Net value** |
| **Intangible** | | | | |
| Distribution | 57,956 | ( 46,017) | 11,939 | 11,449 |
| Generation | 1,537 | ( 1,416) | 121 | ( 146) |
| Administration | 47,358 | ( 28,561) | 18,797 | 20,438 |
| Trading | 49,416 | ( 28,195) | 21,221 | 23,213 |
| In service | 156,267 | (104,189) | 52,078 | 54,954 |
| Distribution | 3,772 | - | 3,772 | 4,681 |
| Generation | 29,072 | - | 29,072 | 29,165 |
| Administration | 28,332 | - | 28,332 | 25,817 |
| Trading | 498 | - | 498 | 482 |
| In progress | 61,674 | - | 61,674 | 60,145 |
| Total Intangible, net | 217,941 | (104,189) | 113,752 | 115,099 |

*(In thousand of Reais, unless when specified)*

Other intangibles are represented by:

- The intangible asset in the subsidiary CEMAR comprises software, rights of way, and others. Software is amortized at the rate of 20% per annum.

- The intangible asset in the indirect subsidiary Light S.A. that record Software to intangibles, which is depreciated at the rate of 20% p.a. and also rights of way, which are not depreciated, since they refer to the right to use a strip of land, normally associated with a transmission and distribution line.

## 15 Deferred assets

Deferred assets consist of R$ 543 (R$ 580 at March 31, 2009), which refer to the parent company's restructuring costs; R$ 1,457 (R$ 1,457 at December 31, 2008) in the joint venture, Geranorte, arising from pre-operational expenses; and R$ 1,700 (R$ 1,757 at December 31, 2008) for the joint venture RME, which refers to restructuring costs.

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | **06/30/09** | **03/31/09** | **06/30/09** | **03/31/09** |
| **Deferred assets** | | | | |
| Financial charges | - | - | 1,002 | 1,002 |
| Organization / administration / others | - | - | 122 | 122 |
| Tax charges | - | - | 119 | 119 |
| Insurance | - | - | 531 | 531 |
| Technical consulting | - | - | 70 | 70 |
| Travel and accommodation | - | - | 18 | 18 |
| Pre-operational income | - | - | ( 405) | ( 405) |
| Restructuring costs | 543 | 580 | 2,185 | 2,280 |
| Total | 543 | 580 | 3,642 | 3,737 |

*(In thousand of Reais, unless when specified)*

## 16 Suppliers

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06/30/09 | 03/31/09 | 06/30/09 | 03/31/09 |
| **Current** | | | | |
| Foreign currency - Transfer funds Itaipú | - | - | 25,232 | 29,544 |
| UTE Norte Fluminense | - | - | 19,730 | 20,348 |
| Charges for the use of the electricity network | - | - | 35,939 | 32,034 |
| Sales within the CCEE ambit | - | - | 5,306 | 9,067 |
| Charges of system services | - | - | 1,707 | 1,707 |
| Free energy - Compensation of generators | - | - | 263 | 263 |
| Energy auctions | - | - | 76,563 | 75,304 |
| Others | 127 | 299 | 2,642 | 2,087 |
| | | | 167,382 | 170,354 |
| Material and services | - | - | 89,755 | 103,960 |
| Total | 127 | 299 | 257,137 | 274,314 |

*(In thousand of Reais, unless when specified)*

## 17 Loans and financing

| | 06/30/09 | | | | | 03/31/09 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Current | | Non-current | | | Current | | Non-current | | |
| | Principal and charges | Funding costs to apportion (*) | Principal and charges | Funding costs to apportion (*) | Total | Principal and charges | Funding costs to apportion (*) | Principal and charges | Funding costs to apportion (*) | Total |
| **Foreign currency** | | | | | | | | | | |
| National Treasury | 4,868 | - | 32,66 | - | 37,534 | 7,626 | - | 41,035 | - | 48,661 |
| Financial Institution | 1,199 | - | 190 | - | 1,389 | 2,061 | - | 516 | - | 2,576 |
| | 6,067 | - | 32,856 | - | 38,923 | 9,686 | - | 41,551 | - | 51,237 |
| **Local currency** | | | | | | | | | | |
| Eletrobrás | 59,984 | - | 341,426 | - | 401,410 | 29,331 | - | 313,844 | - | 343,175 |
| IFC | 17,401 | (265) | 124,667 | 1,481 | 140,322 | 13,914 | (265) | 124,667 | (1,547) | 136,769 |
| BNB | 20,318 | ( 60) | 151,484 | ( 35) | 171.707 | 20,221 | ( 60) | 156,577 | ( 75) | 176,663 |
| BNDES | 45,969 | ( 3) | 153,086 | ( 9) | 199,043 | 41,573 | ( 3) | 164,160 | ( 9) | 205,721 |
| FINEP | 490 | ( 5) | 1,449 | ( 13) | 1,921 | 491 | ( 5) | 1,568 | ( 15) | 2,039 |
| FINAME | 104 | - | 86 | - | 190 | 100 | - | 111 | - | 211 |
| Bradesco | 9,804 | - | 112,500 | - | 122,304 | 6,706 | - | 112,500 | - | 119,206 |
| ABN Amro | 761 | - | 20,000 | - | 20,761 | 232 | - | 20,000 | - | 20,232 |
| RGR | 62 | - | - | - | 62 | - | - | - | - | - |
| NP – R$100MM | 25,382 | - | - | - | 25,382 | - | - | - | - | - |
| SWAP | - | - | 608 | - | 608 | - | - | - | - | - |
| Banco ABC Brasil | 11,751 | - | - | - | 11,751 | 5,199 | - | - | - | 5,199 |
| Itaú BBA | 5,021 | - | - | - | 5,021 | - | - | - | - | - |
| Itaú | 6,531 | - | - | - | 6,531 | - | - | - | - | - |
| Financial Institution | 80 | - | - | - | 80 | 64 | - | - | - | 80 |
| | 203,658 | (333) | 905,306 | (1,538) | 1,107,093 | 117,831 | (333) | 893,427 | (1,646) | 1,009,279 |
| **Loans - Debt with** FASCEMAR | 4,691 | - | 22,527 | - | 27,218 | 4,558 | - | 23,059 | - | 27,617 |
| Total | 214,416 | (333) | 960,689 | (1,538) | 1,173,234 | 132,076 | (333) | 958,037 | (1,646) | 1,088,133 |
| Total net | 214,083 | | 959,151 | | | 131,742 | | 956,390 | | |

(*) In accordance with Decision 556, of November 12, 2008, which approved Technical Pronouncement CPC 08, the subsidiary CEMAR appropriated the costs that refer to borrowings obtained in 2008 to results, over the period of the funding, based on the amortized cost method.

In May 2009, the indirect subsidiary Light SESA concluded the first issue of promissory notes, for the amount of R$100.000, in operations coordinated by the banks Votorantim, Itaú-BBA, Bradesco, Citibank and BNP. The promissory notes are remunerated at 125%CDI, with maturity of one year and were redeemed in advance upon conclusion of the 6th issue of simple debentures in Light SESA.

*(In thousand of Reais, unless when specified)*

| Description | Contractual rates<br>% p.a. | Transaction costs incurred | Balance of transaction costs to appropriate | Maturity | Value of debt<br>06/30/09 | <br>03/31/09 |
|---|---|---|---|---|---|---|
| BNB New office | 10% | 207 | 94 | 12/06//2012 | 8,499 | 9,049 |
| FINEP | TJLP + 2% | 31 | 19 | 06/30/2013 | 1,939 | 2,038 |
| BNDES II | TJLP + 3.6% | 15 | 12 | 07/15/2013 | 68,781 | 68,710 |
| IFC | 90.9% do CDI + 1.5% | 2,100 | 1,746 | 01/15/2016 | 142,068 | 136,769 |
| Total | | 2,353 | 1,871 | | 221,287 | 216,566 |
| Current | | | 333 | | | |
| Non-current | | | 1,538 | | | |

### a. *Covenants*

The subsidiaries and joint ventures have borrowings and financing (CEMAR-BNDES, IFC and 3rd debenture issue, indirect subsidiary Light SESA - 5th debenture issue, CCB Bradesco, ABN Amro and BNDES-Finen) which require that certain indebtedness indicators be maintained and also insurance coverage. During the period ended March 31, 2009, the subsidiaries and joint ventures fulfilled all of the indicators required under contract.

*(In thousand of Reais, unless when specified)*

### b. *Scaling of current and non current installments for borrowings and financing (not including financing charges)*

The installments that refer to the principal sums for borrowings and financing fall due as follows:

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | 06/30/09 | | | 03/31/09 | | |
| | Local currency | Foreign currency | Total | Local currency | Foreign currency | Total |
| 2009 | 69,961 | 2,989 | 72,950 | 75,772 | 7,480 | 83,252 |
| 2010 | 96,390 | 2,468 | 98,858 | 23,905 | 146 | 24,051 |
| Total short-term | 166,351 | 5,457 | 171,808 | 99,677 | 7,626 | 107,303 |
| 2010 | 82,483 | 2,320 | 84,803 | 112,072 | 5,540 | 117,612 |
| 2011 | 122,961 | 4,262 | 127,223 | 117,703 | 5,059 | 122,762 |
| 2012 | 137,851 | 3,152 | 141,003 | 132,026 | 3,710 | 135,736 |
| 2013 | 133,655 | 2,041 | 135,696 | 127,886 | 2,423 | 130,309 |
| 2014 | 113,353 | 991 | 114,344 | 108,510 | 1,097 | 109,607 |
| After 2014 | 297,090 | 20,068 | 317,158 | 285,583 | 23,722 | 309,305 |
| Total long-term | 887,393 | 32,834 | 920,227 | 883,780 | 41,551 | 925,331 |
| Total | 1,053,744 | 38,291 | 1,092,035 | 983,457 | 49,177 | 1,032,632 |

*(In thousand of Reais, unless when specified)*

## c. *Statement of debts (not including the funding costs to amortize)*

| | Consolidated | | | | |
|---|---|---|---|---|---|
| **Financing** | **Date of sign** | **Currency** | **Financial charges** | **06/30/09** | **03/31/09** |
| TN - Par Bond | 04/29/1996 | US$ | 6.0000% | 19,235 | 23,167 |
| TN - Escrow - Par Bond | 04/29/1996 | US$ | U$ Treasury | ( 11,556) | ( 13,709) |
| TN - Discount Bond | 04/29/1996 | US$ | Libor + 13/16 | 13,403 | 16,116 |
| TN - Escrow - Discount Bond | 04/29/1996 | US$ | U$ Treasury | ( 7,973) | ( 9,459) |
| TN - Flirb | 04/29/1996 | US$ | Libor + 13/16 | - | 294 |
| TN - C. Bond | 04/29/1996 | US$ | 8.0000% | 8,208 | 10,927 |
| TN - Debit. Conv. | 04/29/1996 | US$ | Libor + 7/8 | 5,487 | 7,699 |
| TN - New Money | 04/29/1996 | US$ | Libor + 7/8 | - | 290 |
| TN - Bib | 04/26/1996 | US$ | 6.0000% | 270 | 314 |
| BNDES - Imports | 03/27/1998 | Umbndes | Basket BNDES + 4% | 311 | 483 |
| Societe Generale II | 07/20/2000 | US$ | Libor + 0.65% | - | 1,102 |
| KFW III , IV, e V - Tranche A/B/C | 11/03/2000 | US$ | Libor + 0.65% | 460 | 992 |
| TN - Par Bond | 04/15/1994 | US$ | US$ + 6% p.a. | 4,342 | 5,208 |
| TN - Discount Bond | 04/15/1994 | US$ | US$ + (Libor/Sem + 13/16% p.a.) | 3,034 | 3,607 |
| TN - Flirb | 04/15/1994 | US$ | US$ + (Libor/Sem + 13/16% p.a.) | - | 77 |
| TN - C. Bond | 04/15/1994 | US$ | US$ + 8% p.a. | 1,841 | 2,428 |
| TN - Debit. Conv. | 04/15/1994 | US$ | US$ + (Libor/Sem + 7/8% p.a.) | 1,243 | 1,702 |
| **Local currency** | | | | 38,923 | 51,238 |
| ELETROBRÁS | Various | UFIR | 5%p.a. | 1,566 | 2,183 |
| BNDES - FINEM | 11/05/2007 | TJLP | TJLP + 4.3% p.a. | 108,807 | 113,986 |
| CCB Bradesco | 10/18/2007 | CDI | CDI + 0.85% | 122,304 | 119,206 |
| Working capital - ABN Amro | 08/27/2008 | CDI | CDI + 0.95% | 20,761 | 20,232 |
| BANCO ABC BRASIL | 02/22/2009 | CDI | CDI + 0.7% p.a. | 11,751 | 5,199 |
| Various bank sureties | | | | 80 | 64 |
| BNDES Proesco | 12/12/2008 | TJLP | TJLP + 2.5% p.a. | 469 | 152 |
| RGR | | | | 62 | - |
| NP – R$110MM | | | | 25,382 | - |
| BNDES II | 03/11/2008 | TJLP | TJLP + 3.6% p.a. | 67,334 | 68,722 |
| ELETROBRÁS | 04/27/2004 | RGR, FINEL e IGP-M | Various | 399,844 | 340,992 |
| BNDES - FINEN | 04/10/2007 | TJLP | TJLP + 4.8% p.a. | 22,375 | 22,873 |
| BNB | 11/23/2005 | FNE | 9.78% p.a. | 125,742 | 130,406 |
| FASCEMAR | 04/20/2001 | CDI | 102%CDI | 27,218 | 27,616 |
| FINEP | 06/13/2006 | TJLP | TJLP + 2% p.a. | 1,939 | 2,059 |
| FINAME | 04/20/2006 | TJLP | TJLP + 9.5% p.a. | 190 | 211 |
| BNB - New Office | 12/06/2007 | FNE | 9.78% p.a. | 8,499 | 9,109 |
| IFC | 02/01/2008 | CDI | 90.9% do CDI + 1.5% p.a. | 142,068 | 138,581 |
| BNB II | 02/05/2009 | | 10.00% p.a. | 37,561 | 37,282 |
| Itaú BBA | | | | 5,021 | - |
| | | | | 6,531 | - |

*(In thousand of Reais, unless when specified)*

| | | | Consolidated | | |
|---|---|---|---|---|---|
| **Financing** | **Date of sign** | **Currency** | **Financial charges** | **06/30/09** | **03/31/09** |
| **Foreign currency** | | | | 1,135,574 | 1,038,873 |
| Swap | | | | 608 | - |
| Total | | | | 1,175,105 | 1,090,111 |
| Current | | | | 214,416 | 132,075 |
| Non-current | | | | 960,689 | 958,036 |

## d. *Universal Rural Power Supply Program*

By way of Resolution 223 dated April 29, 2003, as amended by Resolutions 52 dated March 25, 2004 and 175 dated November 28, 2005, ANEEL established the general conditions for drawing up Electricity Universalization Plans to serve new consumer units, or raise loads, governing the provisions established by articles 14 and 15 of Law 10,438, dated April 26, 2002, and established the responsibilities of public electricity distribution service concessionaires and authorized entities. Law 10,762 dated November 11, 2003 altered the priority for serving municipalities, placing the emphasis on municipalities with a lower rate of electrification and limiting these services to new units, on a low-voltage connection (below 2.3 kV) with an installed load of up to 50 KW.

Since the start of the Program, on 2004, CEMAR has invested R$850,670 (R$816,019 (R$766,543 until March 31, 2009) in the Universalization Program.

### *"Programa Luz para Todos" - "Light for all"*

Presidential Decree 4,873 dated November 11, 2003, introduced the "Programa Luz para Todos" within the Universalization Plan, which aims to provide electricity to the sections of the Brazilian rural population which do not yet have access to this public service by 2008.

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

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

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

CEMAR is a party to the Financing and Subsidy Contract - ECFS 027/2004, signed on June 2, 2004 with ELETROBRÁS, and the amendments thereto (ECFS 027-A/2004, ECFS 027-B/2004 and ECFS 027-C. This contract was ended on October 2007, supplying to 48,610 families. The contract totals was R$100,778, including the reimbursement of R$21,568, through the debt acknowledgement contract ECFS- 2669/07. At June 30, 2009 the effective rate to this operation was 6% per annum.

In March 2006 CEMAR signed a Financing and Subsidy Contract with ELETROBRÁS designated as "ECFS 140/2006 - 2nd Stage", related to the 2nd stage of the Program. This contract was ended on December 2008 and attended to 60,035 consumers. The contract totals realized to date amounted to R$176,341, including the reimbursement of R$37.892, realized after amendment EFCS number 140-D/2008, which decreased the physical goals for this contract. At June 30, 2009 the effective rate to this operation was 6% per annum.

In April 2007, CEMAR also signed with Eletrobrás, contract ECFS 176/2007 - 3rd stretch, which refers to the third stage of the program, aimed at attending more than 73,059 consumers. The total value of the contract is up to R$287,750, which includes the reimbursement of R$2,936, made after the amendment ECFS 176-B/2009, which reduced the physical goals from this contract. The amount liberated to June 30, 2009 was R$258,975 (until March 31, 2009 the amount liberated was R$258,975). At June 30, 2009 and at March 31, 2009, the effective rate for this operation was 6% per annum.

In August 2008, CEMAR signed with ELETROBRÁS, the contract ECF nº 236/2008 - 4th Series, which referred to the 4th stage of the program, which forecast attending more than 67,136 consumers. The total value of the contract is up to R$338,597, with the amount of R$101,579 liberated at the time of signing the contract.

At April, 2009, the subsidiary CEMAR received the second liberating, in the amount of R$67,719. At June 30, 2009 and at March 31, 2009 the effective rate for this operation was 6% per annum.

The ELETROBRAS funds coming from as follows:

- An amount equivalent to up to 13.33% of the total cost of the works in progress, estimated at R$903,467 (R$934,198 at March 31, 2009), not including labor expenses, transportation and management, will be obtained through funds from the Global Reversal Reserve - RGR, which corresponds to a loan of in the amount of R$120,432 (R$124,529 at March 31, 2009); and

- An amount equivalent to up to 86.67% of the total cost of the respective works, not including labor expenses, transportation and management, will be obtained through funds from the Energy Development Account (CDE), which corresponds to an extension of credit amounting to R$ 783,035 (R$809,669 at March 31, 2009), as an economic subsidy, in accordance with Law 10,762, dated November 11, 2003.

Since the start of the program CEMAR has received R$100,778 under the ECF-027/2004 agreement, with R$13,437 coming from RGR funds and R$87,341 from CDE funds; and R$176,341 under the ECFS-140/2006 agreement, with R$23,505 from RGR funds and R$152,836 from CDE funds and R$258,975, which refers to contract ECFS-176/2007, with R$34,530 arising from funds from RGR and R$224,445 from CDE and R$169,299, which refer to contract ECFS-236/2008, being R$22,573 derived from RGR funds and R$146,726 from CDE funds.

*(In thousand of Reais, unless when specified)*

## 18 Debentures

| | Consolidated | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 03/31/09 | | | | | 03/31/09 | | |
| | Current | | Non-current | | | Current | Non-current | |
| | Principal and charges | Funding costs to apportion | Principal and charges | Funding costs to apportion | Total | Principal and charges | Principal and charges | Total |
| Debentures | 29,173 | - | 493,262 | - | 522,435 | 20,231 | 497,265 | 517,496 |

### *Third Debenture Issue - CEMAR*

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

The funds obtained for the amount of R$267,300 were initially allocated to make prepayments for existing debts that had more onerous terms for the subsidiary, and the remaining funds were allocated to implement CEMAR's investment program. At June 30, 2009 the effective rate for this operation was 105.8% of CDI. During April 2007, pre-payments were made for the following contracts:

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

*(In thousand of Reais, unless when specified)*

The maturity dates for the principal amounts related to the debentures (excluding financial charges):

| | Consolidated | |
|---|---|---|
| | 06/30/09 | 03/31/09 |
| 2009 | 13,606 | 5,322 |
| 2010 | 10,449 | 6,182 |
| Total short-term | 24,055 | 11,504 |
| 2010 | 8,530 | 12,795 |
| 2011 | 70,520 | 70,520 |
| 2012 | 103,020 | 103,020 |
| 2013 | 227,440 | 227,175 |
| 2014 | 83,749 | 83,753 |
| After 2014 | 3 | 2 |
| Total long-term | 493,262 | 497,265 |
| Total | 517,317 | 508,769 |

## 19 Regulatory taxes

| | Consolidated | |
|---|---|---|
| | 03/31/09 | 03/31/09 |
| **Current** | | |
| Quota in Fuel Consumption Account - CCC | 4,226 | 3,533 |
| Energy Development Account - CDE | 4,865 | 4,865 |
| Quota in Global Reversion Reserve - RGR | 3,077 | 3,077 |
| Capacity and emergency purchase charges | 19,011 | 19,011 |
| Fiscalization Fee - ANEEL | 210 | 210 |
| | 31,389 | 30,696 |

*(In thousand of Reais, unless when specified)*

**Global Reversion Reserve (RGR) -** This is a charge levied by the Brazilian electricity sector paid monthly by the electrical energy concessionaire companies, and is allocated to provide funds for the reversion, expansion and improvement of public electricity services. The annual value is equivalent to 2.5% of the investments made by the concessionaire in assets tied to providing electricity services, limited to 3.0% of their annual revenue.

**Fuel Consumption Account (CCC) -** This is the part of the fee earned that has to be paid by the distributors from the inter-connected systems, and is used for two purposes: to pay the cost of the fuel used in the thermo units which are actioned to guarantee any hydro-logic uncertainties; and to subsidize part of the fuel expenses at the isolated systems, to ensure that the electricity fees at these locations are similar to those charged at the inter-connected systems.

**Energy Development Account (CDE) -** The objective is to promote energy development in the different States and competitiveness of the energy produced, based on alternative sources, in the areas attended by the inter-connected systems, enabling electricity to be available universally. The amounts to be paid are also defined by ANEEL.

## 20 Taxes payable

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | **06/30/09** | **03/31/09** | **03/31/09** | **03/31/09** |
| **Current** | | | | |
| IRRF | - | - | 1 | 1 |
| Deferred income and social taxes | - | - | 2,810 | 3,699 |
| ICMS | - | - | 19,560 | 24,805 |
| PIS/COFINS | - | - | 16,578 | 20,458 |
| PIS/COFINS - Installment PAES (Refis II) (a) | - | - | 539 | 612 |
| INSS - installment PAES (Refis II) (a) | - | - | 2,113 | 2,090 |
| REFIS/PAES (c) | - | - | 1,309 | 1,347 |
| Provision for income and social taxes | 1,644 | 784 | 37,825 | 13,718 |
| Withholding income tax - Interest on shareholders' equity | - | - | - | - |
| Social charges and others | 49 | 58 | 3,560 | 3,630 |
| Others | - | - | 3,411 | 2,772 |
| Total | 1,693 | 842 | 87,706 | 73,132 |

*(In thousand of Reais, unless when specified)*

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | **06/30/09** | **03/31/09** | **06/30/09** | **03/31/09** |
| **Non-current** | | | | |
| Deferred income and social taxes | - | - | 75,477 | 72,607 |
| ICMS | - | - | - | - |
| Income and social taxes - unearned overseas profits (b) | - | - | 74,655 | 73,178 |
| PIS/COFINS - installment PAES (Refis II) (d) | - | - | 1,616 | 1,990 |
| REFIS/PAES (a) | - | - | 11,579 | 11,896 |
| PIS / COFINS | - | - | 51,709 | 46,723 |
| Others | - | - | 652 | 631 |
| INSS - installment PAES (Refis II) (a) | - | - | 6,338 | 6,793 |
| Total | - | - | 222,026 | 213,818 |

### *Tax recovery Program - REFIS/special installments - PAES:*

On May 31, 2003, Law 10,684/03 (Special Installments - PAES) of the Federal Government authorized payment in installments (over a period of up to 180 months) of debts owed to the Federal Revenue Office, National Treasury Prosecutor's Department and the National Social Security Institute (INSS).

In the indirect subsidiary Light SESA - At June 30, 2009, 72 installments had been settled by Light SESA, from a total of 120 installments. The total value of the installments was calculated based on the total debt over the installment period, and corrected based on the variation in the long term interest rate - TJLP.

On February 20, 2003, a court injunction was filed, number 2003.51.01.005514-8, with a request for a preliminary junction, in order that Light would not be required to pay corporate income tax (IRPJ) and social contribution on net income (CSLL) due on:

**i.** The profits earned by the companies Light Overseas Investment Limited (LOI) and LIR Energy Limited (LIR) prior to being effectively available, avoiding application of the rule provided in the single paragraph of article 74 of Provisionary Measure 2158-35, of 08.24.2001 (MP 2.158-35), for the period from 1996 to 2001; and

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

Light obtained a restraining order, which remains in force, given that the Appeal filed by Light against the sentence declaring refusal of the court injunction was received with double effect (devolutive and suspensive), and assured by the definitive decision from the Supreme Court. On the grounds of the action, the Company is awaiting a sentence for the appeal.

Based on this judicial decision, Light SESA suspended payment of Income Tax and Social Contribution, due on taxable profit for 2004, 2005, 2006, 2007 and 2008, calculated in virtue of the addition, to these tax calculation bases, of the profits earned by the companies located overseas. The provision recorded at June 30, 2009 was for the amount of R$74,655 (R$73,178 at March 31, 2009).

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

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

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

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

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

- Full compliance with obligations to the Employee Severance Fund - FGTS and the Tax on Rural Territorial Property - ITR; and
- Regular payment of the consolidated debt installments, under the terms detailed in the norm, and of the taxes and contributions falling due as from March 01, 2003, and in relation to which, any other form of installment payment is excluded.

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

## 21 Provision for contingencies

The Company and its subsidiaries and joint ventures are parties (defendants) in legal actions and administrative processes with various courts and government bodies, arising from the normal course of their operations, involving tax, labor and civil questions and other issues.

This is allocated to cover possible losses that have been evaluated as probable by the legal department for the subsidiaries and joint ventures and by the external advisors, with the value estimated for the labor, tax and civil claims, in the administrative and judicial courts. Managements consider the provision for contingencies to be sufficient to cover probable losses from the on going processes, as described below:

*(In thousand of Reais, unless when specified)*

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | 06/30/09 | | | 03/31/09 | | |
| **Nature of dispute** | **Value** | **Judicial deposits** | **Net provision** | **Value** | **Judicial deposits** | **Net provision** |
| Civil and tax | 224,840 | 19,338 | 205,502 | 223,883 | 13,854 | 210,029 |
| Labor | 48,804 | 27,996 | 20,808 | 50,924 | 31,063 | 19,861 |
| Regulatory | - | - | - | ( 1) | - | ( 1) |
| Other | 20,931 | - | 20,391 | 21,391 | - | 21,391 |
| | 294,575 | 47,334 | 247,241 | 296,198 | 44,917 | 251,280 |
| **Current** | 18,334 | 12,413 | 5,921 | 13,759 | 6,479 | 7,280 |
| **Non-current** | 276,241 | 34,921 | 241,320 | 282,439 | 38,438 | 244,001 |
| **Total** | 294,575 | 47,334 | 248,241 | 296,198 | 44,917 | 251,281 |

The contingent liabilities are reported net of legal deposits; however, not all of the legal deposits necessarily refer to demands made, since they may be the result of claims filed by the Company and its subsidiaries.

### *Labor claims*

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

In the indirect subsidiary Light SESA there are 3,863 labor claims in progress (3,971 at December 31, 2008) in which the Company and its subsidiaries figure as the defendants. The main demands under the labor claims involve the following matters: extra hours, danger supplement, equal salary, indemnity provided in Law 9,029/98, joint/individual responsibility for employees from out sourced companies, difference from fine of 40% of FGTS arising from correction for hyperinflation and overtime.

In December 2007, the subsidiary Light SESA received notification to reply to a public civil action filed by the Public Employment Ministry for the 1st Region, questioning the contracting of companies to provide services related to its middle and end activities. This action was judged valid on April 04, 2008. A decision was taken giving suspension effect to the Ordinary Appeal filed by Light SESA. On March 25, 2009, the Ordinary Appeal from Light was recognized and approved unanimously by the 8th Chamber of TRT. Light filed an appeal with the Supreme Court restricted to the legality of the question. The chances of success for Light SESA, for the appeals that can be filed, are considered by the legal advisors to be possible.

### *Civil and tax*

The most significant individual contingency provision recorded (R$18,960) refers to two demands, one that refers to a claim for settlement of accounts and the other for indemnity, both arising from the agreement to charge the old Public Illumination Tariff - TIP, which were filed by the municipal of as São Luís against CEMAR. The first claim filed demanded payment of the amount arising from not transferring the amounts collected for investment in the public illumination park for the city and the decision for the second claim demanded an indemnity payment as a result of CEMAR not providing, over the years, the calculations for correcting the TIP value, in order to meet the monthly cost for the public illumination service. These claims were judged against CEMAR, and the latter is in the process of settling the sentences passed.

CEMAR filed two claims to annul the judgments with the Appeal Courts in Maranhão, and it managed to obtain an injunction to suspend the execution of the indemnity process, until the claim is judged by the Courts. The progress of the claims has not altered significantly during the previous two months. Consequently, the quarterly information of CEMAR include a provision of R$34,380 (R$37,098 at March 31, 2009).

In addition to the losses provisioned for above, there are other civil contingencies monitored by Management, based on the assessment of Equatorial and Company's legal department and external advisors, for which the chance of loss is rated as possible and remote, amounting to R$41,816 and R$12,350, respectively (R$40,430 and R$12,067, at March 31, 2009) therefore no provision for these losses has been recorded.

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

The indirect subsidiary Light SESA figures as the defendant in approximately 40,220 processes of a civil nature (39,866 at March 31, 2009), of which 13,375 are with the common State and Federal courts (Civil Claims), which include demands for amounts totaling R$123,662 (R$152,283 at March 31, 2009) and also 26,845 claims that are filed with Special Civil Courts, involving the total amount of R$91,329 (R$99,768 at March 31, 2009).

The provision for Civil Claims includes processes that can be quantified, for which Light SESA is the defendant, and for which the outcome has been evaluated as a probable loss by the lawyers responsible for the process. A significant number of the processes refer to claims for material or moral damage, as well as questioning amounts paid by consumers.

Light also has civil claims in which Management, based on the opinion of its legal advisors, believes that the risks of loss are possible, and consequently, no provision has been recorded for these claims. The amount involved from these possible claims was R$82,705 (R$83,964 at March 31, 2009).

The subsidiary Light is also part to Public and Popular Civil Actions related to service rates, fees and charges, contracts, equipment, cross plans, interest and other subject matters. At June 30, 2009 the Company was unable to estimate the amounts involved in each of these actions based on the nature, scope and the chances of having to settle these claims.

On November 18, 2008, Light and some of its management and shareholders were informed of the Popular Claim filed in the court for the capital of the State of Minas Gerais by an individual, alleging, amongst other issues, irregularities in the purchase of the controlling interest in Light. The lawyers responsible for this claim consider the probability of loss to be remote.

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

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

**PIS/COFINS** - Light SESA is part to two judicial proceedings concerning the application of these taxes under Law 9,718/98, as follows.

In the first claim Light SESA questioned the alterations imposed by the Law with respect to (i) extending the calculation base for these taxes; and (ii) the increase in the COFINS rate from 2% to 3%. A definitive decision was given for the appeal filed by Light SESA with the Supreme Court, which judged the increase in the calculation based in favor of the appeal, declaring article 3, § 1, of law 9,718/98 to be unconstitutional, with the provision reversed in the second quarter of 2008, for the amount of R$108,090 as the corresponding entry made to "financial expenses".

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

As of June 30, 2009, the value provisioned for the COFINS tax rate increase from 2% to 3% is of R$54,913 (R$54,289 as of March 31, 2009).

**PIS/COFINS - RGR and CCC** - This contingency provision corresponds to the portion not included in the PAES installment payments arising from a dispute over a fine. Although unsuccessful in administrative proceedings, the Light SESA has secured a favorable decision in judicial proceedings and is awaiting a decision on an appeal. This amount also includes a portion corresponding to the COFINS tax rate increase for the period from April, 1999 to December, 2000, which is currently under litigation.

**INSS - tax assessment notice** - In December 1999 the INSS issued tax assessment notices claiming that the subsidiary is responsible for withholding tax on the services of contractors and that INSS contribution is payable on profit sharing. The legal advisors of Light S.A. and its subsidiaries believe that only part of these amounts represent sufficient risk to establish a provision. The variation in the amount between June 30, 2009 and March 31, 2009 is due to correction at the SELIC rate.

**INSS - quarterly basis** - Light SESA is contesting the legality of Law 7,787/89, which increased the social security contribution rate on payroll, arguing that the law also changed the calculation base for social security contributions during the period from July to September 1989. Under preliminary awards, the amounts payable by the Company as Social Security contribution were offset. Following the advice of legal advisors, Company Management established a provision for the entire amount stated in the tax assessment notices issued by the INSS. The variation in the amount between June 30, 2009 and March 31, 2009 is due to correction at the SELIC rate.

**Law 8,200** - The provision established is related to the fact that depreciation expenses for the financial years 1991 and 1992 were fully utilized, contrary to the provisions contained in Law 8,200/91(3)(I). Rulings in favor of the Company have been handed down by first and second level courts. The case is currently pending a decision on an appeal brought by the Government. The variation in the amount between June 30, 2009 and March 31, 2009 is due to correction at the SELIC rate.

**ICMS** - This provision is mainly related to a judicial dispute over the applicability of State Law 3,188/99, which restricted the manner of appropriating ICMS credits derived from the acquisition of fixed assets, requiring companies to appropriate these credits in portions, when this restriction is not provided in Supplementary Law 87/96. There are other tax assessment notices being disputed administratively and judicially. The variation in the amount between June 30, 2009 and March 31, 2009 refers to the correction using the UFIR.

**Social Contribution** - This provision is related to (i) a dispute over the deduction of the amount paid to shareholders as interest on shareholders' equity in 1996 from the calculation base for social contribution on net income (CSLL) tax, in which an injunction and a writ of mandamus have been granted pending a ruling on the Government's appeal; and (ii) failure to add to the social contribution on net income (CSLL) calculation base amounts related to a PIS/COFINS provision, when the requirement to pay these amounts had been suspended. The Company's voluntary challenge and appeal have been denied. The claim was concluded in the administrative sphere, and a tax foreclosure was sentenced; the Company made a deposit for the full amount disputed, and filed appeals against this foreclosure. The variation in the amount between June 30, 2009 and March 31, 2009 refers to the correction using the SELIC rate.

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

Light and its subsidiaries are also part to tax, administrative and judicial proceedings in which the chances of loss are rated as possible by the Company's legal advisors, for which reason no provision has been established. The amount involved in these proceedings is R$288,075 (R$282,225 at March 31, 2009).

Descriptions of tax proceedings rated as 'possible' and which are highly relevant or in which there were developments in the second quarterly of 2009 are provided by the subsidiary Light below.

### *Possible*

**i.** IN 86. IN 86. Light SESA was assessed by the Federal Internal Revenue Department for late performance of the notification to submit computer files for the financial years 2003 through 2005. The contestation was rejected and the Voluntary Appeal filed by Light is currently awaiting judgment. The value of the assessment restated up to June, 30 2009 is R$58,050 (R$56,925 at March 31, 2009).

**ii.** ICMS (Aluvale). This refers to tax enforcements disputing the deferral of ICMS on electricity supplies to the consumer ALUVALE, as this is a major industrial consumer of electricity. A motion was filed against these enforcements. For three tax foreclosures, the appeals were judged unfounded, and Light filed the respective appeals on the merits of the case. As of June 30, 2009 these tax assessments involve an amount of R$42,200 (R$42,200 at March 31, 2009).

**iii.** IRRF - Compensations disallowed. Light received a court order informing the non homologation of compensations for IRRF credits on marketable securities and IRRF from electricity payments made by public bodies, compensated based on the Negative IRPJ balance from the base year 2002. Consequently, Light presented a Declaration of Non Conformity, which is pending judgment. The amount involved, at June 30, 2009 is R$44,025 (R$43,500 at March 31, 2009).

**iv.** Others. In addition to these cases, there are several other judicial and administrative disputes that the legal advisers have rated as possible, including (a) ICMS on low income subsidies (b) transfer of ICMS credit (company RHEEM); (c) Voluntary Disclosure of PIS, COFINS, IRPJ and CSLL; (d) ISS on regulated services; (e) non homologation for compensation of COFINS against the negative IRPJ balance; (f) non homologation for compensation of COFINS against the negative CSLL balance – calendar year 1999; and (g) non homologation of COFINS against the negative CSLL balance – calendar years 2002 and 2003. As of June 30, 2009 these disputes involve an amount of R$37,350 (R$37,300 at March 31, 2009).

**v.** Until June 30, 2009, Light SESA had received eighteen Legal Actions (seven at March 31, 2009) filed by commercial clients, questioning the inclusion of PIS and COFINS in the price of the electricity, and claimed for reimbursement of all of the amounts incorrectly paid. According to the Company's lawyers, the probability of loss is considered possible; consequently, no provision has been registered.

**vi.** Light SESA is also involved in various disputes regarding IPTU (Urban Land Tax) and ITR (Rural Land Tax), and, in the opinion of its legal advisors, the probability of loss is considered possible, which is the reason why a provision has not been recorded. At June 30, 2009, the value of these processes amounted to R$75,550 (R$75,550 at March 31, 2009).

***Regulatory claims***

*CEMAR*

Between November 27, 2006 and December 1, 2006 ANEEL/SFE audited the Research and Development Programs in 2002/2003 (three projects) and 2003/2004 (two projects) approved by ANEEL Orders 476 dated July 26, 2003 and 828 dated October 14, 2004 and the Energy Efficiency Program in 2002/2003 (one project) and in 2003/2004 (three projects) approved by ANEEL Orders 256 dated May 8, 2003, 854 dated October 26, 2004 and 1222 dated September 15, 2005 based on the physical and financial schedules and the requisites of ANEEL's Electrical Efficiency Audit Manual. In the period December 6 to December 16, 2005, ANEEL/SFE also evaluated CEMAR's technical and commercial procedures.

ANEEL's audit issued three assessment notices referring to the violation of procedures stipulated in the R&D and Electrical Efficiency Manual, and violation of technical and commercial procedures. In order to clarify the facts and prove it correctly used the funds under these programs and complied with technical and commercial procedures, CEMAR filed appeals before ANEEL, presenting supplementary information about the matters reported by the audit and requesting the cases be shelved. In reply to the appeals, ANEEL issued writs partially in favor of CEMAR reducing the value of the technical-commercial assessments 027/2006 from R$9,424 to R$6,336, resulting in a reversal during the first quarter of 2008, of the amount of R$3,088 and a reduction to assessment 035/2007 - P&D, from R$ 1,005 to R$ 286, which resulted in the amount of R$719 being reversed in the third quarter of 2008, which was registered to the heading "other financial expenses". These assessments were paid in May and August 2008, respectively. During the first quarter of 2009, ANEEL issued a favorable notification to CEMAR reducing the value of tax assessment notification 036/2007 from R$920 to R$795, resulting in the reversal of R$125 recorded to the heading "other financial expenses". This tax notification was paid in March 2009.

Given the above, the subsidiary CEMAR does not have any regulatory contingencies.

*LIGHT S.A.*

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

- Low income - Audit Report RF-LIGHT-04/2007-SFE issued in August 2007 by ANEEL conducted between July 2, 2007 and July 13, 2007 questioned the awarding of the corporate tariff to certain consumers in the period and consequently considered part of the subsidies approved and received by Light SESA from Eletrobrás amounting to R$66,595 to be improper. Light SESA made a provision of R$13,345 to cover the risk of having to refund part of the subsidies received.

- ANEEL Assessment Notice 009/2005 - The notice was issued on March 15, 2005 on the grounds that Light SESA: (i) incorporated the subsidiaries LIR Energy Limited and Light Overseas Investments (R$286) without the prior consent of ANEEL (ii) conducted transactions with these companies without the consent ANEEL - (total of R$572) and (iii) failed to comply with ANEEL's instruction to cancel the transactions and cease the Company's activities - (total of R$858). The Company appealed and the fine related to item (iii) was cancelled and the fines related to items (i) and (ii) were upheld. The fine related to item (ii) has been paid. Judicial proceedings have been filed in relation to the fine referring to item (i) and a preliminary injunction was filed, a judicial deposit of R$414 has been made (principal restated by the SELIC interest rates until the date the deposit was made). After the sentence that overruled the security of MS, filed on November 23, 2007, appeals requesting clarifications were filed, but were subsequently rejected by the sentences passed on December 17, 2007. Light filed an appeal on the merits of the case, against the sentence given, on January 25, 2008, requesting that the effects of this appeal be suspended. A decision was published on September 10, 2008, which accepted the appeal only for the returnable effect. Finally, on September 17, 2008, Interlocutory Appeal 2008.0.00.046455-8 was registered, to obtain the suspension of the appeal on the merits of the case, avoiding the identification of the amounts deposited for the claim. The interlocutory appeal was distributed to the federal court of appeals judge, who has still not taken a decision on the request for the court order for anticipated appeal. The amount as of June 30, 2009 is R$512 (R$500 at March 31, 2009).

*(In thousand of Reais, unless when specified)*

***Environmental contingencies***

Public civil action filed by the Municipal for Barra do Piraí against Light SESA, in which the plaintiff demands the repair and recomposition of environmental damage caused by the construction of the Santa Cecília and Santana dams, as an integral part of the water transposition system from the Paraíba do Sul river basin to the Guandu river basin, feeding the Fontes, Nilo Peçanha and Pereira Passos plants. At the moment, the demand has been interrupted, in an attempt to reach an agreement between the parties.

A collection claim has been file, which is related to this public civil claim, alleging non compliance with the obligations regarding the construction of the Santa Cecília and Santana plants, mainly with respect to the silting and reforesting of the region. The value of the claim filed is R$225. The judgment of the claim depends on an expert examination and it is not possible to estimate the value of a possible conviction. Light SESA is seeking to reach a Term of conduct Agreement (TAC), aimed at canceling the two actions.

The sum of the historic values of the claims is approximately R$4,000, and the risk of loss for both claims is considered possible. Although the prognosis is possible, at June 30, 2009, Light Energia had recorded a provision of R$1,500. As a result of the outsourcing, this provision was registered as adjustments from initial adoption of law 11,638/07 and Provisionary Measure 449/08, made by the company Light Energia.

## 22 Researches and development and Energy Efficiency Program

| | | Consolidated |
|---|---|---|
| | **06/30/09** | **03/31/09** |
| **Current** | | |
| Energy efficiency program - PEE | 57,030 | 49,312 |
| Researches and development - P&D | 30,461 | 26,528 |
| Energy research company - EPE | 395 | 419 |
| Science and technology development national found | 790 | 792 |
| Total | 88,676 | 77,051 |
| Current | 76,992 | 65,367 |
| Non-current | 11,684 | 11,684 |

*(In thousand of Reais, unless when specified)*

## 23 Other accounts payable

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 00/30/09 | 03/31/09 | 06/30/09 | 03/31/09 |
| **Current** | | | | |
| Financial compensation for water resources use | - | - | 893 | 1,001 |
| Other debts - Return to consumers | - | - | 9,763 | 14,241 |
| Escrow | - | - | 6,352 | 1,565 |
| Private pension entity | - | - | 23,367 | 23,445 |
| Others | 30 | 75 | 13,518 | 12,029 |
| Total | 30 | 75 | 53,893 | 52,281 |
| **Non-current** | | | | |
| Public asset use - UBP | - | - | 29,053 | 29,146 |
| Reversal reserve | - | - | 17,483 | 17,483 |
| Private pension entity | - | - | 228,162 | 231,055 |
| Others | - | - | 7,667 | 8,967 |
| Total | - | - | 282,365 | 286,651 |

## 24 Shareholders' equity

### a. *Capital*

At June 30, 2009 capital represents R$907,315 (R$906,891 at March 31, 2009) and the composition, by class of share and main shareholders, is presented below:

| Shareholder | Total | % | Common | % |
|---|---|---|---|---|
| PCP Latin America Power S.A. | 58,671,559 | 55.45 | 58,671,559 | 55.45 |
| Janus Capital Management LLC | 6,362,610 | 6.01 | 6,362,610 | 6.01 |
| Others | 40,824,936 | 38.57 | 40,824,936 | 38.57 |
| Total | 105,859,105 | 100.00 | 105,859,105 | 100.00 |

The Company is listed on the BM&FBOVESPA Novo Mercado (New Market), and has exclusively common shares; guaranteeing 100% “Tag Along” to minority shareholders in the event of mergers or the transfer of the controlling interest.

*Change in subsidiary’s equity interest*

On February 09, 2009, a total of 162,596 common shares were subscribed from the beneficiaries of the Third Stock Option Plan. Consequently, the Company’s capital was increased to 105,800,626 common shares, all nominative with no par value.

On March 20, 2009, the Extraordinary General Meeting approved the proposal to reduce the Company’s capital by R$82,302, without canceling any of the shares issued by the Company, maintaining the proportional investment interest of each shareholder in the Company’s capital. The amount corresponding to the capital reduction will be reimbursed to the shareholders, being R$0.7779002 per share, and will be paid fourteen days subsequent to the period available for creditors to oppose the proposal, referred to in Corporate Law, article 174.

On April 8, 2009, a total of 17,250 ordinary shares were subscribed to, by the beneficiaries of the Company’s Third Share Purchase Option Program. As a result, the Company’s capital was represented by 105,817,876 ordinary shares, with no par value.

On June 4, 2009, a total of 41,229 ordinary shares were subscribed to, by the beneficiaries of the Company’s Third Share Purchase Option Program. As a result, the Company’s capital was represented by 105,859,105 ordinary shares, with no par value.

### b. *Capital reserve*

In compliance with CVM Decision 562, of December 17, 2008, which approved Technical Pronouncement CPC 10, the Company has recorded as Capital reserve the total amount of R$3,705, being the amount of R$1,024 recorded on the second quarter of 2009, which referred to the options granted recognized.

### c. *Profit reserve - Legal reserve*

In compliance with Law 6,404/76, the reserve was recorded at the rate of 5% of the net profit before tax and Interest on shareholders' equity for the year, up to the limit of 20% of the capital.

Of the total income reported for 2008, R$ 14,964 was allocated to constitute the legal reserve, and based on the Management Board Meeting, held on February 17, 2009, for the purpose of increasing capital, to be approved in the Extraordinary General Meeting.

### d. *Unrealized revenue reserves*

At December 31, 2005, as provided in Law 6,404/76, based on equity in the net income of the subsidiary, Management proposed that the income for that year, after constituting the legal reserve and allocating dividends (amounting to R$ 163,053), be allocated to unrealized revenue reserves. The Ordinary and Extraordinary General Meeting held on March 10, 2006, approved the capitalization of this reserve.

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

### e. *Reserve for investment and expansion*

This was constituted from part of the income from 2008 not distributed, as provided in the Company's statutes, for the amount of R$ 82,302, for the purpose of partially financing the investments included in the Company's development plan.

### *f. Corporate reorganization*

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

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

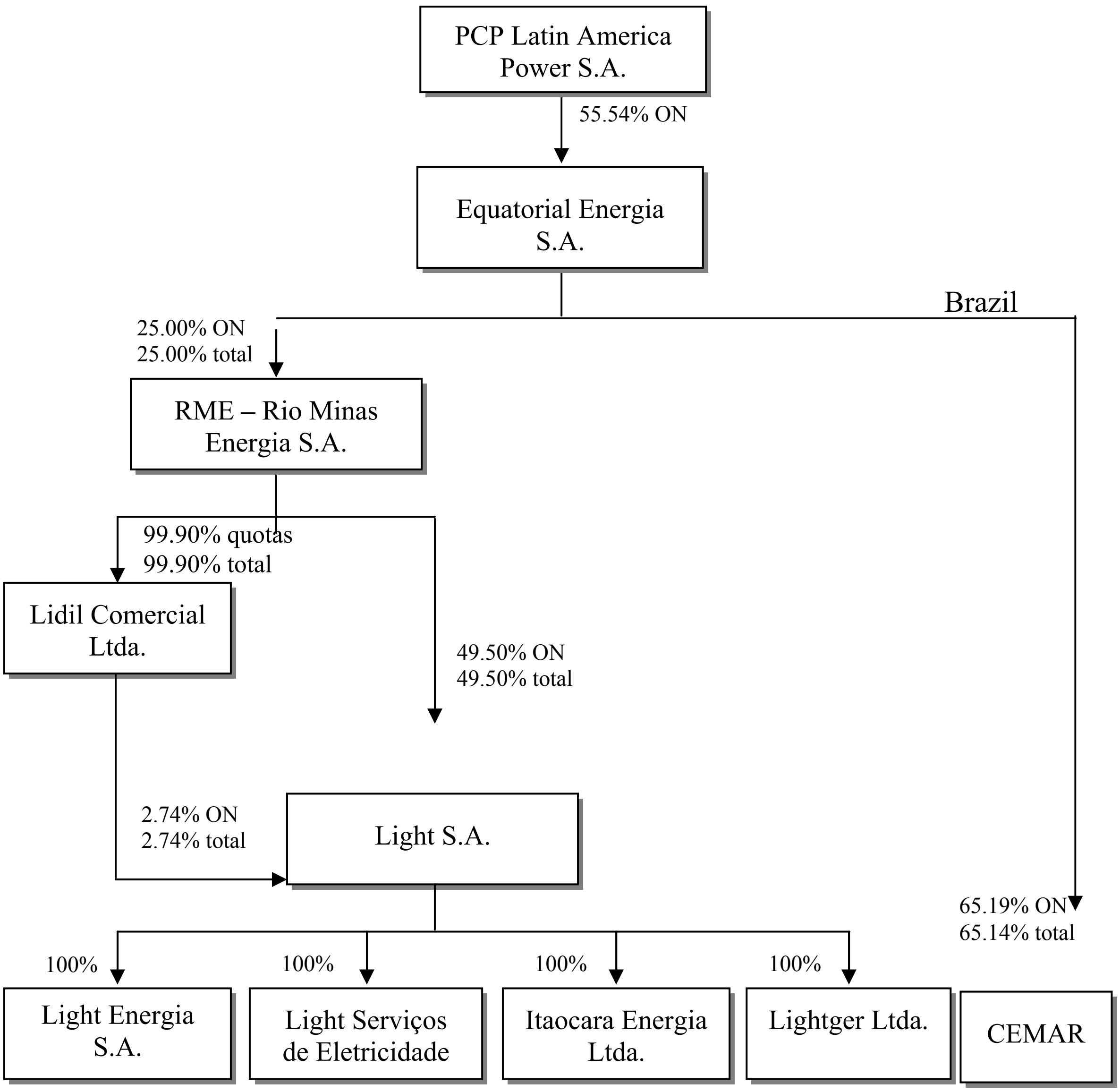
### *g. Corporate restructuring*

On July 10, 2008, the controllers of Equatorial implemented a corporate restructuring that consisted of the successive liquidation of the following companies:

(i) PCP Power LLC; (ii) PCP Latin América Power Fund Limited; (iii) Equatorial Energia Holdings LLC; and (iv) Brasil Energia I LLC.

The corporate changes did not have any effect on the controlling interests in Equatorial, given that PCP Latin America Power S.A., which held an indirect interest in Equatorial of 55.54%, retained this same percentage interest, but which is now a direct interest.

Consequently, after implementing the corporate changes described above, the participation of the PCP Group in the Concessionaries and the Authorized were structured as follows:


PCP Latin America Power S.A.
55.54% ON
Equatorial Energia S.A.
Brazil
25.00% ON
25.00% total
RME – Rio Minas Energia S.A.
99.90% quotas
99.90% total
Lidil Comercial Ltda.
49.50% ON
49.50% total
2.74% ON
2.74% total
Light S.A.
65.19% ON
65.14% total
100%
100%
100%
100%
Light Energia S.A.
Light Serviços de Eletricidade
Itaocara Energia Ltda.
Lightger Ltda.
CEMAR

### *h. Stock option program*

The information presented in this section is adjusted based on the conversion and grouping of the Company's shares, implemented on April 7, 2008, in order to provide a better understanding of such. On this date the Company's capital was represented by 105,573 thousand common shares, after converting one preference share into one common share, and subsequently grouping three common shares into one share of the same class.

*First stock option plan*

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

The beneficiaries entitled to participate in the Plan are administrators and employees from the Company and from the subsidiaries under its control, and have to be selected by the Plan's Management Committee.

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

  Program 1, which considers options to subscribe to 2,934 thousand common shares (equivalent to 2,934 thousand common shares and 5,868 thousand preferred shares prior to the conversion and grouping referred to in the first paragraph of this note). Since May 2008, all of the shares within this Plan were subscribed by the beneficiaries; consequently, there is no balance outstanding for new subscriptions.

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

  Program 2, which considers options to subscribe to 2,060 thousand common shares (2,060 thousand common shares and 4,120 thousand preferred shares, prior to the conversion and grouping) from the shares issued by Equatorial. The beneficiaries that acquired or subscribed to the shares within the ambit of Program 2 have to make the payments using exclusively the shares that were subscribed or acquired to support the CEMAR plan. The subscription price of the shares stated in the Plan is equivalent to the average price of the Company's common shares negotiated on the Futures and Commodities Exchange ("BM&FBOVESPA") during the 30 days prior to the date of exercising the respective options.

  Until June 30, 2009, the balance for shares to be subscribed under Program 2, was 626 thousand common shares, given that subscriptions were made for 1,434 thousand common shares (1,434 thousand common and 2,868 thousand preferred shares) since the granted until the date mentionated above.

  Don't having more subscription in the Program compass, at June 30, 2009, the balance for share options to be subscribed under Program 2 was 626 thousand common shares, considering the grouping stated above, with the initial exercise date being January 31, 2009 and the closing date being January 31, 2011.

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

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

*Second stock option plan*

On April 5, 2007, the creation of a Second Stock Option Plan for the acquisition of Equatorial shares by the management and employees of the Company and subsidiaries was approved at an Extraordinary Shareholders' General Meeting, to be selected by the Plan's Management Committee.

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

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

This Plan considers options to subscribe to 1,044 thousand common shares (1,044 thousand common shares and 2,088 thousand preferred shares, originally, prior to the conversion and grouping) issued by Equatorial. On April 05, 2007, the price of these shares to be acquired or subscribed by the beneficiaries from exercising the options was determined by the Committee at R$15.00, (originally determined at R$5.00, the price equivalent to 1/3 of 90% of the weighted average price of the Company's units on the Futures and Commodities Exchange Stock Exchange - BM&FBOVESPA, during the previous 30 days). This price will be accrued of monetary correction based on the Market General Price Index (IGPM/FGV), or another index based on a similar base of assessment that might be chosen by the Committee, in case the referred index stops being available or applicable, in the shortest frequency interval accepted by law, between the dates of signature and effective date of the exercise of the options.

At December 31, 2007, the balance to be subscribed within the ambit of the Second Plan amounted to 1,044 thousand common (1,044 thousand common shares and 2,088 thousand preferred shares, originally, prior to the conversion and grouping) given that no subscriptions were made for shares during the period from January 1st to December 31, 2007.

In April 2008, within the ambit of the second Plan, a total of 38 thousand of the Company's common shares were subscribed, at the price of R$ 16.14 per share, equivalent to a total price of R$ 620 thousand (six hundred and twenty thousand Reais). The market value of the shares on the closing date for the subscription was R$ 17.70.

At December 31, 2008 the balance to be subscribed within the ambit of the second plan amounted to 1,006, thousand common shares, considering the conversion and grouping mentioned. The period to exercise this balance is from April 05, 2008 to April 05, 2013.

On March 05, 2009, the Company's management board approved the cancellation of the Second Plan, given: i) the non compliance of the terms of the concession specified in the Second Plan, 692 thousand options granted cannot be exercised; and ii) that the other options granted within the ambit of the Second Plan were replaced by options granted as part of the Third Plan.

*Third stock option plan*

The Extraordinary General Meeting, of October 16, 2008, approved the creation of the 3rd Stock Option Plan for Equatorial. The options for subscribing to shares to be offered under the terms of the Plan will represent a maximum of 4,000 shares in Equatorial. Once the option has been exercised by the interested parties, the shares will then be issued through a capital increase in the Company, within the authorized capital limits provided in the Statutes. Further details on the Plan can be obtained from the minutes of the EGM, which approved the plan, and which are available on the Company's site and also the CVM site.

The beneficiaries have to use at least 50% (fifty percent) of the value of the profit share, performance bonus or any other form of annual variable (“PL”) to which they are entitled, net of income tax and other charges due, on the subscription of shares included in the lots for which the option has been granted. In addition, the beneficiaries should use all of the dividends, interest on own capital received, for the shares owned, and acquired within the ambit of the plan for the subscription of shares included in the lots for which the options have been granted.

On February 09, 2009, the Management Committee for the Third Plan granted 3,819 thousand share purchase options, of which 163 thousand were subscribed on the same date.

Thus, at March 31, 2009, the balance for options to be subscribed within the ambit of the Third Plan, amounted to 3,656 thousand common shares.

On April 8, 2009, a further 17 thousand ordinary shares were subscribed to, using the funds derived from the dividends and interest on own capital paid by the Company for the shares belonging to the beneficiaries acquired as part of the plan, and in accordance with its clauses.

On May 07, 2009, a further 181 thousand options were granted, complementing the maximum value to be offered under the terms of the Plan.

Again, on June 04 and 08, 2009, using funds derived from the dividends distributed by the Company, the beneficiaries of the Plan subscribed to a further 41 thousand ordinary shares.

On June 30, 2009, the balance to be subscribed within the 3rd Plan was 3,779 thousand ordinary shares.

Information on the stock option plans is summarized below:

| | First Plan | | Second Plan | Third Plan | |
|---|---|---|---|---|---|
| **In thousand of stocks** | **Program 1** | **Program 2** | | | **Total** |
| Number of Purchase options | 2,934 | 2,060 | 1,044 | 4,000 | 10,038 |
| Options exercised until 06/30/2008 | (2,934) | (1,434) | ( 38) | - | ( 4,406) |
| Remaining balance at 06/30/2008 | | 626 | 1,006 | 4,000 | 5,632 |
| Options exercised between 07/01/2008 and 03/31/2009 | - | - | - | ( 163) | ( 163) |
| Cancellations and Transfer from 2nd to 3rd Plan | - | - | (1,006) | - | ( 1,006) |
| Option exercised between 04/01/2009 and 06/30/2009 | - | - | - | ( 58) | ( 58) |
| Remaining balance at 06/30/2009 | - | 626 | - | 3,779 | 4,405 |

### *Potential for dilution*

According to the rules for each option plan, the potential issue of the remaining options would result in an additional dilution for the existing shareholders of Equatorial Energia S.A. equivalent to a maximum of 4.2%, not considering the potential dilution of the stock option plans of CEMAR and Light S.A.

### *Administration of plans*

The stock option plans include common shares representing capital, to be managed by a committee consisting of three members of the Company's Board of Directors. The Committee has powers to establish appropriate rules with respect to granting options, every year, through the Stock Option Plans.

*(In thousand of Reais, unless when specified)*

## 25 Power supply

A breakdown of power supply by consumer class of subsidiaries and joint ventures at June 30, 2009 and 2008, is provided below:

| | Consolidated | | | |
|---|---|---|---|---|
| | MWh (*) | | R$ | |
| | 06/30/09 | 06/30/08 | 06/30/09 | 06/30/08 |
| Residential | 1,752,698 | 1,644,152 | 609,624 | 530,441 |
| Industrial | 394,249 | 424,105 | 106,990 | 104,469 |
| Commercial | 1,086,463 | 1,052,64 | 375,927 | 341,578 |
| Rural | 56,294 | 57,686 | 15,545 | 13,219 |
| Government | 277,388 | 269,778 | 100,640 | 80,188 |
| Public lighting | 202,230 | 194,942 | 39,463 | 33,323 |
| Public service | 235,404 | 232,201 | 60,084 | 51,922 |
| Own consumption | 11,105 | 11,229 | - | - |
| Low income consumers | - | - | 54,182 | 41,686 |
| Others | - | - | 77,914 | 85,010 |
| RTD | - | - | (14,368) | (7,124) |
| CVA-PLPT | - | - | (37) | (144) |
| Constitution and amortization of CVA liability | - | - | (618) | (1,676) |
| | | | 1,425,346 | 1,272,892 |
| **Billed power supply** | 4,015,741 | 3,886,697 | 376,947 | 338,873 |
| ICMS | - | - | (26,241) | (13,129) |
| Unbilled power supply | - | - | 52,599 | 51,441 |
| **Energy supply** | - | - | - | |
| Total | 4,015,741 | 3,886,697 | 1,828,651 | 1,650,077 |

(*) Information not reviewed by independent auditors.

*(In thousand of Reais, unless when specified)*

## 26 Operating results

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

| | Parent Company | | | | |
|---|---|---|---|---|---|
| | | | **Operating charges** | **06/30/09** | **06/30/08** |
| | | | **Administrative (1)** | | |
| Cost/expense's nature | | | | | |
| Personnel and management's | | - | 2,331 | 2,331 | 1,875 |
| Material | - | - | 15 | 15 | 5 |
| Outsourced services | - | - | 2,078 | 2,078 | 1,127 |
| Others | | - | 859 | 859 | 893 |
| Financial income | | - | ( 11,193) | ( 11,193) | ( 9,947) |
| Equity income | | - | (135,061) | (135,061) | (151,467) |
| Non recurrent income and expenses | | | 93 | 93 | ( 2,371) |
| | | | (140,878) | (140,878) | (159,885) |
| Depreciation and amortization | | | 74 | 74 | 49 |
| Total | | | (140,878) | (140,878) | (159,836) |

(1) Refers to the net results from administrative, personnel and management expenses, the provision (reversal) for contingencies, depreciation and amortization, and other operational expenses (income).

*(In thousand of Reais, unless when specified)*

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | Cost of services | | Operating charges | | | |
| | Electric Energy | For operation | Sales (1) | Administrative (2) | 03/31/09 | 03/31//08 |
| Cost/expense's nature | | | | | | |
| Energy purchased for resale | 602,335 | - | - | - | 602,335 | 530,909 |
| Personnel and management's | - | 25,200 | 8,227 | 19,094 | 52,521 | 46,376 |
| Material | - | 5,040 | 1,083 | 505 | 6,628 | 6,022 |
| Outsourced services | - | 31,032 | 26,997 | 23,093 | 81,122 | 74,051 |
| Allowance for doubtful debts | - | - | 48,033 | - | 48,033 | 40,474 |
| Provision for contingences | - | - | - | 9,088 | 9,088 | 23,176 |
| Charges on use of transmission system | 41,486 | - | - | - | 41,486 | 30,959 |
| Others | - | 3,850 | 3,017 | 15,390 | 22,257 | 17,666 |
| Financial results | - | - | - | 451 | 451 | ( 78,808) |
| Equity income | - | - | - | ( 2,320) | ( 2,230) | ( 18,518) |
| Non recurring income and expenses | - | - | - | 10,022 | 10,022 | ( 4,066) |
| | 643,821 | 65,122 | 87,357 | 75,323 | 871,623 | 668,241 |
| **Depreciation and amortization** | - | 78,620 | 126 | 11,849 | 90,595 | 79,374 |
| Total | 643,821 | 143,742 | 87,483 | 87,172 | 962,218 | 747,615 |

(1) Refers to sales expenses and expenses from the allowance for doubtful receivables.

(2) Refers to the net results from administrative, personnel, and management expenses, the provision (reversal) for contingencies, depreciation and amortization, and other operational expenses (income).

## 27 Employees pension fund

### *a. Details of the retirement plan CEMAR:*

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

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

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

CEMAR, as the sponsor, makes monthly contributions to the two plans for the same amounts contributed by the participants who are employed by the Company. For the quarter ended June 30, 2009, this amounted to R$382 (R$325 at June 30, 2008).

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

CEMAR does not have a balance to cover pension fund obligations, since the actuarial calculations prepared at December 31, 2008 and 2007, in accordance with CVM Decision 371, did not identify the existence of an actuarial liability.

### *b. Details of the retirement plan of indirect subsidiary:*

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

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

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

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

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

| | Total Consolidated | Current | Non-current |
|---|---|---|---|
| **Pension plan at 03/31/2009** | 254,499 | 23,445 | 231,054 |
| Amortizations during the quarterly | ( 5,794) | ( 5,794) | - |
| Corrections during the quarterly | 2,824 | 260 | 2,564 |
| Transfer from noncurrent to current | - | 5,456 | ( 5,456) |
| **Pension plan at 06/30/2009** | 251,529 | 23,367 | 228,162 |

## 28 Insurance

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

Equatorial's Insurance:

| Risks | Terms | Amount insured (R$ 000) | Premium (R$ 000) |
|---|---|---|---|
| Civil Responsibility - D&O | 06/07/2010 | 10,000 | 36.2 |
| Equatorial's head office - RJ | 04/01/2010 | 2,789 | 1.3 |

CEMAR's Insurance:

| Risks | Terms | Amount insured (R$ 000) | Premium (R$ 000) |
|---|---|---|---|
| Risks named - substations and inventories | 10/01/2010 | 132,000 | 419 |
| General civil liability - operations | 10/01/2010 | 7,000 | 90 |
| Vehicles (a) | From 02/01/09 to 02/01/10 | (b) | 65 |

*(In thousand of Reais, unless when specified)*

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

(b) Correspond to 68 Vehicles - presented in market value.

The Company and its subsidiary CEMAR have the practice of taking out insurance coverage for the assets subject to risk at amounts considered sufficient to cover any incidents, considering the nature of its activity. The Company's and its subsidiary's insurance contracts are made in accordance with the risk management and insurance fundamentals generally employed by power distribution companies. The risk premises adopted, given their nature, do not fall within the scope of the audit of the quarterly information, and consequently, were not audited by our independent auditors. In February 2009, the insurance policies for the subsidiary CEMAR were renewed for a further year, under the same terms as the previous contracts.

The indirect subsidiary, Light SESA, at June 30, 2009, had insurance coverage for its main assets.

Given their nature, the risk assumptions adopted do not comprise the scope of an annual audit, and were not therefore audited by our independent auditors.

At June 30, 2009, the insurance coverage, considered sufficient by Management, is summarized as follows:

| | **Term** | | | |
|---|---|---|---|---|
| **Risks** | **From** | **To** | **Amount insured** | **Premium** |
| Directors & Officers (D&O) | 08/10/2008 | 08/10/2009 | US$30,000 | IS$84 |
| Civil and General responsibility | 09/25/2008 | 09/25/2009 | R$18,277 | R$504 |
| Operating risks | 10/31/2008 | 10/31/2009 | *R$ 2,259,176 | R$ 1,108 |

(*) The maximum limit for indemnity is (LMI) R$ 348,892.

*(In thousand of Reais, unless when specified)*

## 29 Tariff review for indirect subsidiary Light Serviços de Eletricidade S.A. (Light SESA) and subsidiary CEMAR

Results from the second periodic tariff review of Light SESA:

- During the public meeting held on November 04, 2008, ANEEL established, as a provisionary measure, the alteration to the tariff structure for Light Serviços de Eletricidade S/A, to be 1.96%, which became effective as from November 07, 2008. After taking into consideration the additional financial charges of 2.30%, the impact on the tariff amounted to 4.27%. As a result of removing a financial component of -0.41% from the tariff base, which had been added to the 2007 annual adjustment, the average effect on the tariff for the consumer was 4.70%.

- It should be noted that the level of regulatory losses and the calculation of efficient operational costs (Reference Company and Defaults) are provisionary.

- ANEEL also established, on a provisory basis, that component Xe for Factor X, to be applied as a reduction, in real terms, to Part B of the subsequent tariff adjustments, from 2009 to 2012, should be 0.00%.

- After concluding the improvements to the methodologies for the second cycle of the tariff reviews on November 25, 2008, the final amounts are to be established after a decision regarding the Public Consultation process, in accordance with the following timetable:

| | |
|---|---|
| Proposal to be made available on Internet for document exchange | as from 08/11/2009 |
| Opinion of the company and other agents as to the proposal available on internet | by 09/08/2009 |
| Decision of the process in Directors' Meeting | 10/13/2009 |

***Tariff review for CEMAR:***

ANEEL is considering the process for the second periodic tariff review of CEMAR. Within this context, the Agency provided access via its website – www.aneel.gov.br, to the public hearing 024/2009 – preliminary proposal for the company's tariff adjustment and Factor X. As part of the process, on July 23, 2009 the sitting for this public hearing occurred in São Luís, which ran normally. The final result of the process will be published by the Regulatory Agency on August 28, 2009, after a decision has been taken by its directors in a public meeting to be held on August 25, 2009 (estimated date).

## 30 Financial instruments - CVM Instruction 475 and CVM Deliberation 566

### a. *General considerations*

In compliance with CVM Decision 566, of December 17, 2008, which approved Technical Pronouncement CPC 14, and CVM Instruction 475, the Company analyzed its financial instruments, as follows: marketable securities, swaps, borrowings and financing, and debenture obligations, and made the necessary adjustments to its accounting registers, when necessary.

These instruments are managed by means of operational strategies and internal controls aimed at ensuring liquidity, profitability and security. The control policy consists of permanently accompanying the terms contracted compared to the market terms.

### b. *Policy for using derivates*

Equatorial only uses derivative operations in two situations: 1- to offer protection against variations in the macro-economic indexers and foreign currency quotations; and 2- for swaps of financial flows tied to the performance of the Company's own shares.

Equatorial holds derivative operations through its indirect subsidiary Light SESA, in the form of foreign exchange hedges (see Notes "c" and "d" below). The Company also has a swap for financial flows with the Bank UBS Pactual, and its premise is to accompany its share performance (EQTL3 - see Note "c" and "d" below).

*(In thousand of Reais, unless when specified)*

### c. *Market value of financial instruments*

In compliance with CVM Instruction 475, the accounting balances and the market values of the financial instruments included in the balance sheet at June 30, 2009 are shown below:

| | Consolidated | | | |
|---|---|---|---|---|
| | 06/30/09 | | 03/31/09 | |
| **Description** | **Book value** | **Market value** | **Book value** | **Market value** |
| Assets | | | | |
| Marketable securities | 327,264 | 327,264 | 583,324 | 583,324 |
| Swaps | 580 | 580 | 6,886 | 6,886 |
| Liabilities | | | | |
| Loans and financing | 1,175,105 | 1,175,105 | 1,090,111 | 1,090,111 |
| Debentures | 522,435 | 522,435 | 517,496 | 517,496 |

- **Marketable securities** - These are classified as financial assets available for sale, and are not stated at fair values. The market values reflect the amount registered in the balance sheet. The sensitivity of this financial instrument is presented in note “d” below.

- **Loans and financing in local currency** - These are classified as financial liabilities and not stated at fair values, but registered at their amortized values. The market values of these borrowings are equivalent to their book values, since they refer to financial instruments with exclusive characteristics, derived from their respective financing sources.

- **Debentures** - These are classified as financial liabilities, and are not stated at fair values, but registered at their amortized values.

- **Swaps** - These are classified as derivative instruments, the objective of which is to protect the foreign currency variations and the exchange of financial flows tied to the performance of the Company's own shares. The market value of the swap operations was determined using market information available and the normal pricing methodology: for the asset part (in North American dollars), evaluation of the notional value to the maturity date and discounted to the present value at clear coupon rates, published in the BM&F bulletins. The market values of operations involving the exchange of financial flows were measured using the *Black and Scholes model*. The sensitivity of these operations to risk factors has been detailed in note "d" below.

### d. *Risk factors - CVM Instruction 475*

Since the Company is an investment holding company, its main risks refer to the performance reported by its subsidiaries and joint ventures. In compliance with CVM Instruction 475, the Company's risk factors have been detailed below:

- **Credit risk** - The high balances, and also the aging of the receivables, represent a risk to the liquidity and capital structure of the subsidiaries and joint ventures. Management accompanies the positions outstanding and registers provisions when necessary, based on orientation from ANEEL;

- **Market risk** - In accordance with the regulation under Decree Law 5,163, of June 30, 2004, CEMAR has to purchase the electricity required to attend its market for 100% of the contractual coverage, through existing contracts (initial contract and auction in 2002) and auction of the regulated environment. Consequently, the configuration of the energy market, mainly with respect to a possible increase in demand in 2009, represents a risk for CEMAR. Furthermore, the existing context for amounts receivable should be considered, as a result of the transactions with CCEE;

- **Interest rate risks -** This risk arises from the possibility of the subsidiaries and the joint ventures incurring losses as a result of variations in interest rates, which increase the financial charges for the borrowings and financing obtained on the market.

The Company has not agreed derivative contracts to perform swaps against this risk. However, it continually monitors the market interest rates in order to evaluate the need to contract derivatives to protect against fluctuations in these rates. The Company considers that the high cost associated with contracting pre-fixed rates and the prospects of a reduction in domestic interest rates indicated by the Brazilian macro-economic scenario, justify its option for floating rates.

- **Foreign currency risk -** Given that part of the borrowings and financing registered by the indirect subsidiary Light SESA is in foreign currency, the Company uses derivative financial instruments ("swap" operations) to reduce risks from foreign exchange variations, which reported a loss of R$2,439 in the second quarter of 2009 (loss of R$2,112 in the second quarter of 2008). The net value of swap operations, held at June 30, 2009 is negative and amounts to R$71 (negative R$2,849 at June 30, 2008), as presented in the following table:

| Institution | Light rights | Light pays | Initial date | Maturity date | Notional value (US$'000) | Account position Jun/09 (R$'000) | Fair value Mar/09 (R$'000) Assets | Fair value Mar/09 (R$'000) Liabilities |
|---|---|---|---|---|---|---|---|---|
| Unibanco | US$+3,3% | 100% CDI | 04/04/2008 | 07/15/2009 | 9 | 1 | 1 | - |
| Unibanco | US$+3,3% | 100% CDI | 04/04/2008 | 08/17/2009 | 9 | 1 | 1 | - |
| Citibank | US$+3,32% | 100% CDI | 04/04/2008 | 09/10/2009 | 18 | 1 | 1 | - |
| Unibanco | US$+3,31% | 100% CDI | 04/04/2008 | 09/15/2009 | 9 | 1 | 1 | - |
| Citibank | US$+3,4% | 100% CDI | 04/04/2008 | 10/09/2009 | 1,569 | 93 | 105 | - |
| Unibanco | US$+3,3% | 100% CDI | 04/04/2008 | 10/15/2009 | 9 | 1 | 1 | - |
| Unibanco | US$+3,35% | 100% CDI | 04/04/2008 | 11/16/2009 | 9 | 1 | 1 | - |
| Citibank | US$+3,41% | 100% CDI | 04/04/2008 | 12/08/2009 | 231 | 14 | 17 | - |
| Unibanco | US$+3,4% | 100% CDI | 04/04/2008 | 12/15/2009 | 9 | 1 | 1 | - |
| Citibank | US$+3,48% | 100% CDI | 04/04/2008 | 12/28/2009 | 112 | 7 | 9 | - |
| Unibanco | US$+4,42% | 100% CDI | 08/25/2008 | 01/15/2010 | 8 | 2 | 2 | - |
| Unibanco | US$+4,32% | 100% CDI | 08/25/2008 | 02/17/2010 | 8 | 2 | 2 | - |
| Unibanco | US$+4,32% | 100% CDI | 08/25/2008 | 03/10/2010 | 18 | 4 | 5 | - |
| Unibanco | US$+4,32% | 100% CDI | 08/25/2008 | 03/15/2010 | 8 | 2 | 2 | - |
| Unibanco | US$+4,53% | 100% CDI | 08/25/2008 | 04/12/2010 | 1,472 | 352 | 403 | - |
| Unibanco | US$+4,32% | 100% CDI | 08/25/2008 | 04/15/2010 | 8 | 2 | 2 | - |
| Unibanco | US$+4,45% | 100% CDI | 08/25/2008 | 06/15/2010 | 107 | 25 | 30 | - |
| Citibank | US$+2,80% | 100% CDI | 02/10/2009 | 09/10/2010 | 19 | ( 7) | - | ( 7) |
| Citibank | US$+2,80% | 100% CDI | 02/10/2009 | 10/11/2010 | 1,378 | (518) | - | (512) |
| Citibank | US$+2,80% | 100% CDI | 02/10/2009 | 12/27/2010 | 94 | ( 35) | - | ( 36) |
| Itaú | US$+2,80% | 100% CDI | 06/18/2009 | 03/10/2011 | 17 | - | - | ( 1) |
| Citibank | US$+2,33% | 100% CDI | 06/18/2009 | 04/12/2011 | 1,359 | ( 16) | - | ( 54) |
| | | | | Totals | 6,480 | ( 66) | 584 | (610) |

The amount reported is stated at its fair value at June 30, 2009.

- **Risk from anticipated maturity** - The Company has borrowing and financing contracts and debentures with covenants, which, in general, require that economic-financial indices have to be maintained at specified levels. Non compliance with these covenants could result in anticipated maturity of the debts; and

- **Risk from energy shortage** - The electrical energy purchased and sold by the subsidiaries and joint ventures, is basically, generated by hydro-electric plants. A prolonged shortage of rain, caused by a change in the hydrologic system, could reduce the volume of water at the plant reservoirs and could result in losses arising from an increase in energy costs or a decrease in income as a result of adopting a new rationing program. Given the existing water levels at the reservoirs, the National Operator of the Electricity System - ONS, does not anticipate any form of rationing program for the coming years.

Variations in the foreign exchange and interest rates affect both the Company's financial assets and liabilities. Presented below are the impacts from these variations on the profitability of marketable securities, borrowings and financing and the derivative operations.

### e. *Sensitivity analysis of financial instruments*

*Interest earnings bank deposits*

The Sensitivity of Equatorial's financial assets has been demonstrated using five scenarios.

In compliance with CVM Instruction 475, we present a scenario using the actual interest rates at June 30, 2009 (probable scenario), and two other scenarios, with an increase of 25% (scenario II) and 50% (scenario III) in the indexers.

We have also included two further scenarios that reflect the opposite to that determined in the instruction, in order to demonstrate the effects from a depreciation of 25% (scenario IV) and 50% (scenario V) to these indexers.

| | | 06/30/09 | | | | |
|---|---|---|---|---|---|---|
| **Equatorial** | **R$'000** | | | | | |
| **Operation** | **Risk** | **Probable scenario** | **Scenario (II)** | **Scenario (III)** | **Scenario (IV)** | **Scenario (V)** |
| **Financial assets *** | CDI | (4,478) | (5,593) | (6,740) | (3,370) | (2,225) |
| **Reference to financial assets and liabilities** | | **Rate on 06/30/09** | **+25%** | **+50%** | **-25%** | **-50%** |
| CDI % | | 12.32 | 15.39 | 18.47 | 9.24 | 6.16 |

(*) Does not include the Swap operation

*Foreign currency swap*

Equatorial has foreign currency swaps through its investment in Light. The methodology used for the "probable scenario" was to consider the same behavior for foreign exchange rates reported at June 30, 2009.

*Risk of exchange rate devaluation*

| **Operation** | **Risk** | **Probable Scenario (I):** | **Scenario (II)** | **Scenario (III)** |
|---|---|---|---|---|
| Financial liabilities | | (7,568) | ( 421) | 6,726 |
| Par Bond | USD | (3,247) | (1,306) | 636 |
| Discount Bond | USD | (2,289) | ( 936) | 418 |
| Flirb | USD | ( 13) | ( 13) | ( 13) |
| C. Bond | USD | ( 966) | 1,099 | 3,164 |
| Debit. Conv. | USD | ( 770) | 601 | 1,971 |
| New Money | USD | ( 10) | ( 10) | ( 10) |
| Bib | USD | ( 35) | 32 | 99 |
| BNDES - Import financing | Basket | ( 38) | 41 | 121 |
| Societe Generale | USD | ( 55) | 61 | 176 |
| KFW | USD | ( 146) | 10 | 165 |
| Derivatives | | 3,228 | ( 67) | (3,361) |
| Swaps | | | | |
| Reference to financial assets and liabilities | | | -25% | -50% |
| Quotation R$/US$ (End of the quarterly) | | 1,952 | 2,440 | 2,927 |

*(In thousand of Reais, unless when specified)*

*Risk of exchange rate appreciation*

| Operation | Risk | Probable Scenario (I): | Scenario (IV) | Scenario (V) |
|---|---|---|---|---|
| Financial liabilities | | (7,568) | (14,715) | (21,862) |
| Par Bond | USD | (3,247) | ( 5,188) | ( 7,129) |
| Discount Bond | USD | (2,289) | ( 3,643) | ( 4,997) |
| Flirb | USD | ( 13) | ( 13) | ( 13) |
| C. Bond | USD | ( 966) | ( 3,031) | ( 5,095) |
| Debit. Conv. | USD | ( 770) | ( 2,140) | ( 3,511) |
| New Money | USD | ( 10) | ( 10) | ( 10) |
| Bib | USD | ( 35) | ( 102) | ( 170) |
| BNDES - Import financing | Basket | ( 38) | ( 118) | ( 198) |
| Societe Generale | USD | ( 55) | ( 170) | ( 286) |
| KFW | USD | ( 146) | ( 301) | ( 456) |
| Derivatives | USD | 3,228 | 6,522 | 9,817 |
| Swaps | | | | |
| Reference to financial assets and liabilities | | | -25% | +50% |
| Quotation R$/US$ (End of the quarterly) | | 1.952 | 1.464 | 0.976 |

(*) Loans ended during the second quarter, and therefore, will not be subject to variations in the stress scenario.

Based on the above table, it is possible to identify that despite the partial hedging of the foreign currency debt (limited to the debt service falling due within 24 months), as the quotation for R$/US$ increases, the financial charges for liabilities also increases, but the financial income from the derivatives also partially compensates this negative impact, and vice-versa. Consequently, the Company's cash position is protected by its derivative policy and that of its subsidiaries and joint ventures.

The above table demonstrates the net impact of the variations on the scenarios for forecast foreign exchange rate on the results from the derivatives and expenses from foreign currency debts in Light SESA, and it can be observed that, irrespective of the foreign exchange rate, the actual expense (debt + net result from the swap) is the same.

*Swap for financial flows*

As reported in the Relevant Fact published on August 13, 2008, Management Board from Equatorial authorized, on the same date, the Company to agree swap contracts with Banco UBS-Pactual, for the total maximum value of R$50 million.

These swaps consist of exchanging the results from future financial flows between Equatorial and Banco UBS-Pactual, according to the following parameters, to be applied to the notional value of each contract:

- **For Equatorial:** Parameter = 0.995 + (final quotation EQTL3 / initial quotation EQTL3)

- **For UBS:**

  - **Hypothesis 1**: final quotation EQTL3 > initial quotation EQTL3 corrected by the CDI (from the initial date until the maturity date of the swap)
    **Parameter =** 1 + % that refers to the Bank's performance rate * (final quotation EQTL3 / initial quotation EQTL3 corrected by the CDI, from the initial date until the maturity date of the swap)

  - **Hypothesis 2:** final quotation EQTL3 <= initial quotation EQTL3 corrected by the CDI (from the initial date until the maturity date of the swap)
    **Parameter** = 1

- **Where:**

  - EQTL3: common share in Equatorial Energia S.A.
  - Final quotation EQTL3 = arithmetic average price of EQTL3, published by BM&FBOVESPA, during the 5 business days immediately prior to the maturity date of the swap
  - Initial quotation EQTL3 = average quotation on the initial date of the swap contract
  - CDI = average daily rate of interbank deposits (DI) for one day "over extra group", expressed as an annual percentage rate, base 252 business days, calculated and published by CETIP

In order to better understand the operation, it can be interpreted that Equatorial, upon agreeing these swap contracts, then holds an asset tracked to the variation in the price of its shares and a liability tracked to the variation in the CDI plus a performance rate for the counterparty, when the share variation exceeds the CDI variation, during the period of the swap contract.

This operation does not involve the purchase or sale of shares in Equatorial by the Company. The contract only provides for the exchange of financial flows between the Company and Banco UBS-Pactual. There are no margins calls associated with this operation.

At March 31, 2009, the Company had 7 swap contracts in force, resulting in a total notional value of R$5.0 million. All of the contracts agreed are valid for a period of one year.

On June 5 and 8, 2009, the Company, in agreement with Banco UBS Pactual, decided to anticipate settlement of all of the swap operations. Equatorial recorded a gain of R$608 from this operation, to its financial results. This amount corresponds to the difference between the gross result and the notional value on the settlement dates, as demonstrated in the following table.

| Initial | Maturity date | Liquidation date | Notional value (R$'000) | Gross income (R$'000) | Gain/loss in operation (R$'000) |
|---|---|---|---|---|---|
| 08/29/2008 | 08/31/2009 | 06/08/2009 | 991 | 1,068 | 78 |
| 09/01/2008 | 09/01/2009 | 06/05/2009 | 1,409 | 1,509 | 99 |
| 09/03/2008 | 09/03/2009 | 06/05/2009 | 422 | 453 | 31 |
| 09/04/2008 | 09/04/2009 | 06/05/2009 | 577 | 619 | 42 |
| 09/15/2008 | 09/15/2009 | 06/05/2009 | 800 | 966 | 166 |
| 09/17/2008 | 09/17/2009 | 06/05/2009 | 551 | 680 | 128 |
| 09/18/2008 | 09/18/2009 | 06/05/2009 | 274 | 338 | 65 |
| Total | | | 5,024 | 5,633 | 609 |

***Sensitivity analysis for variations in interest rates***

*1 - CEMAR*

The sensitivity of the CEMAR's financial assets and liabilities has been demonstrated in five scenarios.

In compliance with CVM Instruction 475, we present a 'probable' scenario and two other scenarios, with an increase of 25% (scenario II) and 50% (scenario III) in the indexers.

We have also included two further scenarios that reflect the opposite to that determined in the instruction, with a depreciation of 25% (scenario IV) and 50% (scenario V) in these indexers.

**R$'000**

| **Operation** | **Risk** | **Probable scenario** | **Scenario II** | **Scenario III** | **Scenario IV** | **Scenario V** |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Marketable securities | CDI | (5,504) | (6,880) | (8,278) | (4,132) | (2,957) |
| **Financial liabilities** | | | | | | |
| Loans, financing and debentures | | | | | | |
| ECF - 2034/00 | FINEL | 877 | 907 | 936 | 848 | 818 |
| ECF - 1510/97 | FINEL | 16 | 16 | 17 | 16 | 15 |
| ECF - 1639/97 | FINEL | 152 | 156 | 160 | 148 | 144 |
| ECF - 1645/97 | FINEL | 31 | 32 | 33 | 31 | 30 |
| ECF -1960 /99 | IGP-M | 53 | 602 | 1,150 | ( 495) | (1,043) |
| ECF - 1907/99 | FINEL | 21 | 21 | 22 | 20 | 20 |
| ECF - 1908/99 | FINEL | 137 | 141 | 146 | 132 | 128 |
| | SELIC | 1,784 | 1,981 | 2,177 | 1,587 | 1,390 |
| FASCEMAR | CDI | 886 | 1,645 | 2,405 | 127 | ( 633) |
| FINEP | TJLP | 43 | 71 | 100 | 14 | ( 14) |
| FINAME 01 | TJLP | 1 | 1 | 2 | 1 | 1 |
| FINAME 02 | TJLP | 9 | 11 | 14 | 7 | 4 |
| BNDES I | TJLP | 625 | 933 | 1,241 | 317 | 10 |
| IFC | CDI | 4,064 | 7,640 | 7,882 | 488 | 245 |
| BNDES II | TJLP | 1,603 | 2,614 | 3,626 | 591 | ( 420) |
| Debentures 3RD ISSUE | CDI | 8,408 | 16,383 | 24,358 | 433 | (7,542) |
| **Reference to financial assets and liabilities** | | Rate on 06/30/09 | +25% | +50% | -25% | -50% |
| CDI % | | 12.32 | 15.39 | 18.47 | 9.24 | 6.16 |
| SELIC | | 12.41 | 15.51 | 18.62 | 9.31 | 6.21 |
| TJLP % | | 6.25 | 7.81 | 9.38 | 4.69 | 3.13 |
| IGP-M % | | 1.52 | 1.91 | 2.29 | 1.14 | 0.76 |

*(In thousand of Reais, unless when specified)*

*2 - LIGHT*

The sensitivity analysis for interest rate risk is presented in the following table, demonstrating the effects on the results from variations in the scenarios:

**Risk of interest rate escalating**

| Operation | Risk | Probable Scenario (I): | Scenario (II) | Scenario (III) |
|---|---|---|---|---|
| Financial assets | CDI | (13,334) | (14,927) | (16,519) |
| Marketable securities | | | | |
| Financial liabilities | | 53,641 | 59,137 | 64,690 |
| Debentures 5th Issue | CDI | 26,282 | 29,027 | 31,801 |
| CCB Bradesco | CDI | 11,667 | 12,958 | 14,263 |
| CCB Bco ABN Amto Baking S.A. | CDI | 2,167 | 2,397 | 2,630 |
| Debentures 1st Issue | TJLP | 384 | 413 | 443 |
| Debentures 4th Issue | TJLP | 4 | 4 | 4 |
| Finem BNDES | TJLP | 11,328 | 12,163 | 13,004 |
| PROESCO | TJLP | 28 | 32 | 35 |
| Promissory notes R$100MM | CDI | 1,782 | 2,144 | 2,511 |
| Derivatives | | | | |
| Swaps | CDI | 3,228 | 3,371 | 3,512 |
| Reference to financial assets | | | +25% | +50% |
| CDI (% average for previous 12 months) | | 12.3% | 15.4% | 18.5% |
| Reference to financial liabilities | | | 25.0% | 50.0% |
| CDI (%average for previous 12 months) | | 12.6% | 15.8% | 18.9% |
| TJLP (% end of the quarter) | | 6.25% | 7.81% | 9.38% |

*(In thousand of Reais, unless when specified)*

**Risk of interest rate decrease**

| Operation | Risk | Probable Scenario (I): | Scenario (II) | Scenario (III) |
|---|---|---|---|---|
| Financial assets | CDI | (13,334) | (11,742) | (10,150) |
| Marketable securities | | 53,641 | | |
| Financial liabilities | | 26,282 | 48,202 | 42,819 |
| Debentures 5th Issue | CDI | 11,667 | 23,566 | 20,880 |
| CCB Bradesco | CDI | 2,167 | 10,389 | 9,126 |
| CCB Bco ABN Amto Baking S.A. | CDI | 384 | 1,940 | 1,715 |
| Debentures 1st Issue | TJLP | 4 | 354 | 325 |
| Debentures 4th Issue | TJLP | 11,328 | 3 | 3 |
| Finem BNDES | TJLP | 28 | 10,500 | 9,677 |
| PROESCO | TJLP | 1,782 | 24 | 21 |
| Promissory notes R$100MM | CDI | | 1,425 | 1,073 |
| | | 3,228 | | |
| Derivatives | CDI | (13,334) | 3,084 | 2,938 |
| Swaps | | | | |
| Reference to financial assets | | | -25.0% | -50.0% |
| CDI (% average for previous 12 months) | | 12.3% | 9.2% | 6.2% |
| Reference to financial liabilities | | | -25.0% | -50.0% |
| CDI (% average for previous 12 months) | | 12.3% | 9.2% | 6.2% |
| TJLP (% end of the quarter) | | 6.3% | 4.7% | 3.1% |

## 31 Adhesion to the Novo Mercado

Equatorial Energia transferred from Level 2 of BM&FBOVESPA corporate governance to the Novo Mercado on April 23, 2008, given the adherence to best corporate governance practices and demonstrating its commitment to transparency towards its investors and shareholders.

## 32 Subsequent events

### *a. Secondary share offer (Indirect subsidiary Light S/A)*

On July 14, 2009, an announcement was published for the start of the secondary public distribution of shares in Light S.A., with the placing of 29,470,480 shares, corresponding to 14.4% of the Company's capital. The offer price, defined in the book building process, was R$24.00 (twenty four Reais), resulting in a total of R$707,292.

### *b. Debenture issue (Indirect subsidiary Light SESA)*

At the end of July 2009, Light SESA concluded its 6th simple, non convertible, debenture issue. The issue amounted to R$300,000, with remuneration of 115% of CDI, defined in the book building process, compared to the initial remuneration forecast of 133% of CDI. The debentures were issued on June 01, 2009 and approved by the CVM on July 21, 2009 and cash was received on July 24, 2009. These debentures will be amortized in a single payment on June 01, 2011. The funds are to be allocated to the anticipated redemption of the 1st issue of promissory notes of Light SESA, for the amount of R$100,000, and to strengthen the Company's working capital.

### *c. Contracting EPC (Engineering Procurement Construction) to construct PCH Paracambi (Indirect subsidiary Light S/A)*

The Management Board meeting, held on August 07, 2009, approved the contracting of the consortium to construct the PCH Paracambi. The total cost of the project is approximately R$ 195 million, and work is anticipated to start in September of this year, with anticipated to start operating in August 2011.

### *d. Loans and financing (Subsidiary Geranorte)*

Votorantim S/A and Itaú BBA S/A: On July 22, 2009, the subsidiary Geranorte contracted a loan from the banks Votorantim S/A and Itaú BBA S/A, for the amount of R$15,000 to finance the construction of its plant. The interest rate for this loan is 4.66% p. a. plus correction of 100% of CDI, and matures on December 15, 2009.

Votorantim S/A and Itaú BBA S/A: On July 30, 2009, the subsidiary Geranorte contracted a loan from the banks Votorantim S/A and Itaú BBA S/A, for the amount of R$34.000 to finance the construction of its plant The interest rate for this loan is 4.60% a. plus correction of 100% of CDI, and matures on December 15, 2009.

* * *

**Composition of the Board of Directors**
Gilberto Sayão da Silva
Alessandro Monteiro Morgado Horta
Firmino Ferreira Sampaio Neto
Celso Fernandez Quintella
Paulo Jerônimo Bandeira de Mello Pedrosa
Alexandre Gonçalves Silva

**Composition of the Executive Board**
Carlos Augusto Leone Piani -President
Eduardo Haiama - Finance Director and Investor Relations
Patricia Pugas de Azevedo Lima - Director
Tinn Freire Amado - Director
Ana Marta Horta Veloso - Director

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