



Equatorial Energia S/A
Companhia Aberta de Capital Autorizado
CNPJ/MF nº 03.220.438/0001-73
NIRE 2130000938-8

MATERIAL FACT

PAYMENT OF DIVIDENDS, INTEREST ON EQUITY AND CAPITAL REDUCTION

Rio de Janeiro, March 20, 2009: Equatorial Energia hereby informs its shareholders that the Ordinary and Extraordinary General Meeting ("OEGM") held today, among other subjects, approved:

I – Dividend Distribution:

The dividend distribution was approved amounting to R\$ 190,150,993.52 (one hundred and ninety million, one hundred and fifty thousand, nine hundred and ninety three reais, and fifty two centavos), representing **R\$ 1.7972577** per share, to be paid to the shareholders registered as such on March 20, 2009.

The Company's shares will be traded ex-dividends on March 23, 2009.

The dividends will be paid in 3 installments, on the following days: April 6, 2009, June 4, 2009 and November 30, 2009, as shown on the table on item IV below.

II – Payment of Interest on Equity ("IoE"):

According to the Material Fact published on December 22, 2008, it will be paid as IoE to the shareholders registered as such on December 22, 2008, the gross amount of R\$ 11,865,000.00 (eleven millions, eight hundred and sixty five thousand reais), representing **R\$ 0.1123175** per share.

The IoE shall be attributed to the mandatory dividend amount to be paid by the Company regarding the 2008 fiscal year, according to Law 9,249/95, article 9, paragraph 7.

According to the Material Fact published on December 22, 2008, the Company's shares have been traded "ex-IoE" since December 23, 2008.

The IoE will be paid to the shareholders after April 6, 2009, as shown on the table on item IV below.

III – Company's Capital Reduction:

The Company's capital reduction was approved amounting to R\$ 82,302,327.66 (eighty two million, three hundred and two thousand, three hundred and twenty seven reais and sixty six centavos), through cash reimbursement to the Company shareholders, according to their ratio in the Company's stock (considering the shareholders composition on May 22, 2009), according to Law 6,404/76, articles 173 and 174, without cancelling shares issued by the Company.

Past the 60 days period for creditors manifestation (according to Law 6,404/76, article 174), and not having any representation by them, the Company's shareholders are entitled to a payment of R\$ 0.7779002 per share.

The Company's shares will be traded "ex-capital reduction" on May 25, 2009.

IV – Timetable of the Amount to be Received by the Company's Shareholders:

Payment Date	Event	R\$ per share	Shareholders' Base Date	Ex Date
4/6/2009	Interest on Equity	0.1123175*	12/22/2008	12/23/2008
	First Installment of Dividends	0.8222851	3/20/2009	3/23/2009
6/4/2009	Second Installment of Dividends	0.8617417	3/20/2009	3/23/2009
	Capital Reduction**	0.7779002	5/22/2009	5/25/2009
11/30/2009	Third Installment of Dividends	0.1132309	3/20/2009	3/23/2009

* Gross of taxes

** Conditioned that no creditor manifestates

Means and Location of Payment: Shareholders entitled to dividends and interest on equity, who have already provided their bank account details to Banco Itaú S/A will have their payment credited on the said bank account, while payment to those shareholders whose shares are in the custody of the CBLC (Brazilian Clearing and Depository Corporation) will be credited to that institution, which will be responsible for transferring the funds to the shareholders through the accredited brokerage companies.

Shareholders whose registration details with Banco Itaú S/A are out of date or do not contain their individual or corporate taxpayer's ID (CPF and CNPJ, respectively) or bank account credit option will be credited as of the third business day following the updating of their registration details by presenting the following documents at any branch of Banco Itaú S/A or delivering the same by mail to the Unidade de Ações e Debêntures, Avenida Engenheiro Armando de Arruda Pereira, 707 – 9º andar Bairro Jabaquara – SP – CEP 04344-902:

- Individuals: Individual Taxpayer's ID (CPF), Identity Card (RG) and up-to-date proof of address;
- Corporate Persons: Corporate Taxpayer's ID (CNPJ), Minutes, Bylaws/Articles of Incorporation and respective amendments thereto and up-to-date proof of address (2 months).

Additional information may be obtained from the Company's Investor Relations Office, through the phone number (5521) 3206 6635, fax (5521) 3206 6601 or e-mail ir@equatorialenergia.com.br.

Eduardo Haiama
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Equatorial Energia S/A