

## **Quarterly information**

### **Equatorial Energia S.A.**

March 31, 2016  
with Independent Auditor's Review Report

# Equatorial Energia S.A.

Quarterly information

March 31, 2016 and 2015

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Centro Empresarial Iguatemi  
Av. Washington Soares, 55  
Sala 508 – Edson Queiroz  
60811-341 - Fortaleza, CE, Brazil

Phone: (5585) 3392-5600  
Fax: (5585) 3392-5659  
ey.com.br

A free translation from Portuguese into English of Independent Auditor's Review Report on individual and consolidated interim financial information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil

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## **Review report on quarterly information (ITR)**

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

### **Introduction**

We have reviewed the accompanying individual and consolidated interim financial information contained in the Quarterly Financial Information Form (ITR) of Equatorial Energia S.A. ("Company"), for the three-month period ended March 31, 2016, comprising the balance sheet as at March 31, 2016 and the related statements of income and of comprehensive income and statements of changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual interim financial information in accordance with Accounting Pronouncement CPC 21 (R1) - Interim Financial Reporting, and for the consolidated interim financial information in accordance with CPC 21 (R1) and International Standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of review**

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

### **Conclusion on the individual and consolidated interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above is not fairly presented, in all material respects, in accordance with CPC 21(R1) and IAS 34 applicable to the preparation of quarterly information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

### **Other matters**

### **Statements of value added**

We have also reviewed the individual and consolidated interim statements of value added (SVA) for the three-month period ended March 31, 2016, prepared under management's responsibility, whose presentation in the interim financial information is required by rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to preparation of quarterly information (ITR), and as supplementary information by IFRS, which do not require SVA presentation. This statement was submitted to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they are not fairly presented, in all material respects, in relation to the overall accompanying individual and consolidated interim financial information.

Fortaleza (CE), May 12, 2016.

ERNST & YOUNG  
Auditores Independentes S.S  
CRC 2SP015199/F-6



Carlos Santos Mota Filho  
Accountant CRC-1PE020728/O-7-T-CE

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## Equatorial Energia S.A.

### Balance sheets

March 31, 2016 and December 31, 2015

(In thousands of reais)

	Note	Company		Consolidated	
		03/31/2016	12/31/2015	03/31/2016	12/31/2015
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	9,226	9,035	404,045	397,866
Short-term investments	5	226,554	223,045	2,040,274	2,083,474
Trade accounts receivable	6	-	-	1,860,017	1,977,709
Accounts receivable - tariff levels		-	-	-	5,542
Purchase of fuel (CCC)	8	-	-	168,868	221,298
Services requested		-	-	123,934	112,580
Judicial deposits	24	4,392	4,203	26,272	25,277
Derivative financial instruments	34	-	-	-	52,826
Inventories		-	-	11,381	11,430
Dividends		68,188	68,188	-	-
Taxes recoverable	10.1	-	-	93,997	94,874
Income taxes recoverable	10.2	24,862	31,215	126,102	116,783
Other receivables	13	1,240	1,228	52,587	58,692
		<b>334,462</b>	336,914	<b>4,907,477</b>	5,158,351
<b>Noncurrent assets</b>					
Trade accounts receivable	6	-	-	347,230	277,587
CCC subrogation - amounts invested	12	-	-	58,529	65,824
Judicial deposits	24	-	-	155,523	150,527
Derivative financial instruments	34	-	-	82,594	273,803
Taxes and contributions recoverable	10.1	-	-	99,350	88,233
Income taxes recoverable	10.2	-	-	40,099	39,661
Other receivables	13	308,594	302,865	79,581	86,132
Concession-related financial assets	14	-	-	2,303,982	2,228,931
<b>Investments</b>					
Property, plant and equipment	15	3,183,862	3,046,120	93,360	88,646
Intangible assets	16	245	245	3,605	3,552
		<b>3,492,701</b>	3,349,230	<b>7,566,221</b>	7,427,536
<b>Total assets</b>		<b>3,827,163</b>	3,686,144	<b>12,473,698</b>	12,585,887

See accompanying notes.

	Note	Company		Consolidated	
		03/31/2016	12/31/2015	03/31/2016	12/31/2015
Liabilities and equity					
Current liabilities					
Trade accounts payable	17	395	305	822,267	934,780
Payroll and accrued vacation pay		2,602	223	45,207	33,994
Loans and financing	18	-	-	702,517	805,387
Debentures	19	-	-	62,131	47,303
Taxes and contributions payable	20.1	3,068	483	276,881	312,421
Income taxes payable	20.2	6,643	10,637	22,696	18,238
Dividends and Interest on Equity (IOE)		191,943	191,943	216,881	217,998
Consumer charges		-	-	39,924	43,495
Street lighting charge		-	-	57,822	17,433
Research and development and energy efficiency		-	-	83,673	75,088
Employees' profit sharing	22	1,187	3,220	32,389	65,384
Derivative financial instruments		-	-	30,640	-
In-court reorganization – CELPA	23	-	-	91,575	91,446
Provision for civil, tax and labor contingencies	24	-	-	138,457	134,950
Payables relating to Tranche A and other financial items	9	-	-	16,240	49,561
Other accounts payable	25	35	31	278,220	283,994
		<b>205,873</b>	206,842	<b>2,917,520</b>	3,131,472
Noncurrent liabilities					
Loans and financing	18	-	-	2,481,433	2,587,266
Debentures	19	-	-	502,468	495,182
Taxes and contributions payable	20.1	-	-	44,067	50,709
Deferred income and social contribution taxes	21	50	50	181,848	142,502
Provision for civil, tax and labor contingencies	24	-	-	421,198	469,996
Payables relating to Tranche A and other financial items	9	-	-	82,160	16,978
Research and development and energy efficiency		-	-	131,730	128,527
In-court reorganization – CELPA	23	-	-	979,088	995,599
Retirement and pension plan		-	-	36,718	36,718
Other accounts payable	25	-	-	295,312	301,699
		<b>50</b>	50	<b>5,156,022</b>	5,225,176
Equity					
Capital	26.1	1,980,237	1,980,214	1,980,237	1,980,214
Capital reserves	26.2	48,071	44,909	48,071	44,909
Income reserves	26.3	1,472,341	1,472,341	1,472,341	1,472,341
Equity adjustment		(22,262)	(22,262)	(22,262)	(22,262)
Other comprehensive income		4,050	4,050	4,050	4,050
Retained earnings		138,803	-	138,803	-
Equity attributable to controlling interests		<b>3,621,240</b>	3,479,252	<b>3,621,240</b>	3,479,252
Noncontrolling interest		-	-	778,916	749,987
Total equity		<b>3,621,240</b>	3,479,252	<b>4,400,156</b>	4,229,239
Total liabilities and equity		<b>3,827,163</b>	3,686,144	<b>12,473,698</b>	12,585,887

## Equatorial Energia S.A.

Income statements  
March 31, 2016 and 2015  
(In thousands of reais)

	Note	Company		Consolidated	
		03/31/2016	03/31/2015	03/31/2016	03/31/2015
Net operating revenue	29	-	-	<b>1,733,822</b>	1,678,595
Cost of electric energy services	30	-	-	<b>(1,400,783)</b>	(1,269,281)
Electric energy purchased for resale	31	-	-	<b>(905,862)</b>	(921,077)
Construction costs		-	-	<b>(296,746)</b>	(270,316)
Personnel		-	-	<b>(33,511)</b>	(29,226)
Material		-	-	<b>(3,149)</b>	(1,965)
Third-party services		-	-	<b>(68,997)</b>	(52,573)
Depreciation and amortization		-	-	<b>(66,226)</b>	(20,775)
CCC subsidy		-	-	<b>(18,579)</b>	5,824
Other		-	-	<b>(7,713)</b>	20,827
Gross operating income	-	-	-	<b>333,039</b>	409,314
Selling expenses	30	-	-	<b>(107,254)</b>	(96,914)
Administrative expenses	30	<b>(13,800)</b>	(19,016)	<b>(34,939)</b>	(80,196)
Depreciation and amortization		<b>(2)</b>	-	<b>(20,527)</b>	(10,788)
Amortization of concession right		<b>(1,593)</b>	(1,677)	<b>(1,593)</b>	(1,677)
Equity pickup		<b>140,841</b>	86,874	<b>6,184</b>	10,702
Other operating income/expenses		<b>(690)</b>	(681)	<b>(12,917)</b>	(34,262)
Total operating income (expenses)		<b>124,756</b>	65,500	<b>(171,046)</b>	(213,135)
Income before financial income (expenses)		<b>124,756</b>	65,500	<b>161,993</b>	196,179
Financial income (expenses)	32	<b>17,139</b>	23,345	<b>60,766</b>	(61,451)
Financial income		<b>17,139</b>	23,391	<b>302,991</b>	345,153
Financial expenses		-	(46)	<b>(242,225)</b>	(406,604)
Income before income and social contribution taxes		<b>141,895</b>	88,845	<b>222,759</b>	134,728
Income and social contribution taxes		<b>(3,092)</b>	(3,476)	<b>(51,954)</b>	(24,090)
Social contribution tax	21.c	<b>(820)</b>	(921)	<b>(9,015)</b>	(6,442)
Income tax	21.c	<b>(2,272)</b>	(2,555)	<b>(18,365)</b>	(18,030)
Tax incentive	21.c	-	-	<b>14,773</b>	12,862
Deferred taxes	21.c	-	-	<b>(39,347)</b>	(12,480)
Net income for the period		<b>138,803</b>	85,369	<b>170,805</b>	110,638
Attributable to noncontrolling interests		-	-	<b>(32,002)</b>	(25,269)
Net income for the period attributed to controlling interests		<b>138,803</b>	85,369	<b>138,803</b>	85,369
Basic earnings per thousand shares - R\$		<b>0.6989</b>	0.4302	<b>0.6989</b>	0.4302
Diluted earnings per thousand shares - R\$		<b>0.6921</b>	0.4212	<b>0.6921</b>	0.4212
Number of shares at end of period		<b>198,588</b>	198,447	<b>198,588</b>	198,447

See accompanying notes.

## Equatorial Energia S.A.

Statements of comprehensive income

March 31, 2016 and 2015

(In thousands of reais)

	<b>Company</b>		<b>Consolidated</b>	
	<b>03/31/2016</b>	<b>03/31/2015</b>	<b>03/31/2016</b>	<b>03/31/2015</b>
Income for the period	<b>138,803</b>	85,369	<b>170,805</b>	110,638
Total comprehensive income for the period	<b>138,803</b>	85,369	<b>170,805</b>	110,638
Basic earnings per thousand shares - R\$	<b>0.6989</b>	0.4302		
Diluted earnings per thousand shares - R\$	<b>0.6921</b>	0.4212		
Number of shares at end of period	<b>198,588</b>	198,447		

See accompanying notes.



## Equatorial Energia S.A.

Statements of changes in equity  
 Periods ended March 31, 2016 and December 31, 2015  
 (In thousands of reais)

	Capital	Capital reserves	Legal	Income reserves Investment and expansion reserve	Equity adjustment	Retained earnings	Other comprehensive income (loss)	Company's equity	Noncontrolling interest	Equity – consolidated
<b>Balances at December 31, 2014</b>	1,977,276	22,585	98,107	773,736	(22,262)	-	(13,075)	2,836,267	609,158	3,445,525
Reclassification of other comprehensive income	-	-	-	(1,244)	-	-	1,244	-	-	-
Recognized options granted	-	10,576	-	-	-	-	-	10,576	-	10,576
Payment of dividends to noncontrolling shareholders	-	-	-	-	-	-	-	-	(3,371)	(3,371)
Net income for the period	-	-	-	-	-	85,369	-	85,369	25,269	110,638
<b>Balances at March 31, 2015</b>	<b>1,977,276</b>	<b>33,161</b>	<b>98,107</b>	<b>772,492</b>	<b>(22,262)</b>	<b>85,369</b>	<b>(11,831)</b>	<b>2,932,312</b>	<b>631,056</b>	<b>3,563,368</b>
<b>Balances at December 31, 2015</b>	<b>1,980,214</b>	<b>44,909</b>	<b>138,124</b>	<b>1,334,217</b>	<b>(22,262)</b>	<b>-</b>	<b>4,050</b>	<b>3,479,252</b>	<b>749,987</b>	<b>4,229,239</b>
Capital increase	23	-	-	-	-	-	-	23	-	23
Payment of dividends to noncontrolling shareholders	-	-	-	-	-	-	-	-	(3,073)	(3,073)
Recognized options granted	-	3,162	-	-	-	-	-	3,162	-	3,162
Net income for the period	-	-	-	-	-	138,803	-	138,803	32,002	170,805
<b>Balances at March 31, 2016</b>	<b>1,980,237</b>	<b>48,071</b>	<b>138,124</b>	<b>1,334,217</b>	<b>(22,262)</b>	<b>138,803</b>	<b>4,050</b>	<b>3,621,240</b>	<b>778,916</b>	<b>4,400,156</b>

See accompanying notes.

# Equatorial Energia S.A.

## Cash flow statements - Indirect method Periods ended March 31, 2016 and 2015 (In thousands of reais)

	Company		Consolidated	
	03/31/2016	03/31/2015	03/31/2016	03/31/2015
<b>Cash flow from operating activities</b>				
Income for the period	138,803	85,369	170,805	110,638
<b>Non-cash expenses (income)</b>				
Depreciation and amortization	1,593	1,677	88,346	33,220
Equity pickup	(140,841)	(86,874)	(6,184)	(10,702)
Loss on disposal of intangible assets /property, plant and equipment	-	-	5,285	(31,719)
Monetary restatement of financial assets	-	-	(62,864)	(12,371)
Interest expense and exchange losses	-	-	(21,275)	290,472
Losses or gains on derivative financial instruments	-	-	133,450	(116,173)
Present value adjustment	121	-	8,606	-
Allowance for (reversal of) doubtful accounts and loss on uncollectible receivables	-	-	(44,980)	28,908
Provision for (reversal of) civil, tax and labor contingencies	-	-	(35,152)	12,022
Receivables relating to Tranche A and other financial items	-	-	31,861	(90,932)
Short-term investment yield	(7,426)	(8,295)	(83,004)	(45,727)
Deferred income and social contribution taxes	-	-	39,347	12,480
Current income and social contribution taxes	-	(3,476)	12,607	24,472
Share-based payment	3,162	10,576	3,162	10,576
Investment gain (loss)	-	-	-	-
Noncontrolling interest	-	-	-	(3,371)
Other	(10,133)	-	-	1,733
	(14,721)	(1,023)	240,010	213,526
<b>Changes in current and noncurrent asset accounts</b>				
Trade accounts receivable	-	-	92,556	(177,274)
Receivables relating to Tranche A and other financial items	-	-	-	426,382
Accounts receivable - tariff levels	-	-	5,542	(58,512)
Purchase of fuel (CCC)	-	-	52,430	6,156
Services requested	-	-	(11,354)	(11,580)
Judicial deposits	(189)	-	(5,991)	(5,161)
Inventories	-	-	49	(2,210)
Dividends receivable	1,507	1,691	-	-
Taxes and contributions recoverable	-	-	(10,240)	(1,141)
Income taxes recoverable	6,353	718	(9,757)	15,754
CCC subrogation	-	-	7,295	30,711
Other receivables	4,270	(10,731)	12,656	(16,425)
	11,941	(8,322)	133,186	206,700
<b>Changes in current and noncurrent liability accounts</b>				
Trade accounts payable	90	111	(112,513)	(176,954)
Payroll expenses	2,379	2,142	11,213	(7,560)
Taxes and contributions payable	2,585	1,578	(42,182)	(58,153)
Income taxes payable	(3,994)	4,307	(39,292)	(110,228)
Regulatory charges	-	-	(3,571)	-
Street lighting charge	-	-	40,389	(2,075)
Energy efficiency program	-	-	11,788	9,364
Profit sharing	(2,033)	(3,325)	(32,995)	(14,586)
Provision for civil, tax and labor contingencies	-	-	(10,139)	(5,936)
Interest paid	-	-	(34,514)	(29,466)
Income and social contribution taxes paid	-	-	31,143	69,360
In-court reorganization	-	-	-	(21,618)
Other accounts payable	4	(7)	(12,162)	48,400
	(969)	4,806	(192,835)	(299,452)
<b>Net cash used in operating activities</b>	(3,749)	(4,539)	180,361	120,774
<b>Investing activities</b>				
Acquisitions of property, plant, equipment and intangible assets	-	-	(283,634)	(303,305)
Acquisition/ Redemption of short-term investments	3,917	(18,373)	126,204	381,417
Dividends received	-	-	1,505	1,693
<b>Net cash used in investing activities</b>	3,917	(18,373)	(155,925)	79,805
<b>Financing activities</b>				
Loans and financing taken out	-	-	(131,093)	557,714
Repayment of loans and financing	-	-	(24,222)	(742,578)
Amortization of derivative financial instruments	-	-	141,225	69,440
Resource intended to increase capital	23	-	(3,050)	-
Dividends paid	-	-	(1,117)	3,221
<b>Net cash used in financing activities</b>	23	-	(18,257)	(112,203)
<b>Decrease in cash and cash equivalents</b>	191	(22,912)	6,179	88,376
<b>Statement of decrease in cash and cash equivalents</b>				
Cash and cash equivalents at beginning of period	9,035	23,226	397,866	280,098
Cash and cash equivalents at end of period	9,226	314	404,045	368,474
<b>Increase (decrease) in cash and cash equivalents</b>	191	(22,912)	6,179	88,376

See accompanying notes.

## Equatorial Energia S.A.

Statements of value added  
March 31, 2016 and 2015  
(In thousands of reais)

	Company		Consolidated	
	03/31/2016	03/31/2015	03/31/2016	03/31/2015
<b>Revenues</b>				
Sales of products and services	-	-	<b>2,194,916</b>	2,008,737
Construction revenue	-	-	<b>296,746</b>	270,316
Allowance for doubtful accounts and loss on uncollectible receivables	-	-	<b>(44,980)</b>	(28,908)
Provision for (reversal of) civil, tax and labor contingencies	-	-	<b>49,121</b>	(3,714)
Other operating (expenses)/income	<b>(690)</b>	(680)	<b>(12,917)</b>	(34,262)
	<b>(690)</b>	(680)	<b>2,482,886</b>	2,212,169
<b>Inputs acquired from third parties (including ICMS and IPI)</b>				
Cost of products, goods and services sold	-	-	<b>(1,202,608)</b>	(1,191,393)
Materials, energy, third-party services and other	<b>(531)</b>	(486)	<b>(166,902)</b>	(121,776)
Subvention – CCC	-	-	<b>(18,579)</b>	5,824
Selling expenses and other	-	-	<b>(590)</b>	-
	<b>(531)</b>	(486)	<b>(1,388,679)</b>	(1,307,345)
<b>Gross value added (used)</b>	<b>(1,221)</b>	(1,166)	<b>1,094,207</b>	904,824
<b>Depreciation and amortization</b>	<b>(2)</b>	-	<b>(86,753)</b>	(31,563)
<b>Net value added produced (applied) by the Company</b>	<b>(1,223)</b>	(1,166)	<b>1,007,454</b>	873,261
<b>Value added received in transfer</b>				
Financial income	<b>17,139</b>	23,345	<b>60,766</b>	(61,451)
Equity pickup	<b>140,841</b>	86,874	<b>6,184</b>	10,702
Amortization of concession right	<b>(1,593)</b>	(1,677)	<b>(1,593)</b>	(1,677)
	<b>156,387</b>	108,542	<b>65,357</b>	(52,426)
<b>Total value added to be distributed</b>	<b>155,164</b>	107,376	<b>1,072,811</b>	820,835
<b>Distribution of value added</b>				
<b>Employees</b>				
Direct compensation	<b>10,247</b>	16,659	<b>56,685</b>	67,434
Benefits	<b>263</b>	49	<b>14,454</b>	14,289
Unemployment Compensation Fund (FGTS)	<b>68</b>	31	<b>4,968</b>	3,832
Other	<b>2,691</b>	1,791	<b>14,371</b>	(1,587)
	<b>13,269</b>	18,530	<b>90,478</b>	83,968
<b>Taxes</b>				
Federal	<b>3,092</b>	3,477	<b>391,546</b>	252,822
State	-	-	<b>416,525</b>	371,160
Local	-	-	<b>1,133</b>	566
	<b>3,092</b>	3,477	<b>809,204</b>	624,548
<b>Debt remuneration</b>				
Rent	-	-	<b>2,324</b>	1,681
	-	-	<b>2,324</b>	1,681
<b>Equity remuneration</b>				
Income for the period	<b>138,803</b>	85,369	<b>138,803</b>	85,369
Noncontrolling interests in income for the period	-	-	<b>32,002</b>	25,269
	<b>138,803</b>	85,369	<b>170,805</b>	110,638
<b>Value added</b>	<b>155,164</b>	107,376	<b>1,072,811</b>	820,835

See accompanying notes.

## **Equatorial Energia S.A**

Notes to quarterly information (Continued)  
Periods ended March 31, 2016 and 2015  
(In thousands of reais, unless otherwise stated)

### **1 Operations**

Equatorial Energia S.A. (“Company” or “Equatorial”) a publicly-traded corporation is primarily engaged in holding interest in other companies, mainly with operations related to generation or distribution of electric energy. The Company has shares traded on BM&FBOVESPA under ticker “EQTL3” and has partaken in the New Market since 2008. The Company is headquartered at Alameda A, Quadra SQS, nº 100, Altos do Calhau, in the city of São Luís, Maranhão State.

On December 1, 2014, on the grounds of provisions of articles 61 and 63 of Law No. 11102/05 and the statement of the Administrator and Prosecution Office, the Pará State Court of Justice declared the in-court reorganization of the Company’s subsidiary CELPA as finalized; however, special conditions still apply for the debts agreed upon in-court reorganization. These obligations will be terminated upon their full settlement.

By means of Order No. 4621 of November 25, 2014, ANEEL approved a model of addendum to electric energy distribution service concession arrangements, the purpose of which is to ensure that the remaining balances of regulatory assets or liabilities relating to financial amounts to be calculated based on regulations predetermined by ANEEL, including those set forth after the most recent tariff change, will make up the amount of compensation to be received by the dealer in the event of the concession termination for any reason. Subsidiaries CEMAR and CELPA, under terms of legislation in force, entered into the referred to addendum on December 10, 2014.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 2 Subsidiaries and jointly-controlled subsidiaries

Equatorial has the following investments:

	Note	03/31/2016
CEMAR	a.	65.11%
Equatorial Soluções	b.	100.00%
CELPA	c.	96.50%
Geradora de energia do norte	d.	25.00%
Vila Velha	e.	50.00%
Equatorial Telecomunicações	f.	0.04%

- a. **Companhia Energética do Maranhão (“CEMAR”)**: A publicly-traded corporation primarily engaged in the distribution of electric energy. CEMAR’s concession area is Maranhão State, serving more than 2.2 million customers in an area of more than 333 thousand Km<sup>2</sup>. The electric energy distribution contract No. 060, executed by and between the Company, Brazil’s National Electric Energy Agency (ANEEL) and CEMAR, is effective until August 2030, with the possibility of being extended for further 30 years.
- b. **Equatorial Soluções S.A.**: Equatorial Soluções is a privately-held corporation, headquartered in the city of São Luís, Maranhão State, primarily engaged in: a) rendering of electric energy, telecommunication and data transmission services; b) electricity bill collection services on behalf and by order of third parties; and c) rendering of technical services related to the operation, maintenance and planning of third-party electric installations.
- c. **Centrais Elétricas do Pará S.A. (CELPA)**: A Brazilian publicly-traded company headquartered in the city of Belém, Pará State, engaged in the distribution and generation of electric energy in a concession area covering the entire Pará State with 1,248 thousand km<sup>2</sup>, serving 2.3 million consumers in 144 municipalities. The electric energy distribution service concession arrangement No. 182/1998, entered into between ANEEL and CELPA on July 28, 1998, is effective for a term of 30 years, renewable for another 30 years. In addition to said distribution contract, CELPA had Generation Concession Contract No. 181/1998 of 34 Thermoelectric Power Plants, of which 11 plants are company-owned and 23 plants are outsourced, for generation of electric energy for a term of 30 years, expiring on July 28, 2028, renewable for another 30 years. On March 15, 2011, SCG/ANEEL Official Letter No. 331/2011 extinguished the concession of the outsourced thermoelectric power plants, remaining the concession of those 11 owned thermoelectric power plants.
- d. **Geradora de Energia do Norte S.A.**: This is responsible for the implementation and operation of thermoelectric plants in Tocantinópolis and Nova Olinda, in the city of Miranda do Norte, state of Maranhão, with installed capacity of 330 MW, which provide electricity to the Brazilian National Interconnected System (SIN). On October 1, 2008, Equatorial acquired 25% of the Company’s capital stock. The consortium which controls the Company includes Equatorial Energia S.A. (25%), Fundo de Investimentos em Participações Brasil Energia (25%) and GNP S.A. (50%). GNP S.A. includes Servtec Investimentos e Participações Ltda. (50%) and Companhia Ligna de Investimentos (50%). Geradora de Energia do Norte S.A control is shared and governed by the Shareholders’ Agreement.
- e. **Vila Velha Termoeletricas Ltda.**: Still in pre-operating phase, this company is responsible for the implementation and operation of thermoelectric plants in the State of Espírito Santo. Equatorial Energia holds 50% of its capital. Geradora de Energia do Norte S.A control is shared and governed by the Shareholders’ Agreement.
- f. **Equatorial Telecomunicações Ltda.**: A private company headquartered in the city of São Luiz, Maranhão State (MA), engaged in providing telecommunications services, fixed telephony services, multimedia communications services, voice service providers on internet protocol and rendering telephone information services.

## **Equatorial Energia S.A**

Notes to quarterly information (Continued)  
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### **2 Subsidiaries and jointly-controlled subsidiaries (Continued)**

Subsidiaries CEMAR, CELPA and Equatorial Soluções hereinafter will be denominated only as “Subsidiaries”.

Geradora de Energia do Norte and Vila Velha are subsidiaries jointly-controlled by Equatorial Energia.

The reporting period of the interim financial statements of the subsidiaries included in the consolidation coincides with that of the Company, and accounting policies were consistently applied to consolidated companies and were consistent with those used in the prior year.

All intercompany balances and transactions were eliminated upon consolidation.

### **3 Preparation and presentation of interim financial statements**

The interim financial information for the period ended March 31, 2016 was prepared in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR).

This quarterly information was prepared based on accounting principles, practices and criteria consistent with those adopted in the preparation of the annual financial statements for the year ended December 31, 2015, described in Note 3 of the referred to statements, therefore, should be analyzed together with these interim financial statements.

The Group has adopted all pronouncements, revised pronouncements and interpretations issued by the Brazilian FASB (CPC) and IASB, which were effective at March 31, 2016.

Management authorized the issue of the interim financial statements on May 12, 2016.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 4 Cash and cash equivalents

	Company		Consolidated	
	03/31/2016	12/31/2015	03/31/2016	12/31/2015
Cash and banks	102	161	35,994	46,987
Cash equivalents	9,124	8,874	368,051	350,879
Total	9,226	9,035	404,045	397,866

Cash equivalents correspond to transactions with financial institutions that operate in the Brazilian financial market and have a low credit risk, are remunerated by rates corresponding to 102% of the Interbank Deposit Certificate (CDI), and are available for use in the Company and subsidiaries' operations, i.e., they are highly-liquid financial assets. These transactions mature within 3 months from date they are taken out and with repurchase agreement by issuer. The nature of the transactions is as follows:

#### Cash equivalents

	Company		Consolidated	
	03/31/2016	12/31/2015	03/31/2016	12/31/2015
Bank Deposit Certificates (CDB)	8,823	8,543	228,263	212,119
Debentures held under repurchase agreements	301	331	139,788	138,760
Total	9,124	8,874	368,051	350,879

### 5 Short-term investments

	Company		Consolidated	
	03/31/2016	12/31/2015	03/31/2016	12/31/2015
Investment funds (a)	226,554	223,045	2,032,363	2,080,520
Other	-	-	7,911	2,954
Total	226,554	223,045	2,040,274	2,083,474

(a) Investment funds represent low-risk transactions with first-tier financial institutions backed by Government Securities, repurchase agreements, debentures, Bank Deposit Certificates (CDB), among others in accordance with the investment policy of the Company and its subsidiaries, classified as held for trading.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended March 31, 2016 and 2015  
 (In thousands of reais, unless otherwise stated)

### 6 Trade accounts receivable (Consolidated)

	<b>Consolidated</b>	
	<b>03/31/2016</b>	<b>12/31/2015</b>
Accounts receivable from billed consumers	<b>1,379,764</b>	1,530,078
Accounts receivable from non-billed consumers	<b>203,250</b>	275,913
Debt receivable in installments	<b>730,153</b>	763,554
Low income consumers and "Viva luz" programs	<b>58,756</b>	61,475
Sale under Chamber for the Commercialization of Electric Power (CCEE)	<b>6,388</b>	6,388
Other	<b>86,518</b>	151,609
<b>Total</b>	<b>2,464,829</b>	2,789,017
(-) Allowance for doubtful accounts	<b>(257,582)</b>	(533,721)
<b>Total</b>	<b>2,207,247</b>	2,255,296
Total current	<b>1,860,017</b>	1,977,709
Total noncurrent	<b>347,230</b>	277,587

#### Allowance for doubtful accounts (CEMAR and CELPA)

	<b>12/31/2015</b>	<b>Provisions</b>	<b>Reversals</b>	<b>03/31/2016</b>
		<b>Additions</b>	<b>(Write-offs)</b>	
Accounts receivable from billed consumers	449,314	<b>159,296</b>	<b>(396,738)</b>	<b>211,872</b>
Receivables in installments	81,453	<b>51,593</b>	<b>(92,862)</b>	<b>40,184</b>
Electric Energy Sale Chamber (CCEE)	197	-	-	<b>197</b>
Services rendered to third parties	528	<b>7,919</b>	<b>(5,347)</b>	<b>3,100</b>
<b>Total current</b>	<b>531,492</b>	<b>218,808</b>	<b>(494,947)</b>	<b>255,353</b>
Checks for collection	2,229	-	-	<b>2,229</b>
Total noncurrent	2,229	-	-	<b>2,229</b>
<b>Total</b>	<b>533,721</b>	<b>218,808</b>	<b>(494,947)</b>	<b>257,582</b>

	<b>12/31/2014</b>	<b>Provisions</b>	<b>Reversals</b>	<b>12/31/2015</b>
		<b>Additions</b>	<b>(Write-offs)</b>	
Accounts receivable from billed consumers	313,145	176,977	(40,808)	449,314
Receivables in installments	52,619	68,070	(39,236)	81,453
Electric Energy Sale Chamber (CCEE)	197	-	-	197
Services rendered to third parties	528	-	-	528
<b>Total current</b>	<b>366,489</b>	<b>245,047</b>	<b>(80,044)</b>	<b>531,492</b>
Checks for collection	2,229	-	-	2,229
Total noncurrent	2,229	-	-	2,229
<b>Total</b>	<b>368,718</b>	<b>245,047</b>	<b>(80,044)</b>	<b>533,721</b>



## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended March 31, 2016 and 2015  
 (In thousands of reais, unless otherwise stated)

### 6 Trade accounts receivable (Consolidated) (Continued)

#### Allowance for doubtful accounts (CEMAR and CELPA) (Continued)

(a) Subsidiary CELPA reassessed consumer securities by maturity and identified a total amount of R\$298,130 overdue for more than 360 days. Accordingly, CELPA wrote off these securities, taking legally established deadlines into consideration. The referred to write-off did not impact P&L for the quarter since the written-off securities had been provisioned.

The allowance for doubtful accounts (ADA) is set up according to criteria defined considering management's best estimate, and considering General Guidance No. 6.3.2 of the Electric Energy Utility Accounting Manual, summarized as follows:

#### Consumers with substantial debts

Individual analysis of trade accounts receivable by consumption class, considered bad debts. For the 10 thousand major customers, whether with or without debts payable in installments, whose invoices are included in the allowance for doubtful accounts per consumption class, all other overdue or falling due invoices are recorded in the allowance for doubtful accounts.

For other cases, the following rule is applied:

- Residential consumers – overdue for more than 90 days;
- Commercial consumers – overdue for more than 180 days; and
- Industrial, rural, public government, street lighting, utility services and other consumers – overdue for more than 360 days.

The criteria aforementioned are also adopted for accounts receivable in tranches.

Balances overdue or falling due for billed supply of electric energy are as follows:

	Consolidated 03/31/2016			Total
	Falling due	Past due within 90 days	Past due over 90 days	
Residential	244,913	393,802	66,270	704,985
Industrial	74,606	42,594	46,688	163,888
Commercial	112,938	100,328	35,584	248,850
Rural	18,990	19,493	13,280	51,763
Public sector	34,440	40,801	32,425	107,666
Street lighting	5,482	24,495	4,805	34,782
Utility service	32,091	29,476	6,263	67,830
Billed supply (current and noncurrent)	523,460	650,989	205,315	1,379,764

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended March 31, 2016 and 2015  
 (In thousands of reais, unless otherwise stated)

### 6 Trade accounts receivable (Consolidated) (Continued)

#### Allowance for doubtful accounts (CEMAR and CELPA) (Continued)

	Consolidated 12/31/2015			
	Falling due	Past due within 90 days	Past due over 90 days	Total
Residential	329,726	278,349	232,585	840,660
Industrial	80,243	26,492	50,905	157,640
Commercial	156,209	66,433	39,551	262,193
Rural	18,921	13,891	28,651	61,463
Public sector	31,352	54,024	8,253	93,629
Street lighting	23,457	7,142	1,561	32,160
Utility service	14,105	55,371	12,857	82,333
Billed supply and receivables in installments (current and noncurrent)	654,013	501,702	374,363	1,530,078

#### Installments

	Consolidated 03/31/2016			
	Falling due	Past due within 90 days	Past due over 90 days	Total
Residential	387,180	40,397	32,822	460,399
Industrial	24,396	3,650	12,091	40,137
Commercial	58,506	7,518	7,680	73,704
Rural	17,484	2,350	4,780	24,614
Public sector	74,614	4,833	6,148	85,595
Street lighting	7,874	428	70	8,372
Utility service	33,989	1,941	1,402	37,332
Receivables in installments	604,043	61,117	64,993	730,153

	Consolidated 12/31/2015			
	Falling due	Past due within 90 days	Past due over 90 days	Total
Residential	382,629	28,971	64,066	475,666
Industrial	28,561	2,799	15,799	47,159
Commercial	61,476	5,239	15,119	81,834
Rural	18,087	1,705	4,970	24,762
Public sector	71,367	3,217	5,293	79,877
Street lighting	8,715	140	399	9,254
Utility service	18,264	1,009	1,083	20,356
Charged service – Novation	3,696	551	863	5,110
Other receivables – Novation	-	286	871	1,157
Novation	-	4,362	14,017	18,379
Receivables in installments	592,795	48,279	122,480	763,554

## **Equatorial Energia S.A**

Notes to quarterly information (Continued)  
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### **7 Accounts receivable – tariff levels**

Revenues related to the Tariff Flags System from January to March 2016 amounting to R\$106,256 and transfers of CCRBT amounting to R\$387 were recorded as early collection of amounts receivable arising from tranche A and other financial items, not impacting P&L of the Group for the period.

In January 2016, the red tariff flag was effective in the amount of R\$4,50 for each 100kWh. As from February 2016, the red tariff flag started to present two levels: R\$ 3.00 (level 1) and R\$ 4.50 (level 2), applied to each 100 kWh (kilowatt-hour) consumed. The yellow tariff flag value was also decreased and started to range from R\$2.50 to R\$1.50, applied to each 100kWh (and its fractions). For the first quarter of 2016, ANEEL approved the red tariff flag in January, red tariff flag level 1 in February and yellow tariff flag in March.

### **8 Purchase of fuel – Fuel Consumption Account (CCC)**

At March 31, 2016, subsidiary CELPA holds a fossil fuel consumption account (CCC) credit in the amount of R\$168,868 (R\$221,298 at December 31, 2015). These credits are recorded at historical value, and charges for delayed transfers were not recorded.

The fuel consumption account (CCC) was created by Decree No. 73102, of November 7, 1973, with the objective of sharing the fuel consumption costs for thermal power generation in the Isolated Systems, especially in the Northern Region of Brazil. The objective of Law No. 12111, of December 9, 2009, is to reimburse the electric energy generation costs from the Isolated Systems, including costs related to purchase of electric energy and power associated with plant's own generation to provide the public service of electricity distribution, charges of the electric energy sector and taxes, as well as investments made. Such reimbursement must occur through the fossil fuel consumption account (CCC).

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 9 Receivables relating to Tranche A and other financial items

	Consolidated			Consolidated		
	03/31/2016			12/31/2015		
	Current	Noncurrent	Total	Current	Noncurrent	Total
<i>Tranche A</i>						
Energy Development Account (CDE)	27,829	11,368	39,197	46,248	6,637	52,885
Alternative Electric Energy Sources Incentive Program (PROINFA)	451	8,095	8,546	814	-	814
Basic grid	8,554	3,529	12,083	12,320	819	13,139
Purchase of energy	147,725	65,148	212,873	218,658	30,470	249,128
System Service Charges (ESS)	(101,787)	(63,447)	(165,234)	(202,797)	(6,900)	(209,697)
	82,772	24,693	107,465	75,243	31,026	106,269
<i>Financial items</i>						
Energy overcontracting	(78,120)	(5,304)	(83,424)	(96,939)	(11,907)	(108,846)
Financial exposure	2,283	(19,887)	(17,604)	15,391	5,967	21,358
PIS/COFINS	(16,702)	-	(16,702)	(11,121)	-	(11,121)
Eletronuclear	3,888	-	3,888	6,763	-	6,763
Neutrality	(12,962)	(40,575)	(53,537)	(31,663)	(22,658)	(54,321)
Cepisa Violation of Continuity Limit	1,870	-	1,870	2,602	-	2,602
Other	731	(41,087)	(40,356)	(9,837)	(19,406)	(29,243)
Total	(99,012)	(106,853)	(205,865)	(124,804)	(48,004)	(172,808)
	(16,240)	(82,160)	(98,400)	(49,561)	(16,978)	(66,539)

Variation Offsetting Account of Parcel A amounts - CVA is the mechanism used to record cost variations related to the purchase of energy and regulatory charges, in the period between tariff adjustments and/or periodic reviews, to allow greater neutrality in the transfer of these variations to tariffs, where the concession operator records variations of these costs as regulatory assets and liabilities, as shown below:

	12/31/2015	Establishment	Restatement	Amortization	03/31/2016
<i>Tranche A</i>					
Energy Development Account (CDE)	52,885	(11,742)	2,577	(4,523)	39,197
Alternative Electric Energy Sources Incentive Program (PROINFA)	814	7,837	253	(358)	8,546
Basic grid	13,139	3,654	375	(5,085)	12,083
Purchase of energy (a)	249,128	99,162	9,400	(144,817)	212,873
System Service Charges (ESS) (b)	(209,697)	(10,151)	(5,683)	60,297	(165,234)
	106,269	88,760	6,922	(94,486)	107,465
<i>Financial items</i>					
Energy overcontracting (c)	(108,846)	(10,617)	(1,001)	37,040	(83,424)
Financial exposure 2014	21,358	(33,776)	(762)	(4,424)	(17,604)
PIS/COFINS (d)	(11,121)	(5,581)	-	-	(16,702)
Eletronuclear	6,763	-	-	(2,875)	3,888
Neutrality	(54,321)	394	(1,661)	2,051	(53,537)
Cepisa Violation of Continuity Limit	2,602	-	-	(732)	1,870
Other	(29,243)	(8,418)	-	(2,695)	(40,356)
	(172,808)	(57,998)	(3,424)	28,365	(205,865)
Total	(66,539)	30,762	3,498	(66,121)	(98,400)

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 9 Receivables relating to Tranche A and other financial items (Continued)

- (a) Administrative Ruling of the Ministry of Finance and Ministry of Mines and Energy No. 25 of January 24, 2002, established the variation offsetting account of "Tranche A" amounts (CVA), for the purpose of recording cost variations, whether negative or positive, for the period between annual tariff adjustments, related to the items provided for in the electric energy distribution service concession arrangements to allow greater neutrality in the transfer of these variations to tariffs. The variations are determined through the difference between expenses actually incurred and expenses estimated upon setup of the tariff on annual tariff adjustments. The amounts considered in the CVA are restated at the SELIC rate.
- (b) Charges paid to agents in the electrical system related to the activation of thermal energy plants to save reservoirs, of dispatch of thermal energy plants in the system due to transmission constraint between the submarkets, whereupon it receives for the generation up to the price of PLD and above that the cost is paid by the charge in proportion to the charge of each agent.
- (c) Decree No. 5163 of July 30, 2004, article 38, states that upon transferring electricity acquisition costs to the tariffs for end consumers, ANEEL shall consider up to 105% of the total amount of electricity contracted in relation to the annual supply of the distribution agent. This transfer was regulated by ANEEL Resolution No. 255 of March 6, 2007. The electricity distribution companies are required to ensure 100% of its energy market through contracts approved, registered and ratified by ANEEL, and also to ensure the transfer to tariffs of costs or income derived from electricity surplus and deficit, limited to 3% of the load requirement. The Energy Overcontracting refers to calculation of the transfers of power purchase costs of the tranche up to 5% of the Distribution Agent load requirement.
- (d) According to the energy distribution companies system, as provided for in Technical Note 115/2005-SFF/SRE/ANEEL, the effective Contribution Tax on Gross Revenue for Social Integration Program (PIS)/Contribution Tax on Gross Revenue for Social Security Financing (COFINS) rate calculated for the month is applied in the second subsequent month. The difference identified between the amounts computed and those effectively charged from consumers are recognized as liabilities or regulatory assets, according to the impact caused. In December 2014, this difference originated an amount to be paid by consumers, which was transferred in January 2015. For 2015, this difference originated a return to the consumer, to be transferred in 2016.

Annually in August, ANEEL calculates the new tariff adjustment index of subsidiaries CEMAR and CELPA, adjusting their Tranche A expenses (non-manageable costs, such as purchase of energy, transmission and sector-related charges).

In this process, CVAs recorded by subsidiaries are audited and determined, and the difference between the value determined by the Group and the one granted by ANEEL for the same period must be written off. The financial components in the tariff adjustment granted in the prior year shall have their balances written off, whether positive or negative, since they may only be amortized in 12 months after the adjustment.

## Equatorial Energia S.A

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### 9 Receivables relating to Tranche A and other financial items (Continued)

	12/31/2014	Establishment	Write off/tariff adjustment	Restatement	Amortization	12/31/2015
<b>Tranche A</b>						
Energy Development Account (CDE)	2,575	66,851	(9,241)	7,748	(15,048)	52,885
Alternative Electric Energy Sources Incentive Program (PROINFA)	1,475	1,168	(4)	174	(1,999)	814
Basic grid	19,631	5,914	327	2,294	(15,027)	13,139
Purchase of energy (a)	556,205	(148,029)	209,293	59,968	(428,309)	249,128
System Service Charges (ESS) (b)	(180,821)	(155,596)	22,477	(26,887)	131,130	(209,697)
	<u>399,065</u>	<u>(229,692)</u>	<u>222,852</u>	<u>43,297</u>	<u>(329,253)</u>	<u>106,269</u>
<b>Financial items</b>						
Energy overcontracting (c)	263,132	(154,809)	(219,738)	4,547	(1,978)	(108,846)
Financial exposure – 2014	(9,504)	26,910	2,940	1,817	(805)	21,358
PIS/COFINS (d)	61,169	(11,121)	(61,169)	-	-	(11,121)
Eletronuclear	17,938	-	9,822	-	(20,997)	6,763
Continuity limit	(1,017)	-	113	-	904	-
Neutrality	(11,412)	(49,376)	(7,209)	-	13,676	(54,321)
CEPISA Violation of Continuity Limit	1,090	1,824	(359)	47	-	2,602
Other	1,995	(28,802)	(1,126)	-	(1,310)	(29,243)
	<u>323,391</u>	<u>(215,374)</u>	<u>(276,726)</u>	<u>6,411</u>	<u>(10,510)</u>	<u>(172,808)</u>
<b>Total</b>	<u>722,456</u>	<u>(445,066)</u>	<u>(53,874)</u>	<u>49,708</u>	<u>(339,763)</u>	<u>(66,539)</u>

### 10 Taxes recoverable

Current and noncurrent balances arising from amounts legally withheld or prepaid are as follows:

#### 10.1 Taxes and contributions recoverable

	Consolidated	
	03/31/2016	12/31/2015
<b>Current taxes</b>		
Contribution Tax on Gross Revenue for Social Integration Program (PIS)/Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	741	1,205
State VAT (ICMS)	32,627	35,138
Special Tax Installment Payment Plan (PAEX) recoverable	41,459	40,798
Social charges and other	2,504	1,323
Other	16,666	16,410
<b>Total</b>	<u>93,997</u>	<u>94,874</u>
<b>Noncurrent taxes</b>		
State VAT (ICMS)	96,361	85,263
Social Security Funding Tax (FINSOCIAL)	2,266	2,247
Other	723	723
<b>Total</b>	<u>99,350</u>	<u>88,233</u>

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended March 31, 2016 and 2015  
 (In thousands of reais, unless otherwise stated)

### 10 Taxes recoverable (Continued)

#### 10.2 Income taxes recoverable

	<b>Consolidated</b>	
	<b>03/31/2016</b>	<b>12/31/2015</b>
Current taxes		
Withholding Income Tax (IRRF) on short-term investments	<b>71,236</b>	55,450
Prepaid of IRPJ and CSLL	<b>9,502</b>	21,943
IRPJ/CSLL recoverable	<b>37,340</b>	32,315
IRPJ and CSLL withheld at source	<b>8,024</b>	7,075
	<b>126,102</b>	116,783
Noncurrent taxes		
IRPJ and CSLL refundable	<b>40,099</b>	39,661
	<b>40,099</b>	39,661

### 11 Related parties

The main asset and liability balances at March 31, 2016, as well as the transactions that affected net income for periods ended December 31, 2015 and 2014, related to operations with related parties result from Company transactions with its subsidiaries, shareholders and their related parties, key management professionals (CEO and directors) and other related parties, according to CVM Rule No. 560, dated December 11, 2008, which approved CPC 05 – Disclosure of Related Parties.

#### Company

<b>Companies</b>	<b>Ref.</b>	<b>Nature of transaction</b>	<b>03/31/2016</b>			<b>12/31/2015</b>		<b>03/31/2015</b>
			<b>Assets</b>	<b>Liabilities</b>	<b>Income/Expenses</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Income/Expenses</b>
CEMAR	(a)	Sharing agreement	-	(237)	-	-	(212)	-
		Dividends	<b>44,696</b>	-	-	44,696	-	-
CELPA	(b)	Intercompany loan agreement	<b>102,307</b>	-	<b>3,659</b>	102,464	-	-
		Credit assignment	<b>212,647</b>	-	<b>6,472</b>	200,401	-	-
		Dividends	<b>16,758</b>	-	-	16,758	-	-
Equatorial Soluções	(c)	Dividends	<b>6,353</b>	-	-	6,353	-	-

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended March 31, 2016 and 2015  
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### 11 Related parties (Continued)

#### Consolidated

Companies	Ref.	Nature of transaction	03/31/2016			12/31/2015		03/31/2015
			Assets	Liabilities	Income/Expenses	Assets	Liabilities	Income/Expenses
ELETROBRÁS	(d)	Loans	-	(300,642)	-	-	(313,001)	-
		Dividends	-	(23,032)	-	-	(23,032)	-
FASCEMAR	(e)	Private pension plan	-	-	634	-	-	767
GERAMAR	(f)	Electric energy purchase	-	-	-	-	-	1,485

- (a) Companhia Energética do Maranhão - CEMAR ("Company") - Publicly-held company that holds a concession for electric energy distribution and is engaged in activities related to electric energy services. Amounts between subsidiary CEMAR and the Company arise from a human resource, administrative expenses and cost sharing agreement for an indefinite term, and from dividends receivable.
- (b) Centrais Elétricas do Pará (CELPA) - Brazilian publicly-traded company headquartered in the city of Belém, Pará State, is engaged in the distribution and generation of electric energy in a concession area covering the entire Pará State with 1,248 thousand km<sup>2</sup>, serving 2.1 million consumers in 144 municipalities. The electric energy distribution service concession arrangement No. 182/1998, entered into between ANEEL and CELPA on July 28, 1998, is effective for a term of 30 years, renewable for another 30 years. Amounts with CELPA arise from the direct or indirect acquisition and negotiation of credits under the in-court reorganization of this subsidiary, which are owed to the following creditors: BNDES, Banco Bradesco, Banco Itaú BBA / Unibanco, BIC Banco, Banco Merrill Lynch and Banco Société Générale. This balance shall be amortized in 10 equal annual installments, the first maturity of which on September 30, 2034 and last maturity date on September 30, 2043.
- (c) Equatorial Soluções – Privately-held company primarily engaged in the rendering of services for the electric energy, telecommunications and data transmission business. Amounts with Equatorial Soluções arise from a sharing agreement concerning human resources, administrative expenses and apportionment of the respective expenses incurred with subsidiary CEMAR, effective indefinitely.
- (d) Eletrobrás – Publicly-traded company primarily engaged in conducting studies and projects, building and operating generating plants, transmission lines, and distributing electric energy. Eletrobrás is a shareholder of subsidiary CEMAR. Amounts with Eletrobrás refer to dividends payable and loan agreements granted to subsidiary CEMAR. Loan agreements with Eletrobrás arise from financing lines specific to the Electric Energy Industry and conditions thereunder are the same as those adopted with other electric energy distribution companies in Brazil.
- (e) FASCEMAR - Supplementary Pension Foundation is organized as a privately-held private pension entity, and is mainly engaged in managing social security benefit plans. Amounts with FASCEMAR result from contributions of sponsor CEMAR to its Private Pension Foundation.
- (f) GERAMAR – Company in charge of implementing and operating Tocantinópolis and Nova Olinda thermoelectric plants, in the city of Miranda do Norte, Maranhão State. Amounts with Geradora de Energia do Norte S.A. ("GERAMAR") arise from electric energy purchase agreement (Electric Power Purchase Agreements in the Regulated Market - CCEAR) No. 5555/2007 - 29413N - 29414N entered into with subsidiary CEMAR, effective through 2024, executed on an arm's length basis.

#### Key management personnel compensation

Global annual compensation of the Company's Board of Directors and Executive Board members were set at R\$14,500, as decided at the Annual General Meeting held on April 15, 2016.

The percentage represented by each element in total management fees for the period ended March 31, 2016 is as follows:

Board of Directors	
Fixed compensation:	100%
Executive Board	
Fixed compensation:	34%
Variable compensation:	1%
Share-based compensation:	65%



## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended March 31, 2016 and 2015  
 (In thousands of reais, unless otherwise stated)

### 11 Related parties (Continued)

#### Key management personnel compensation (Continued)

Compensation of Board of Directors and Executive Board paid by the Company in the period:

	Board of Directors	Statutory Board	Total
Number of members	7	7	14
Annual fixed compensation	360	514	874
Salary or management fees	360	510	870
Direct and indirect benefits	-	4	4
Variable compensation:	-	-	-
Bonus	-	1,078	1,078
Post-employment benefits	-	4	4
Share-based compensation	-	1,074	1,074
Total compensation by body	360	1,592	1,952

#### Guarantees

The Company provides either collateral signatures or guarantees for subsidiaries CEMAR and CELPA, with no charges, for the following agreements:

#### CEMAR:

Institution	Financing amount	% Guaranteed	Beginning (dd/mm/yy)	Ending (dd/mm/yy)	Amount released	03/31/2016
Government Agency for Machinery and Equipment Financing – FINAME PSI (Simplified)	776	100	25/03/2010	15/10/2019	776	1,341
Government Agency for Machinery and Equipment Financing – FINAME PSI (Conventional)	17,262	100	17/08/2010	15/04/2020	17,262	8,896
Banco do Brasil - CCB Nº 21/00003-4	90,000	100	19/12/2014	11/04/2018	90,000	96,114
Banco do Brasil - CCB Nº 20/02000-7	150,000	100	19/12/2014	12/06/2018	150,000	156,334
Banco do Brasil - CCB Nº 20/02002-3	40,000	100	19/12/2014	15/06/2018	40,000	41,665
Banco do Brasil - CCB Nº 2100010-7	20,000	100	19/12/2014	03/12/2017	20,000	23,743
National Bank for Economic and Social Development - BNDES (11.2.0841.1)	175,237	100	11/11/2011	15/11/2021	175,237	65,458
National Bank for Economic and Social Development - BNDES (12.2.1211.1)	466,645	100	13/12/2012	15/12/2022	466,645	385,243
National Bank for Economic and Social Development - BNDES (14.2.1233.1)	141,709	100	30/12/2014	15/03/2024	141,709	148,434
Banco do Nordeste do Brasil - BNB	136,076	100	23/11/2005	28/02/2017	136,076	4,621
Banco do Nordeste do Brasil - BNB (193.2008.2808.3018)	144,939	100	05/02/2009	05/02/2021	144,939	89,693
Caixa Econômica Federal - Agreement Nº 415.866-52/2013 – FINISA	25,763	100	04/10/2013	07/10/2025	25,763	26,769
Study and Project Financing Institution - FINEP	7,956	100	07/11/2011	15/03/2020	7,956	4,495
International Finance Corporation – IFC *	135,056	50	01/02/2008	15/01/2016	135,056	-
<b>Total</b>	<b>1,551,419</b>				<b>1,551,419</b>	<b>1,052,806</b>

# Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended March 31, 2016 and 2015  
 (In thousands of reais, unless otherwise stated)

## 11 Related parties (Continued)

### Guarantees (Continued)

#### CELPA:

INSTITUTION	FINANCING AMOUNT	% GUARANTEED	BEGINNING (DD/MM/YY)	ENDING (DD/MM/YY)	AMOUNT RELEASED	03/31/2016
Banco Interamericano de Desenvolvimento (RJ)	121,095	100	01/09/2012	31/08/2026	121,095	256,796
Banco IBM (Working capital)	11,700	100	22/01/2014	24/07/2017	11,700	5,726
Banco IBM (Working capital)	10,000	100	19/09/2014	19/03/2018	10,000	6,930
Banco Guanabara - (Working capital CCB)	8,114	100	20/10/2014	22/10/2018	8,114	5,262
Banco IBM (Working capital)	22,900	100	31/12/2014	30/06/2018	22,900	17,214
BNDES (Financing)	498,073	100	26/12/2014	15/05/2024	407,150	384,925
BNDES (Financing)	863,191	100	27/12/2015	15/03/2024	200,000	203,930
Banco Itaú (Working capital CCBI)- US\$69MM	200,000	100	25/02/2015	24/02/2017	200,000	247,894
Banco CitiBank (Working capital CCBI) – US\$ 112MM	455,520	100	20/01/2016	01/02/2019	455,520	402,909
Banco IBM (Working capital)	22,900	100	03/07/2015	03/01/2019	22,900	20,585
Banco Santander	85,000	100	12/08/2015	08/08/2016	85,000	88,699
Austral Seguradora (Auction guarantee 006/2013 - 48500.002921/2013-25)	122	100	01/10/2014	01/04/2016	N/A	N/A
Austral Seguradora (Auction guarantee 10/2013 - A-5)	361	100	02/10/2014	02/04/2016	N/A	N/A
Austral Seguradora (Energy Purchase Guarantee - Auction 006/2014 – 20th LEE)	341	100	18/11/2014	18/11/2016	N/A	N/A
Austral Seguradora (Judicial guarantee insurance – Oscar Dias)	410	100	27/08/2015	27/08/2017	N/A	N/A
Austral Seguradora (Judicial guarantee insurance – Process No. 0001146-69.2013.5.08.0003)	471	100	16/11/2015	16/11/2017	N/A	N/A
Austral Seguradora (Judicial guarantee insurance – Tax Collection Court – PGFN)	1,114	100	23/11/2015	23/11/2020	N/A	N/A
Austral Seguradora (Energy Purchase Guarantee – 15th LEE)	423	100	02/12/2015	02/06/2016	N/A	N/A
Austral Seguradora (Judicial guarantee insurance - Process No. 0000239-31.2007.8.14.0054)	350	100	11/12/2015	11/12/2017	N/A	N/A
Austral Seguradora (Judicial guarantee insurance - Process No. 0000851-74.2014.5.08.0107)	200	100	18/01/2016	18/01/2018	N/A	N/A
Austral Seguradora (Judicial guarantee insurance - AI No. 001/2012 e 002/2012)	24,792	100	18/01/2016	18/01/2021	N/A	N/A
Austral Seguradora (Judicial guarantee insurance - Process No. 0000474-07.2005.814.0005)	1,372	100	23/03/2016	23/03/2019	N/A	N/A
Austral Seguradora (Judicial guarantee insurance - Process No. 0019743-82.2012.814.0301)	3,400	100	06/04/2016	06/04/2017	N/A	N/A
Austral Seguradora (Judicial guarantee insurance - Process No. 0002876-91.2000.8.14.0028)	1,397	100	14/04/2016	14/04/2019	N/A	N/A
Austral Seguradora (Judicial guarantee insurance - Process No. 0000197-87.2006.814.0070)	1,917	100	18/04/2016	18/04/2019	N/A	N/A
Austral Seguradora (Judicial guarantee insurance – Insured PINE)	36,467	100	09/09/2015	09/09/2016	N/A	N/A
Austral Seguradora (Judicial guarantee insurance – Insured STIUPA)	25,175	100	10/11/2014	09/11/2019	N/A	N/A
Austral Seguradora (Judicial guarantee insurance - AI: 032809-A – ICMBio)	66	100	10/08/2015	10/05/2018	N/A	N/A
Austral Seguradora (Judicial guarantee insurance - Process No. 001.2012.908.134-3 – 3rd Tax Collection Court of Belém/PA)	4,418	100	13/01/2015	13/01/2020	N/A	N/A
Austral Seguradora (Judicial guarantee insurance - Process No. 001.2012.923.686-3 – 3rd Tax Collection Court of Belém/PA)	78	100	13/01/2015	13/01/2020	N/A	N/A
Austral Seguradora (Judicial guarantee insurance - Process No. 1575-70.2012.5.08.0003)	677	100	02/02/2015	29/01/2017	N/A	N/A
Austral Seguradora (Judicial guarantee insurance - Process No. 0000578-90.1997.814.0301)	1,315	100	09/07/2015	09/07/2018	N/A	N/A
Austral Seguradora (Energy Purchase Guarantee - Auction 02/2015)	283	100	31/12/2015	31/12/2016	N/A	N/A
Austral Seguradora (Judicial guarantee insurance - Process No. 0009689-93.2014.8.14.0040 Tax Collection Court of Parauapebas)	18	100	15/05/2015	15/05/2020	N/A	N/A
Austral Seguradora (Judicial guarantee insurance - Process No. 0000587-05.2015.08.0016 - 17ª Labor Court of Belém/PA)	2,474	100	21/05/2015	21/05/2017	N/A	N/A
Austral Seguradora (Judicial guarantee insurance - Process No. 0001007-41.2014.08.0017 - 17ª Labor Court of Belém/PA)	1,028	100	02/06/2015	02/06/2017	N/A	N/A
<b>Total</b>	<b>2,407,162</b>				<b>1,544,379</b>	<b>1,640,870</b>

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 12 CCC Subrogation

In accordance with ANEEL Resolution No. 784 of December 24, 2002, and ANEEL Authorizing Resolution No. 1999 of July 7, 2009, as amended by ANEEL Authorizing Resolution No. 3405 of March 27, 2012, the Company became eligible to receive the subsidies from the fossil fuel consumption account (CCC) subrogation, for the implementation of the project for connecting isolated municipalities to the National Interconnected System (SIN).

ANEEL Order No. 4722 of December 18, 2009 provides for accounting for subsidies in items 53 and 54. According to said Order, all amounts received or approved must be recorded within the group of accounts "223 – Special Obligations Related to Public Electricity Service Concession".

The investment amount recognized and approved by ANEEL amounts to R\$465,198 for connecting the Marajó island, divided into two different phases, the first of which amounts to R\$184,660 and the second one to R\$280,538. For connecting the municipality of Oriximiná and Óbidos, the total amount approved is R\$22,374.

Of the total amount invested for subrogation on the Marajó Island, R\$182,493 (R\$163,912 at December 31, 2015) has already been transferred to the Company, remaining a balance receivable of R\$282,705 (R\$348,129 at December 31, 2015) and R\$22,374 related to connecting the municipalities of Oriximiná and Óbidos.

<b>Program</b>	<b>Balance at 12/31/2015</b>	<b>Transfers to projects</b>	<b>Portion received</b>	<b>Restatement IGPM</b>	<b>Balance at 03/31/2016</b>
Subrogation - Marajó island	43,450	9,292	(18,581)	1,994	36,155
Subrogation - Oriximiná and Óbidos	22,374	-	-	-	22,374
<b>Total</b>	<b>65,824</b>	<b>9,292</b>	<b>(18,581)</b>	<b>1,994</b>	<b>58,529</b>

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 13 Other receivables

	Company		Consolidated	
	03/31/2016	12/31/2015	03/31/2016	12/31/2015
Current				
Amounts recoverable from employees	-	-	1,936	1,985
Advances to suppliers	-	-	6,683	5,058
Disposal of assets and rights	-	-	4,497	5,437
Credits - electric power refund	-	-	1,558	3,262
Credits in electric power bills	-	-	6,173	5,264
Prepaid expenses	-	-	5,208	10,271
Other receivables	1,240	1,228	26,532	27,415
Total	1,240	1,228	52,587	58,692
Noncurrent				
Amounts to be released (a)	-	-	16,140	16,140
Assets pledged as collateral (b)	-	-	58,827	65,376
Loan transferred to CELPA	308,594	302,865	-	-
Other receivables	-	-	4,614	4,616
Total	308,594	302,865	79,581	86,132

- (a) This refers to the balance of parent company CELPA of Banco Daycoval in the amount of R\$16,140, blocked as a result of the renegotiated loan agreements through the In-court Reorganization Plan.
- (b) This refers to subsidiary CELPA balance in compliance with contractual requirements of Mid and Long-term Debt (DMLPs) agreement with the National Treasury (STN). Discount Bond and Par Bond are maintained as guarantees in the form of cash collateral with the National Treasury (STN) to amortize the principal of these loans, maturing on April 15, 2024.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 14 Concession related financial assets (Consolidated)

These refer to the portion of investments made by subsidiaries CEMAR and CELPA not amortized by the end of the concession term, and classified as financial asset for being an unconditional right to receive cash or other financial assets directly from the granting authority pursuant to Technical Interpretations ICPC 01 - (R1) Service Concession Arrangements and ICPC 17 - Service Concession Arrangements: Evidence, and Technical Guidance OCPC 05 - Service Concession Arrangements. This portion of infrastructure classified as financial assets is remunerated using the so-called regulatory Weighted Average Cost of Capital (WACC), which consists in investment yield and is monthly included in customer tariffs:

	12/31/2015	Restatement of financial asset (a)	Capitalizatio n	Divestitures	03/31/2016
Financial asset	3,176,346	88,496	9,878	(575)	3,274,145
Special obligations (b)	(947,415)	(25,632)	2,884	-	(970,163)
Financial asset	2,228,931	62,864	12,762	(575)	2,303,982

	12/31/2014	Reclassification	Restatement of financial asset (a)	Capitalization	VNR adjustment (c)	Divestitures	12/31/2015
Financial asset	2,381,757	26,416	249,403	561,731	(32,876)	(10,085)	3,176,346
Special obligations (b)	(815,784)	-	(98,197)	(47,364)	(61)	13,991	(947,415)
Financial asset	1,565,973	26,416	151,206	514,367	(32,937)	3,906	2,228,931

The concession of subsidiaries CEMAR and CELPA is free of charge, i.e., does not involve fixed financial obligations and payments to the granting authority.

- (a) Provisional Executive Order No. 579 was published on September 11, 2012 to rule on the time extension and bidding processes for electric energy generation, transmission and distribution concessions, on the decrease in sector-related charges, reasonably priced tariffs, and other provisions. This Provisional Executive Order was signed into Law No. 12783 on January 11, 2013.

In accordance with this legal provision, the calculation of the value of investments linked to reversible goods, still not amortized or depreciated, for indemnification purposes, must use the new replacement value method, pursuant to the criteria defined in a regulation of the granting authority.

- (b) These refer substantially to funds obtained from the Federal, State and Local government as well as from consumers, linked to investments to be made in the concession of electric utility services.

Special obligations are calculated based on the interest of the source from which the funds are obtained, to wit:

- Funds obtained from the Federal government are calculated at the percentage established by contract; and
- The other funds fall into the criteria set out in Aneel Resolution No. 414/2010.

This refers to adjustment of financial liabilities related to VNR as a result of the tariff review approval for subsidiary CELPA as provided for in Order No. 2441 of July 29, 2015.

## Equatorial Energia S.A

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### 15 Investments

Significant information on investments in subsidiaries and jointly-controlled subsidiaries is as follows:

		Company		Consolidated	
		03/31/2016	12/31/2015	03/31/2016	12/31/2015
Accounted for under the equity method:					
CEMAR	65.11%	1,515,752	1,467,879	-	-
CELPA	96.50%	1,552,452	1,470,032	-	-
Geramar	25.00%	79,960	75,282	79,960	75,282
Vila Velha	50.00%	3,300	3,300	3,300	3,300
Equatorial Soluções	100.00%	32,398	29,627	-	-
Subtotal		3,183,862	3,046,120	83,260	78,582
Other investments		-	-	10,100	10,064
Total		3,183,862	3,046,120	93,360	88,646

#### Changes in investments in subsidiaries and jointly-controlled subsidiaries

	CEMAR	CELPA	Geramar	Vila Velha	Equatorial Soluções	Total
Balance at December 31, 2015	1,467,879	1,470,032	75,282	3,300	29,627	3,046,120
Payment of dividends	-	-	(1,506)	-	-	(1,506)
Equity pickup	49,466	82,420	6,184	-	2,771	140,841
Amortization of concession right	(1,593)	-	-	-	-	(1,593)
Purchase Price Adjustment (PPA) – CELPA	-	-	-	-	-	-
Balance at March 31, 2016	1,515,752	1,552,452	79,960	3,300	32,398	3,183,862

	CEMAR	CELPA	Geramar	Vila Velha	Equatorial Soluções	Total
Balance at December 31, 2014	1,282,696	391,262	66,879	3,300	24,793	1,768,930
Capital increase	-	588,417	-	-	-	588,417
Minimum dividends	(44,977)	(16,759)	(23,018)	-	(1,505)	(86,259)
Equity pickup	236,867	500,452	31,421	-	6,339	775,079
Amortization of concession right	(6,707)	-	-	-	-	(6,707)
Purchase Price Adjustment (PPA) – CELPA	-	24	-	-	-	24
Other comprehensive income (loss)	-	15,881	-	-	-	15,881
Investment gain (loss)	-	(9,245)	-	-	-	(9,245)
Balance at December 31, 2015	1,467,879	1,470,032	75,282	3,300	29,627	3,046,120

- (a) This refers to capital contributed through intercompany loans entered into with subsidiary CELPA maturing within 24 months and final maturity on May 2, 2016, together with the amounts of Future Capital Increase derived from the obligation assumed in the In-court Reorganization Plan and ANEEL Transition Plan.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 15 Investments (Continued)

Subsidiaries	2016							Total investments
	Interest held in capital	Subsidiary's equity	Income	Adjustment to income (loss):	Equity pickup	Investment value	Goodwill/PPA	
CEMAR	65.11%	2,024,250	75,976	-	49,466	1,317,963	197,789	1,515,752
CELPA	96.50%	1,888,117	43,147	40,783	41,637	1,822,018	(269,566)	1,552,452
Geramar	25.00%	280,729	24,644	24	6,160	70,182	9,778	79,960
Vila Velha	50.00%	6,600	-	-	-	3,300	-	3,300
Equatorial Soluções	100.00%	32,398	2,771	-	2,771	32,398	-	32,398
		4,232,094	146,538	40,807	100,034	3,245,861	(61,999)	3,183,862

### 16 Intangible assets (Consolidated)

Breakdown of intangible assets is as follows:

	Weighted average annual depreciation rates (%)	03/31/2016			
		Cost	Amortization	(-) Concession-related obligations	
				Net amount	
In operation	4.30%	8,735,076	(3,489,902)	(1,720,834)	3,524,340
In progress		1,114,651	-	(534,413)	580,238
Service concession agreement		291,810	(94,020)		197,790
Total		10,141,537	(3,583,922)	(2,255,247)	4,302,368

	Weighted average annual depreciation rates (%)	12/31/2015			
		Cost	Amortization	(-) Concession-related obligations	
				Net amount	
In operation	4.11%	8,720,104	(3,376,024)	(1,731,111)	3,612,969
In progress		852,623	-	(540,336)	312,287
Service concession agreement		291,810	(92,426)	-	199,384
Total		9,864,537	(3,468,450)	(2,271,447)	4,124,640

Intangible assets comprise the use right of assets related to the service concession arrangement of subsidiaries CEMAR and CELPA, amortizable until August 2030 and July 2028, respectively, in accordance with ICPC 01.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 16 Intangible assets (Consolidated) (Continued)

Changes in intangible assets are as follows:

	12/31/2015	Additions	Write-offs	Capitalization (ii)	03/31/2016
In operation	8,720,104	36	(9,904)	24,840	8,735,076
(-) Amortization	(3,376,024)	(119,037)	5,159	-	(3,489,902)
Total in operation	5,344,080	(119,001)	(4,745)	24,840	5,245,174
In progress	852,623	296,746	-	(34,718)	1,114,651
Total	852,623	296,746	-	(34,718)	1,114,651
Special obligations (i)	(2,942,915)	(13,242)	-	(2,884)	(2,959,041)
(-) Amortization	671,468	32,326	-	-	703,794
Total special obligations	(2,271,447)	19,084	-	(2,884)	(2,255,247)
Concession rights	291,810	-	-	-	291,810
(-) Amortization	(92,426)	(1,594)	-	-	(94,020)
Total concession rights	199,384	(1,594)	-	-	197,790
Total	4,124,640	195,235	(4,745)	(12,762)	4,302,368

	12/31/2014	Reclassification	Additions	Write-offs	Capitalization (ii)	12/31/2015
In operation	8,149,113	(29,331)	48	(189,049)	789,323	8,720,104
(-) Amortization	(3,037,353)	-	(472,175)	133,504	-	(3,376,024)
Total in operation	5,111,760	(29,331)	(472,127)	(55,545)	789,323	5,344,080
In progress	1,125,332	-	1,120,248	(41,903)	(1,351,054)	852,623
Total	1,125,332	-	1,120,248	(41,903)	(1,351,054)	852,623
Special obligations (i)	(2,738,345)	-	(307,959)	56,025	47,364	(2,942,915)
(-) Amortization	512,681	-	158,787	-	-	671,468
Total special obligations	(2,225,664)	-	(149,172)	56,025	47,364	(2,271,447)
Concession rights	291,810	-	-	-	-	291,810
(-) Amortization	(85,719)	-	(6,707)	-	-	(92,426)
Total concession rights	206,091	-	(6,707)	-	-	199,384
Total	4,217,519	(29,331)	492,242	(41,423)	(514,367)	4,124,640

- i. Special obligations substantially represent funds from the Federal, State and Municipality governments and participation of consumers linked to investments in the concession of electric energy public service.
- ii. Capitalizations correspond to the transfers from intangible assets in progress to intangible assets in operation and service concession-related financial asset.



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Notes to quarterly information (Continued)  
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### 17 Trade accounts payable (Consolidated)

	Company		Consolidated	
	03/31/2016	12/31/2015	03/31/2016	12/31/2015
Electric energy supply	-	-	375,639	473,401
Acquisition of fuel	-	-	(4,119)	112,544
Electric network use charge	-	-	32,053	24,639
Material and services	-	-	401,118	300,287
Other	395	305	17,576	23,909
<b>Total</b>	<b>395</b>	<b>305</b>	<b>822,267</b>	<b>934,780</b>

For the first quarter of 2016, expenses with purchase of energy in the short term were impacted by the following events: (i) reduction in average costs arise from lower cost of ADA, price used for settlement of energy purchased in the spot market whose average value for this period amounts to R\$44,07 per MWh (R\$MWh 166.89 at December 31, 2015); (ii) for the quarter ended March 31, 2016, the subsidiaries contracted surplus energy, i.e., purchased no energy in the short-term market due to contracted surplus energy, and now sell energy in the Electric Power Trading Chamber (CCEE); however, ADA is lower than in 2015.

### 18 Loans and financing (Consolidated)

Debt average	cost (% p.a.)	03/31/2016		Total
		Current	Noncurrent	
		Principal and charges	Principal and charges	Principal and charges
Foreign currency (US dollar):				
National Treasury	4.88%	1,562	79,046	80,608
CCBI Itaú	2.43%	247,894	-	247,894
CCBI Citibank	2.56%	47,101	355,807	402,908
Santander	4.20%	88,699	-	88,699
Itaú transaction	3.00%	1,933	144,877	146,810
Santander transaction	3.00%	2,206	146,813	149,019
Subtotal		389,395	726,543	1,115,938
(-) Transaction cost		(285)	-	(285)
Total in foreign currency		389,110	726,543	1,115,653
Local currency				
Eletrobrás	9.39%	55,393	245,249	300,642
FINAME	11.22%	103	-	103
Guanabara	13.84%	2,050	3,212	5,262
IBM	14.46%	23,626	28,290	51,916
BNDES	9.44%	181,484	1,006,505	1,187,989
Banco do Brasil	14.84%	19,751	306,465	326,216
BNB	8.50%	23,354	70,960	94,314
CAIXA	6.00%	2,886	59,061	61,947
FINEP	4.00%	1,129	3,365	4,494
Sudene	7.00%	5,257	37,299	42,556
Votorantim	4.50%	475	1,404	1,879
Subtotal		315,508	1,761,810	2,077,318
(-) Funding costs		(2,101)	(6,920)	(9,021)
Total in local currency		313,407	1,754,890	2,068,297
<b>Grand total</b>		<b>702,517</b>	<b>2,481,433</b>	<b>3,183,950</b>

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Notes to quarterly information (Continued)  
 Periods ended March 31, 2016 and 2015  
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### 18 Loans and financing (Consolidated) (Continued)

	Debt average cost (% p.a.)	12/31/2015		Total
		Current	Noncurrent	Principal and charges
		Principal and charges	Principal and charges	
Foreign currency (US dollar):				
National Treasury	4.85%	2,643	90,649	93,292
CCBI Itaú	2.34%	137,638	135,645	273,283
CCBI Citibank	5.72%	196,902	243,993	440,895
Santander	3.30%	151,100	-	151,100
Itaú transaction	3.00%	929	158,958	159,887
Santander transaction	3.00%	1,046	158,730	159,776
Subtotal		490,258	787,975	1,278,233
(-) Transaction cost		(699)	-	(699)
Total in foreign currency		489,559	787,975	1,277,534
Local currency				
Eletrobrás	5.45%	54,737	258,264	313,001
FINAME	11.32%	274	-	274
Guanabara	14.79%	2,055	3,719	5,774
IBM	14.08%	29,404	26,488	55,892
BNDES	8.51%	177,613	1,033,826	1,211,439
Banco do Brasil	8.50%	8,924	306,946	315,870
BNB	8.50%	25,118	75,489	100,607
CAIXA	8.55%	2,889	59,242	62,131
FINEP	13.50%	1,130	3,645	4,775
IFC	4.50%	11,082	-	11,082
Sudene	7.00%	4,535	37,299	41,834
Votorantim	4.50%	475	1,522	1,997
Subtotal		318,236	1,806,440	2,124,676
(-) Funding costs		(2,408)	(7,149)	(9,557)
Total in local currency		315,828	1,799,291	2,115,119
Grand total		805,387	2,587,266	3,392,653

In the first quarter of 2016, the Company recorded the amount of R\$3,183,950 (R\$3,392,653 at December 31, 2015), related to loans and financing, R\$702,517 of which is current and R\$2,481,433 noncurrent (R\$805,387 current and R\$2,587,266 noncurrent at December 31, 2015).

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended March 31, 2016 and 2015  
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### 18 Loans and financing (Consolidated) (Continued)

Significant tranches referring to principal of loans and financing mature as follows:

Maturity	03/31/2016	
	Amount	%
Current	702,517	22%
2017	654,542	21%
2018	745,383	23%
2019	317,834	10%
2020	267,768	8%
From 2020 onwards	502,826	16%
Total	2,488,353	78%
Funding cost (noncurrent)	(6,920)	0%
Noncurrent	2,481,433	78%
Total	3,183,950	100%

Changes in loans and financing are as follows:

	Local currency		Foreign currency (US dollar):		Total
	Current liabilities	Noncurrent liabilities	Current liabilities	Noncurrent liabilities	
Balances at December 31, 2015	315,828	1,799,291	489,559	787,975	3,392,653
Charges	33,534	1,276	9,102	-	43,912
Monetary and exchange gains/losses	12,845	6,941	15,251	(122,997)	(87,960)
Transfers of principal	52,849	(52,849)	(61,564)	61,564	-
Amortization of principal	(76,059)	-	(55,034)	-	(131,093)
Payment of interest	(25,896)	-	(8,618)	-	(34,514)
Transaction cost	23	404	-	-	427
Transaction transfers	(106)	106	-	-	-
Transaction costs recorded	389	(278)	414	-	525
Balance at March 31, 2016	313,407	1,754,891	389,110	726,542	3,183,950

	Local currency		Foreign currency (US dollar):		Total
	Current liabilities	Noncurrent liabilities	Current liabilities	Noncurrent liabilities	
Balances at December 31, 2014	423,485	2,444,874	536,370	452,880	3,857,609
Reclassification RJ (a)	-	(866,877)	-	(178,890)	(1,045,767)
Additions	-	488,503	125,000	493,613	1,107,116
Charges	152,733	13,082	28,084	(3,854)	190,045
Monetary and exchange gains/losses	577	22,523	71,443	319,608	414,151
Transfers of principal	300,768	(300,768)	296,082	(296,082)	-
Payment of principal	(427,477)	-	(542,751)	-	(970,228)
Payment of interest	(134,356)	-	(25,627)	-	(159,983)
Transaction cost	722	32	-	-	754
Transaction transfers	(512)	512	(700)	700	-
Transaction costs recorded	(112)	(2,590)	1,658	-	(1,044)
Balances at December 31, 2015	315,828	1,799,291	489,559	787,975	3,392,653

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended March 31, 2016 and 2015  
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### 18 Loans and financing (Consolidated) (Continued)

- (a) Debt's reclassifications from court recuperation, partially contested by the creditors of CELPA subsidiary, whose contingent character left to exist with the end this therefore became to be considered as trade accounts payable of creditors of court recuperation and so classified. After this definition, at 2015, they were adjusted to present value as all other debts subject to court recuperation.

The balance related to debt guarantees comprised of collateral in CEMAR and CELPA subsidiaries amounts to R\$70,638.

#### Monitoring of loan and financing covenants

Loans and financing obtained by subsidiaries CEMAR and CELPA are subject to financial covenants. Failure to comply with such covenants during the reporting period may lead to early maturity of the related contracts. By the end of the quarter ended March 31, 2016, the Company had complied with the limits specified in the contract.

### 19 Debentures (Consolidated)

Changes in debentures are as follows:

	<b>Current liabilities</b>	<b>Noncurrent liabilities</b>	<b>Total</b>
Balances at December 31, 2015	47,303	495,182	542,485
Charges	<b>14,828</b>	-	<b>14,828</b>
Monetary gains (losses)	-	<b>7,162</b>	<b>7,162</b>
Funding costs	-	<b>124</b>	<b>124</b>
Balance at December 31, 2015	<b>62,131</b>	<b>502,468</b>	<b>564,599</b>

	<b>Current liabilities</b>	<b>Noncurrent liabilities</b>	<b>Total</b>
Balances at December 31, 2014	10,861	506,423	517,284
Charges	56,828	(473)	56,355
Monetary variation	398	22,127	22,525
Transfers	33,400	(33,400)	-
Payment of interest	(54,182)	-	(54,182)
Funding costs	(2)	505	503
Balances at December 31, 2015	<b>47,303</b>	<b>495,182</b>	<b>542,485</b>

#### **4th Issue of debentures**

The 4th public distribution of nonconvertible debentures of the CEMAR was concluded on September 22, 2012. The funds raised in the amount of R\$280,000, divided into two series of R\$101,380 and R\$178,620, were primarily intended to the implementation of the CEMAR investment program and increase in working capital. At March 31, 2016, the effective rate of this operation is 15.22% per year.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended March 31, 2016 and 2015  
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### 19 Debentures (Consolidated) (Continued)

#### *6th Issue of debentures*

The 6th public distribution of nonconvertible debentures of the CEMAR was concluded on October 27, 2014. The funds raised in the amount of R\$200,000, in a sole series, were destined to increase working capital necessary for managing the Company's business. At March 31, 2016, the effective rate of this operation is 15.84% per year.

At March 31, 2016, debentures represent the amount of R\$564,599 and their maturities are scheduled as follows:

Maturity	03/31/2016		12/31/2015	
	Amount	%	Amount	%
Current	<b>62,131</b>	<b>11%</b>	47,303	19%
2017	<b>100,953</b>	<b>18%</b>	100,450	32%
2018	<b>174,876</b>	<b>31%</b>	174,876	26%
2019	<b>141,096</b>	<b>25%</b>	141,096	19%
2020	<b>87,531</b>	<b>16%</b>	80,369	14%
Total	<b>504,456</b>	<b>89%</b>	496,791	91%
Funding cost (noncurrent)	<b>(1,988)</b>	<b>0%</b>	(1,609)	0%
Total noncurrent	<b>502,468</b>	<b>89%</b>	495,182	91%
Total	<b>564,599</b>	<b>100%</b>	542,485	100%

#### **Covenants**

The issue of debentures, classified in current and noncurrent, requires compliance with levels of indebtedness ratios and interest coverage. At September 30, 2015, the Company and its subsidiaries were in compliance with all the indicators required by agreements.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 20 Taxes payable

#### 20.1 Taxes and contributions payable

	Consolidated	
	03/31/2016	12/31/2015
Current		
ICMS	184,242	194,568
ICMS - installment payment	33,866	33,056
PIS/COFINS	31,679	46,149
Social charges and other	19,727	29,263
Other	7,367	9,385
Total	276,881	312,421

	Consolidated	
	03/31/2016	12/31/2015
Noncurrent		
ICMS - installment payment (a)	22,590	30,316
Other	21,477	20,393
Total	44,067	50,709

- a. CELPA has installment payment plans approved by the Pará State Finance Department stemming from current ICMS debts. The installments are restated based on the Brazil's Central Bank benchmark rate (SELIC) plus 1% and the last installment is scheduled to be paid on October 30, 2017.

#### 20.2 Income taxes payable

	Company		Consolidated	
	03/31/2016	12/31/2015	03/31/2016	12/31/2015
Withholding Income Tax (IRRF)	3,419	10,163	3,860	9,981
Provision for IRPJ / CSLL	3,224	474	18,836	8,257
Total	6,643	10,637	22,696	18,238

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Notes to quarterly information (Continued)  
Periods ended March 31, 2016 and 2015  
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### 21 Deferred income and social contribution taxes

Subsidiaries recognized deferred income and social contribution taxes on temporary differences and income tax losses based on their estimated taxable profit.

There is no date for tax loss offset to be statute barred, and financial effects thereof will take place upon realization. Income tax is calculated at the rate of 25%, considering surtax of 10%, and social contribution tax at the rate of 9%.

Accordingly, the referred to tax credits are recorded as noncurrent assets, considering their expected realization and the limit of 30% for annual offset against taxable profit, as determined by CPC 26.

#### *a. Breakdown of current and deferred income and social contribution taxes*

	Consolidated	
	03/31/2016	12/31/2015
IRPJ on tax losses (*)	132,544	132,544
IRPJ and CSLL on temporary differences (i)	(279,170)	(244,591)
IRPJ and CSLL on revaluation reserves	(85,487)	(88,325)
IRPJ and CSLL on acquisition of CELPA	50,265	57,870
Total	<u>(181,848)</u>	<u>(142,502)</u>

(\*) The credits calculated on income tax losses derive from subsidiary CEMAR.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended March 31, 2016 and 2015  
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### 21 Deferred income and social contribution taxes (Continued)

#### a. Breakdown of current and deferred income and social contribution taxes (Continued)

i. Breakdown of IRPJ and CSLL on temporary differences

	<b>Consolidated</b>	
	<b>03/31/2016</b>	<b>12/31/2015</b>
Contingencies	93,509	91,875
Allowance for doubtful accounts (ADA)	87,578	181,466
Taxes with suspended enforceability	1,730	971
Accelerated depreciation	(304,336)	(295,193)
Provision for pension fund	12,484	12,484
Adjustment to present value	(161,780)	(157,113)
New placement values (NRV)	(37,395)	(23,802)
Swap	(14,731)	(108,120)
Other nondeductible expenses	43,771	52,841
Total	<u>(279,170)</u>	<u>(244,591)</u>

ii. Breakdown of IRPJ and CSLL – CELPA acquisition

	<b>03/31/2016</b>	<b>12/31/2015</b>
Intangible assets – concession value added	(39,407)	(40,276)
Disposal of property, plant and equipment	37,157	37,976
Possible contingencies	43,365	51,020
Other accounts payable - "Programa Luz para Todos (PLPT)" (Light for All Program)	9,150	9,150
	<u>50,265</u>	<u>57,870</u>

#### b. Expected recovery

Based on technical feasibility studies, management of the subsidiary estimates that the tax credits may be realized through 2020, as under:

<b>Expected realization</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Deferred taxes	10,400	76,900	45,244	132,544



## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended March 31, 2016 and 2015  
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### 21 Deferred income and social contribution taxes (Continued)

#### *b. Expected recovery* (Continued)

CEMAR realized no deferred income taxes on tax losses for the period ended March 31, 2016, since this subsidiary has elected to realize the accelerated depreciation benefits through 2018, and the technological incentive and SUDENE benefit through 2021.

At November 25, 2014, CEMAR elected to early settle debts in installment under REFIS, thus offsetting R\$35,059 with tax losses, considering Article 33 of Provisional Executive Order (MP) No. 651/2014 and PGFN Ruling/RFB No. 15/2014.

The technical feasibility study, which includes the recovery of deferred taxes and is reviewed on an annual basis, was prepared by the Company, examined by the Supervisory Board and approved by the Board of Directors on March 10, 2016.

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

Reconciliation of tax expenses calculated by applying tax rates and expenses with Corporate Income Tax (IRPJ) and Social Contribution on Net Profits (CSLL) charged to income for the three-month period ended March 31, 2016 and 2015 are as follows:

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Notes to quarterly information (Continued)  
 Periods ended March 31, 2016 and 2015  
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### 21 Deferred income and social contribution taxes (Continued)

#### c. Reconciliation of income and social contribution tax expenses (Continued)

	03/31/2016		03/31/2015	
	IRPJ	CSLL	IRPJ	CSLL
Income before income and social contribution taxes	222,759	222,759	134,728	134,728
Tax rate	25%	9%	25%	9%
At statutory rate	55,690	20,048	33,682	12,126
Additions:				
Provision for contingencies	68,757	24,752	66,999	24,120
Allowance for doubtful accounts	18,524	6,669	29,510	10,623
Research and development and energy efficiency P&D	17,121	6,164	12,035	4,333
Present value adjustment	2,151	775	13,134	4,728
IRPJ and CSLL on revaluation reserves	2,087	751	7,987	2,875
Profit sharing, fees, leave entitlement and private pension fund	13,009	4,684	11,942	4,299
Effect of IRPJ/CSLL on equity pickup	1,241	447	21,299	7,668
Swap	95,870	34,513	110,776	39,329
Other provisions	25,855	9,375	16,080	6,592
	244,615	88,130	289,762	104,567
Exclusions:				
Reversals of provisions, deferred tariff adjustment and regulatory assets	(44,210)	(15,916)	(118,561)	(42,679)
Reversal of allowance for doubtful accounts	(87,559)	(31,522)	(20,618)	(7,423)
Reversals of contingencies	(67,555)	(24,320)	(19,400)	(6,984)
RTT adjustments (Law No. 11638/2008)	-	-	(12,736)	(4,585)
Profit sharing, fees and leave entitlement	(17,149)	(6,174)	-	-
Accelerated depreciation	(6,723)	-	-	-
Swap	(27,203)	(9,793)	(119,091)	(42,873)
Funding costs, AVP e NRV	(13,253)	(4,771)	-	-
Other provisions	(17,106)	(6,145)	(12,390)	(4,521)
	(280,758)	(98,641)	(302,796)	(109,065)
Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL)	19,547	9,537	20,648	7,628
Workers' Meal Program (PAT) incentive	(187)	-	(238)	-
Offset/setup of income and social contribution tax loss carryforwards	(975)	(522)	(1,458)	(885)
Incentive for extension of maternity leave	(20)	-	(80)	-
IRPJ of prior years	-	-	(842)	(301)
IRPJ and CSLL on P&L for the year	18,365	9,015	18,030	6,442
Effective rate (excluding deferred IRPJ/CSLL)	8.24%	4.05%	13.38%	4.78%
Deferred tax asset	32,724	6,623	1,898	302
Setup of Income and social contribution tax loss carryforwards	-	-	7,315	2,965
(+) IRPJ- Government grants (a)	(14,773)	-	(12,862)	-
Total	36,316	15,638	14,381	9,709
Effective rate applicable to deferred tax assets	16.30%	7.02%	10.67%	7.21%

- (a) On March 28, 2012, Certificate of Income Tax Reduction No. 0037/2012 was issued, granting a 75% increase in the income tax reduction incentive to CEMAR calculated on income tax determined based on profit from tax incentive activities, effective from 2012 to 2021, explained by the full modernization of CEMAR electric facilities. In March 31, 2016, the amount of income tax calculated on profit from tax incentive activities amounted to R\$ 17,660. On December 19, 2013, the Superintendence for the Development of the Amazon (SUDAM), which belongs to Brazil's National Integration Ministry, issued Qualification Report No. 140/2013, which grants to CELPA the benefit of 75% income tax reduction calculated on income tax determined based on profit from tax incentive activities on the basis of diversification of infrastructure venture, effective from 2013 to 2022. In March 31, 2016, income tax calculated on profit from tax incentive activities amounted to R\$4,477.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 21 Deferred income and social contribution taxes (Continued)

#### *c. Reconciliation of income and social contribution tax expenses* (Continued)

##### CEMAR

On May 14, 2007, former Northeast Development Agency (ADENE), now Northeast Development Authority (SUDENE), reporting to the National Integration Ministry, issued Qualification Report No. 0061/2007, which entitles CEMAR to increase its income tax rate reduction from 25% to 75% from 2007 to 2016 on the basis of the full modernization of its electrical installations. On March 28, 2012, Certificate of Income Tax Reduction No. 0037/2012 was issued, granting a 75% increase in the income tax reduction incentive to CEMAR, effective from 2012 to 2021, explained by the full modernization of CEMAR electric facilities.

##### CELPA

On December 19, 2013, the Superintendence for the Development of the Amazon (SUDAM), which belongs to Brazil's National Integration Ministry, issued Qualification Report No. 140/2013, which grants to CELPA the benefit of 75% income tax reduction on the basis of diversification of infrastructure venture, effective from 2013 to 2022.

### 22 Employees' profit sharing

The profit sharing program of the Company and its subsidiaries comprises assessments of indicators of the CEO, executive board, management, coordinators and employees and has evolved throughout the years so as to provide greater level of employee commitment to improve the Company's operating results. For the period ended March 31, 2016, the Company's accrued profit sharing balance amounts to R\$1,187 (R\$3,220 at December 31, 2015).

The Company and subsidiaries recorded an accrued balance of R\$32,389 at March 31, 2016 (R\$65,384 at December 31, 2015).

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 23 In-court reorganization – CELPA

	<u>03/31/2016</u>	<u>12/31/2015</u>
Financial creditors (d)	1,203,765	1,199,397
Operational creditors (a)	195,351	214,214
Sector-related charges (b)	50,542	61,442
Intragroup (c)	70,414	69,413
(-) Present value adjustment (d)	<u>(449,409)</u>	<u>(457,421)</u>
Total	<u>1,070,663</u>	<u>1,087,045</u>
Current	91,575	91,446
Noncurrent	979,088	995,599

- (a) Amounts payable to creditors associated with the subsidiary CELPA's operations, such as service providers, suppliers of materials, lessees, among others that have been approved under CELPA In-Court Reorganization Plan.
- (b) This refers to Global Reversion Reserve (RGR), Fuel Consumption Account (CCC), Inspection fee, Energy Development Account (CDE), Alternative Energy Source Program (Proinfa) and Brazilian Ministry of Mines and Energy (MME) charges paid in installments in the scope of the Company's in-court reorganization program.
- (c) This refers to credits held by companies that are part of the prior controlling group and that are currently paid in installments in the in-court reorganization plan.
- (d) Due to the in-court reorganization, there was a change in the terms of loans and financing agreements entered into prior to the in-court reorganization plan. During this phase, certain financial institutions claimed exclusion of credits from the in-court reorganization since they understood that such receivables were considered post-petition claims. Completion of the in-court reorganization plan that took place on December 1, 2014, evidenced compliance with the plan by the Company related to fund contributions, payments to creditors as consigned and mainly considered immaterial the controversial amount of the credits being subject or not to the in-court reorganization plan. Accordingly, at the Annual General Meeting of Creditors, the majority of the attendees, both in quantity and value approved the Company's exit from the judicial supervision period and following this step the agents related to the proceeding (judicial administrator, expert accountant, Prosecution Office and ANEEL) formally expressed in the appeal its opinion to close the recovery, resulting in the in-court reorganization closing decision. Thus, after analyses carried out by CELPA and completed in the quarter ended June 30, 2015, the likelihood of excluding the credits from the in-court reorganization criteria started to be considered remote, and the likelihood of maintaining them up to the term defined in the reorganization plan is considered more than possible. Accordingly, in 2015, CELPA recorded an adjustment to present value in the amount of R\$395,292, R\$404,983 of which refer to loans and financing, R\$26,206 to operational creditors, R\$15,300 to intra-group transactions and R\$1,215 to sector-related charges. It was understood that there was a change in the terms of the debt and more-likely-than-not certainty as to holding it to maturity, a triggering event for the records at present value in accordance with CPC 12.

### 24 Provision for civil, tax and labor claims (Consolidated)

Subsidiaries CEMAR and CELPA are defendants in legal and administrative proceedings filed with courts and governmental agencies, in the ordinary course of their business, involving tax, civil and labor claims and other issues.

Based on information provided by their legal advisors, on the review of unsettled litigation, and on past experience in case of labor disputes, management of subsidiaries established a provision at an amount considered sufficient to cover probable losses on existing cases, as follows:

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Notes to quarterly information (Continued)  
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### 24 Provision for civil, tax and labor claims (Consolidated) (Continued)

	03/31/2016			12/31/2015		
	Value of matter in dispute	Judicial deposits	Net provision	Value of matter in dispute	Judicial deposits	Net provision
Civil	136,721	(130,727)	5,994	130,275	(130,564)	(289)
Tax	5,165	(4,006)	1,159	2,286	(387)	1,899
Labor	114,817	(47,062)	67,755	119,767	(44,853)	74,914
Regulatory	18,586	-	18,586	18,057	-	18,057
PPA CELPA (a)	284,366	-	284,366	334,561	-	334,561
	<b>559,655</b>	<b>(181,795)</b>	<b>377,860</b>	<b>604,946</b>	<b>(175,804)</b>	<b>429,142</b>
Current	138,457	(26,272)	112,185	134,950	(25,277)	109,673
Noncurrent	421,198	(155,523)	265,675	469,996	(150,527)	319,469
	<b>559,655</b>	<b>(181,795)</b>	<b>377,860</b>	<b>604,946</b>	<b>(175,804)</b>	<b>429,142</b>

- a) Of the total judicial deposits referring to civil proceedings, the amount of R\$61,996 refers to flows of bank credit bills that are deposited as a result of the in-court reorganization process. Based on current legal decision, the contractual flow is deposited in court on a monthly basis until a final decision on the merits is handed down in connection with such credits being subject to the in-court reorganization regime of subsidiary CELPA.

The fair value of the civil, tax and labor contingent liabilities of subsidiary CELPA was determined based on the legal advisors' assessment, also including lawsuits where a loss is possible, resulting in an adjustment of R\$284,366 at March 31, 2016.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 24 Provision for civil, tax and labor claims (Consolidated) (Continued)

Changes in proceedings for the period (Consolidated)

	12/31/2015					03/31/2016
	Opening balance	Addition to provision	Use (1)	Reversals (2)	Restatement (3)	Closing balance
Civil	130,275	8,435	(4,381)	(2,198)	4,590	136,721
Tax	2,286	2,879	-	-	-	5,165
Labor	119,767	852	(5,758)	(362)	318	114,817
Regulatory	18,057	-	-	-	529	18,586
PPA Celpa (b)	334,561	-	-	(50,195)	-	284,366
	604,946	12,166	(10,139)	(52,755)	5,437	559,655

	12/31/2014					12/31/2015
	Opening balance	Addition to provision	Use (1)	Reversals (2)	Restatement (3)	Closing balance
Civil	120,583	31,324	(25,823)	(14,105)	18,296	130,275
Tax	498	1,826	-	(16)	(22)	2,286
Labor	112,611	5,719	(4,750)	(5,132)	11,319	119,767
Regulatory (a)	28,382	2,004	(11,745)	(2,494)	1,910	18,057
PPA CELPA (b)	335,899	-	-	(1,338)	-	334,561
	597,973	40,873	(42,318)	(23,085)	31,503	604,946

(1) Actual expenses with judicial contingencies.

(2) Reversals in the period.

(3) Monetary restatements.

a) Of the write-offs, the amount of R\$39,540 was divided into installments under Law No. 12996/2014 in August 2014; R\$20,044 refer to the reduction or gain in penalties applied; R\$21,801 refer to proceeding adjustment and SELIC calculation; and R\$38,906 refer to the Formal Commitments to Action - TACs (as provided for in Order No. 2913 of September 18, 2012, which approved CELPA's transition plan), since they are now controlled by the specific account of special obligations.

b) PPA CELPA - derives from estimated disbursement for proceedings assessed as possible loss, based on the analysis of the legal department of subsidiary CELPA.

## **Equatorial Energia S.A**

Notes to quarterly information (Continued)  
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### **24 Provision for civil, tax and labor claims (Consolidated) (Continued)**

#### ***Labor***

Currently, labor liabilities include 2,271 claims filed by former employees against the Company and its subsidiaries, including overtime, hazard premium, wage parity, occupational disease/reintegration, CIPA stability, among others, and also claims filed by former employees of third parties (secondary liability), referring mainly to severance pay.

At the close of the interim financial information ended March 31, 2016, the provision totals R\$114,817 (R\$119,797 at December 31, 2015).

In addition to accrued losses, there are other labor contingencies for which the likelihood of loss is assessed as possible by management, based on the evaluation of CEMAR's and CELPA's legal counsels and their outside legal advisors, in the amount of R\$88,788 (R\$85,195 at December 31, 2015), for which no provision was recorded.

#### ***Civil***

The subsidiaries are defendants in 21,890 civil proceedings, 15,504 of which at Civil Courts of Appeal, mostly referring to claims seeking property damage and pain and suffering damages, as well as reimbursement of amounts paid by consumers.

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

At the close of the interim financial information ended March 31, 2016, the provision totals R\$136,721 (R\$130,275 at December 31, 2015).

In addition to accrued losses, there are other civil contingencies for which the likelihood of loss is assessed as possible by management, based on the evaluation of CEMAR's and CELPA's legal counsels and their outside legal advisors, in the amount of R\$ 397,501 (R\$439,025 at December 31, 2015), for which no provision was recorded.

## **Equatorial Energia S.A**

Notes to quarterly information (Continued)  
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### **24 Provision for civil, tax and labor claims (Consolidated) (Continued)**

#### ***Tax***

CEMAR and CELPA are defendants in 165 tax proceedings.

The quarterly financial statements at March 31, 2016 include provision for tax proceedings totaling R\$5,165 (R\$2,286 at December 31, 2015).

In addition to accrued losses, there are other tax contingencies for which the likelihood of loss is assessed as possible by management, based on the evaluation of CEMAR's and CELPA's legal counsels and their outside legal advisors, in the amount of R\$46,415 (R\$46,416 at December 31, 2015), for which no provision was recorded.

#### ***Regulatory***

The provision to be set up under this item corresponds to probable fines to be applied to CEMAR and CELPA, arising from:

- Tax delinquency notices issued by the regulator of the electric energy sector - Brazilian Electricity Regulatory Agency (ANEEL);
- Notice Letters issued by the Electric Energy Trading Chamber (CCEE) upon notices related to the sale of electric power;
- Fines issued by the National Operator System when addressing notices related to the electric system operations;
- Administrative enforcement measures arising from consumer protection agencies.



## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended March 31, 2016 and 2015  
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### 25 Other accounts payable (Consolidated)

	03/31/2016		12/31/2015	
	Current	Noncurrent	Current	Noncurrent
Other account payable – suppliers	12,046	-	14,266	-
Advances and returns (a)	65,169	-	47,376	-
Insurance entities	-	-	203	-
Other allocations – suppliers	10,055	-	11,001	-
Tariff charges	2,696	-	1,894	-
Tax credits – CCC (b)	-	244,865	-	246,915
Regulatory penalties (c)	57,408	26,734	71,753	29,058
Guarantees	2,952	-	3,817	-
Acquisition of CELPA (d)	60,000	-	60,000	-
Third-party credits	9,500	-	6,890	-
Street lighting charge	-	-	18,311	-
Other accounts payable	58,394	23,713	48,483	25,726
Total	278,220	295,312	283,994	301,699

- a) This refers to advance received for the purpose of ensuring the investments required to meet consumer demands by the Company and its subsidiaries.
- b) This refers to liability for violating the limit of individual continuity of DIC indicators (continuity limit set for the period considered for the indicator of duration of interruption by consumer unit or connection point); FIC (continuity limit set in the period considered for the interruption frequency indicator by consumer unit or connection point); and DMIC (continuity limit set in the period considered for the maximum continuity interruption duration indicator by consumer unit or connection point). With regard to the computation period (monthly, quarterly or annual), the distributor shall calculate the compensation to the consumer and report it as a credit on the bill, presented no later than two months after the computation period. In case of violation of the individual continuity limit of the DICRI indicator (continuity limit set for the individual interruption duration indicator on a critical day by consumer unit or connection point), the distributor will calculate the compensation to the consumer and report it as a credit on the bill, presented no later than two months after the month the interruption takes place. Since subsidiary CELPA filed for in-court reorganization on February 29, 2012, all the amounts whose triggering event took place before that date shall be an integral part of the creditors balance whose payment shall be approved at the creditors meeting within the deadlines and legal conditions addressed by the approved in-court reorganization plan.
- c) This refers to the increase in current liabilities due to a refundable balance relating to “Programa Luz Para Todos” (Light for All Program) estimated by subsidiary CELPA.
- d) Of the amounts under “Other accounts payable”, R\$46,292 refer to subsidiary CELPA, primarily comprised of R\$8,018 referring to provision for fees of the administrator and accountant in charge of the in-court reorganization; R\$38,274 referring to the provision for payment of operating costs to various service providers

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 26 Equity

#### 26.1 Capital

At March 31, 2016 the capital amounts is R\$1,980,214 (R\$1,980,214 in December, 31 2015), comprising shares broken down by class and main shareholders as follows:

Shareholder	Registered common shares	%
Squadra Investimentos	31,176,900	15.70%
International Financial Corporation	10,625,000	5.35%
Opportunity	10,067,478	5.07%
GIC	10,001,775	5.04%
Noncontrolling interest	136,717,314	68.84%
<b>Total</b>	<b>198,588,467</b>	<b>100.00%</b>

On February 25, 2016, by means of stock options exercise regarding Plan 4 of the Company's Stock Option Plan, a capital increase was identified in the amount of R\$23, through issue and subscription of 1,115 common shares of the Company.

The Company is listed on BM&FBOVESPA's "Novo Mercado" (New Market), having only common shares that ensure 100% tag along to noncontrolling shareholders in case of mergers or transfer of control.

#### 26.2 Capital reserve

Pursuant to CVM Rule No. 562, of December 17, 2008, which approved CPC 10, the Company records a Capital Reserve in the amount of R\$48,017, referring to recognized option grants.

#### 26.3 Income reserve – Legal reserve

The legal reserve is recognized at 5% of net income before profit sharing and reversal of interest on equity, as determined by corporate legislation and defined by the Board of Directors, limited, however to 20% of total capital.

#### 26.4 Income reserve - Investment and expansion reserve

This reserve is intended to record the portion of net income for the period earmarked for investments and expansion of the Company.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 26 Equity (Continued)

#### **26.5 Income reserve – Distribution of additional dividends**

This reserve is intended to record the portion of dividends that exceeds the mandatory minimum dividends, the distribution of which has not yet been approved at a meeting.

### 27 Stock option plan

#### Fourth stock option plan

The Special General Meeting (SGM) held on July 21, 2014 approved the Fourth Equatorial Stock Option Plan ("Plan"). The stock option subscription offered under the Plan's terms shall not exceed 3.0% of the Company's total capital representative shares (including shares issued because of the exercise of this Plan), as long as the total number of shares issued or which may be issued under the Plan's terms are always within the limit of the Company's authorized capital.

Once exercised, the shares are issued through an increase in the Company's capital. For further details, refer to the minutes of the Special General Meeting, available on the Company's website and on CVM's website.

#### Stock option exercise price

The exercised price of shares granted under the Plan's terms shall be determined by the Plan's Administrative Committee based on the average price of the Company's shares at BM&FBOVESPA, weighted by the trading volume for the period of 180 days before the grant date.

The exercise price shall be decreased by the amount of dividends, interest on equity and other earnings distributed by the Company to shareholders or any other amounts per share made available to the Company's shareholders, including due to decrease in capital without cancelling the shares or any other corporate transaction entailing allocation of funds to shareholders or decrease in the value of shares, always considering the period from the grant date and the stock exercise date.

## **Equatorial Energia S.A**

Notes to quarterly information (Continued)  
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### **27 Stock option plan (Continued)**

#### Beneficiaries

Plan beneficiaries may exercise its stock option within 6 years as from grant date. The stock option is exercisable over 4 years, i.e. 25% per year.

Within one year as from the exercise date, beneficiaries may not sell, grant or assign the Company's shares originally acquired or subscribed.

On July 21, 2014, the Plan's Administrative Committee granted 4,225,000 options to Plan beneficiaries at the price of R\$21.76 per Option.

#### Dilution potential

In accordance with the Plan's rules, the potential issue of remaining options would imply in an additional dilution for the current shareholders of Equatorial Energia S.A. equivalent to the maximum of 3%.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 28 Operating revenue (Consolidated)

	<b>03/31/2016</b>		
	<b>No. of consumers</b>		
	<b>(*)</b>	<b>MWh (*)</b>	<b>R\$</b>
Residential	4,018,051	1,581,473	919,915
Industrial	12,906	372,806	194,562
Commercial	323,948	703,087	449,092
Rural	192,384	98,875	39,101
Public sector	43,222	202,085	123,391
Street lighting	1,574	210,154	80,926
Utility service	8,594	135,424	64,307
Own consumption	601	9,575	-
Revenue from availability/use of the electricity grid	-	-	5,590
CCEE supply	-	-	53,775
Low income	-	-	103,978
Transfer to special obligations – exceeding demand/surplus of reactive power	-	-	(8,945)
Construction revenue	-	-	296,746
Receivables relating to Tranche A and other financial items	-	-	80,414
Other	-	-	88,810
<b>Total</b>	<b>4,601,280</b>	<b>3,313,479</b>	<b>2,491,662</b>

	<b>03/31/2015</b>		
	<b>No. of consumers</b>		
	<b>(*)</b>	<b>MWh (*)</b>	<b>R\$</b>
Residential	3,876,055	1,507,713	831,631
Industrial	12,573	452,236	200,791
Commercial	309,140	713,864	433,599
Rural	176,592	87,770	35,923
Public sector	41,212	192,689	108,552
Street lighting	1,417	201,562	71,589
Utility service	8,068	135,162	55,454
Own consumption	398	10,649	-
Revenue from availability/use of the electricity grid	-	-	6,497
Unbilled supply –tariff adjustment	-	-	14,558
CCEE supply	-	-	13,572
Low income	-	-	86,435
Construction revenue	-	-	270,316
Receivables relating to Tranche A and other financial items	-	-	127,698
Other	-	-	22,438
<b>Total</b>	<b>4,425,455</b>	<b>3,301,645</b>	<b>2,279,053</b>

(\*) Information not examined by independent auditors.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 29 Net operating revenue (Consolidated)

Reconciliation of gross revenue to net income is as follows:

	<b>03/31/2016</b>	<b>03/31/2015</b>
Electric energy supply	<b>1,939,260</b>	1,840,348
Receivables relating to Tranche A and other financial items (a)	<b>73,483</b>	90,932
Interest – WACC (b)	<b>64,536</b>	38,925
Electric energy supply (c)	<b>53,775</b>	13,572
Construction revenue (d)	<b>296,746</b>	270,316
Other revenues	<b>63,385</b>	24,960
Operating revenue	<b>2,491,185</b>	2,279,053
ICMS on electric energy sales	<b>(416,525)</b>	(371,160)
PIS and COFINS	<b>(180,666)</b>	(186,172)
Consumer charges	<b>(13,812)</b>	(22,387)
Service Tax (ISS)	<b>(1,133)</b>	(566)
Energy Development Account (CDE) (e)	<b>(144,637)</b>	(20,173)
Other	<b>(590)</b>	-
Deductions of operating revenue	<b>(757,363)</b>	(600,458)
Net operating revenue	<b>1,733,822</b>	1,678,595

- (a) By means of Order No. 4621 of November 25, 2014, ANEEL approved a model of addendum to electric energy distribution service concession arrangements, the purpose of which is to ensure that the remaining balances of regulatory assets or liabilities relating to financial figures to be calculated based on regulations predetermined by ANEEL, including those set forth after the most recent tariff change, will make up the amount of compensation to be received by the dealer in the event of termination of the concession for any reason. As a consequence, CPC issued Technical Guidance - OCPC08 ("OCPC08") aimed at addressing the basic requirements for recognition, measurement and disclosure of these financial assets or liabilities, which become an unconditional right (or obligation) to receive (or deliver) cash or other financial instrument to a clearly identified counterparty.
- (b) Increase in WACC financial remuneration refers to the tariff adjustment process carried out in August 2015 in subsidiary CELPA. According to Technical Note 240/2012 and 198/2015-SGT/ANEEL, the net remuneration basis increased by 104% in the period.
- (c) This amount corresponds to revenue from short-term transaction in the spot market where in the quarter ended on March 31, 2016, the subsidiaries CEMAR and CELPA had contractual surpluses by the fall in the market due to the country's crisis and it sold energy in the spot market.
- (d) Technical Interpretation ICPC 01 determines that an electric energy concession operator must record and measure revenue arising from the rendering of services in accordance with Accounting Pronouncements CPC 17 - Construction Contracts (construction or improvement services) and CPC 30 - Revenue (operation services - supply of electric energy), even if regulated by only one concession contract. The Company recognizes revenues and costs from services of construction or improvement of the infrastructure used in the rendering of electric energy distribution services. The margin of construction adopted is established as equal to zero, considering that: (i) the Company's primary activity is the distribution of electric energy; (ii) every construction revenue is related to the construction of infrastructure for the Company to perform its primary activity, i.e. the distribution of electric energy; and (iii) the Company outsources the construction of infrastructure to unrelated parties. On a monthly basis, the total amount of additions to intangible assets in progress is transferred to P&L as cost of construction after deductions arising out of special obligations.
- (e) The CDE account significantly increased in 2016 due to amortization of loan installments under ACR account and Treasury share that were granted to subsidiaries CEMAR and CELPA to minimize the expenses of the distribution companies in the short-term market for 2014.

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### 30 Cost of services and operating expenses

Operating costs and expenses are broken down by nature as follows:

Operating costs/expenses	03/31/2016			Total
	Cost of electric energy services	Selling expenses	Administrative expenses	
Personnel	33,511	13,345	43,622	90,478
Material	3,149	301	655	4,105
Third-party services	68,997	47,132	37,640	153,769
Electric Energy Service Inspection Fee	795	-	-	795
Electric energy purchased for resale	905,862	-	-	905,862
Construction costs	296,746	-	-	296,746
Allowance for doubtful accounts	-	44,980	-	44,980
Provision for contingencies	-	-	1,073	1,073
Provision for contingencies - PPA	-	-	(50,194)	(50,194)
Depreciation and amortization	66,226	-	-	66,226
Lease and rent	5,510	1,302	1,022	7,834
CCC subsidy	18,579	-	-	18,579
Recovery of expenses	-	(6,049)	-	(6,049)
Other	1,408	6,243	1,121	8,772
<b>Total</b>	<b>1,400,783</b>	<b>107,254</b>	<b>34,939</b>	<b>1,542,976</b>

Operating costs/expenses	03/31/2015			Total
	Cost of electric energy services	Selling expenses	Administrative expenses	
Personnel	29,226	12,855	41,887	83,968
Material	1,965	874	1,043	3,882
Third-party services	52,573	55,592	25,201	133,366
Electric Energy Service Inspection Fee	1,402	-	-	1,402
Electric energy purchased for resale	921,077	-	-	921,077
Construction costs	270,316	-	-	270,316
Allowance for doubtful accounts	-	28,908	-	28,908
Provision for contingencies	-	-	3,714	3,714
Depreciation and amortization	20,775	-	-	20,775
Lease and rent	4,302	732	949	5,983
CCC subsidy	(5,824)	-	-	(5,824)
Recovery of expenses	-	(6,932)	-	(6,932)
Other	(26,531)	4,885	7,402	(14,244)
<b>Total</b>	<b>1,269,281</b>	<b>96,914</b>	<b>80,196</b>	<b>1,446,391</b>

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 31 Electricity purchased for resale

	MWh (*)		R\$	
	03/31/2016	03/31/2015	03/31/2016	03/31/2015
Auction energy	2,978	2,233	564,142	504,955
Eletronuclear agreements	121	123	25,018	27,062
Agreements – guarantee shares	1,595	1,280	113,172	42,865
Reserve energy charges	-	-	32,462	11,679
Spot market energy – CCEE (a)	107	589	77,110	329,475
Bilateral energy	58	57	12,643	11,699
Alternative Energy Source Program (PROINFA)	74	76	25,657	17,822
Transmission and distribution system use charge	-	-	81,681	40,005
(-) Portion to be offset – noncumulative PIS/COFINS credit (b)	-	-	(83,207)	(90,957)
Other costs	-	-	57,184	26,472
<b>Total</b>	<b>4,933</b>	<b>4,358</b>	<b>905,862</b>	<b>921,077</b>

(\*) Information not examined by independent auditors.

- (a) In the first quarter of 2016, expenses with purchase of energy in the short term increased due to the following events: (i) decrease in average cost is explained by the lower cost of PLD, price used for settlement of energy purchased in the spot market, whose average value for this quarter of 2016 totals R\$44,07 per MWh; (ii) surplus energy contracted by the distribution company due to recontracting energy at the 15th Existing Energy Auction (auction A-1) and receipt of energy contracts arising from participation in the Mechanism of Compensation of Surpluses and Deficits (MCSD - Mecanismo de Compensação de Sobras e Déficits) Free trade from November to December 2015.
- (b) This amount refers to noncumulative PIS and COFINS credit, under Laws No. 10637 of 2002 and No.10833 of 2003, arising from purchase of electric energy for resale.



## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended March 31, 2016 and 2015  
 (In thousands of reais, unless otherwise stated)

### 32 Financial income (expenses)

	Company		Consolidated	
	03/31/2016	03/31/2015	03/31/2016	03/31/2015
Financial income (expenses)				
Financial income	-	-	<b>84,731</b>	41,010
Arrears charges on energy sold (a)	-	-	<b>44,470</b>	32,424
Transactions with derivative financial instruments (b)	-	-	-	173,674
Financial income – Present value adjustment	-	-	<b>2,510</b>	48
Monetary gains (c)	-	-	<b>67,534</b>	32,201
Restatement of financial asset – revenue (d)	-	-	<b>62,864</b>	19,645
Restatement – subrogation (f)	-	-	<b>1,994</b>	-
Interest income – CVA (e)	-	-	<b>15,434</b>	-
Interest income	-	-	-	31,414
Discounts obtained	-	-	<b>3,672</b>	2,068
PIS/COFINS on financial income	-	-	<b>(5,133)</b>	-
Other	<b>17,139</b>	23,391	<b>24,915</b>	12,669
Total financial income	<b>17,139</b>	23,391	<b>302,991</b>	345,153
Financial expenses				
Interest on loans and financing and other	-	-	<b>(74,592)</b>	(61,526)
Transactions with derivative financial instruments (b)	-	-	<b>(133,450)</b>	(57,501)
Restatement of financial asset – expense (d)	-	-	-	(7,275)
Restatement of efficiency and contingencies	-	-	<b>(2,815)</b>	(8,412)
Fines	-	-	<b>(881)</b>	(4,711)
Monetary and exchange variations (c)	-	-	-	(242,633)
Operational infractions	-	-	-	(1,932)
Present value adjustment	-	-	<b>(8,133)</b>	-
Present value adjustment – installments	-	-	<b>(473)</b>	-
Interest expenses	-	-	-	(11,652)
Interest expenses – CVA (e)	-	-	<b>(3,262)</b>	-
Discounts granted	-	-	<b>(23)</b>	-
Other financial expenses	-	(46)	<b>(18,596)</b>	(10,962)
Total financial expenses	-	(46)	<b>(242,225)</b>	(406,604)
Total	<b>17,139</b>	23,345	<b>60,766</b>	(61,451)

- (a) The variation arises substantially from an increase in accounts receivable from installments which, as compared with the same period of prior year, grew by 64%, as well as an increase in late payments carried out upon presentation of collection reminders.
- (b) This refers mainly to swap agreements which swap US dollar + spread for CDI + spread, where the main change relates to exchange variation on these transactions. For the first quarter of 2016, the US dollar accumulated a drop of 9%, so swap generated an expense whilst a 20% US dollar appreciation in the first quarter of 2015 generated income.
- (c) The main effect of the accounts was the exchange gains, is derived from the fall of 9% in US dollars in the 1st quarter of 2016 from R \$ 3.90 on December 31, 2015 to R \$ 3.56 on March 31, 2016 against an increase of 20% in the 1st quarter of 2015.
- (d) This refers to adjustment of financial assets related to VNR as a result of the tariff review approval of subsidiary CELPA as provided for in Order No. 2441 of July 29, 2015.
- (e) Administrative Ruling of the Ministry of Finance and Ministry of Mines and Energy No. 25 of January 24, 2002, established the variation offsetting account of "Tranche A" amounts (CVA), for the purpose of recording cost variations, whether negative or positive, for the period between annual tariff adjustments, related to the items provided for in the electric energy distribution service concession arrangements to allow greater neutrality in the transfer of these variations to tariffs. These variations are calculated based on the difference between the expenses actually incurred and the expenses estimated by the time the tariffs were established in the annual tariff adjustment. The amounts considered in the CVA are restated at the Central Bank Benchmark Rate SELIC rate.
- (f) This refers to CCC subrogation funds approved which were monetarily restated at IGP-M rate in accordance with Standard-setting Resolution No. 427 of February 22, 2011, calculated as from July 2011, date of the first activation received with delay, the amount of which totals R\$38,190.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 33 Private pension entity

#### CEMAR

CEMAR sponsors FASCEMAR - Fundação de Assistência e Seguridade dos Servidores da CEMAR (Assistance and Social Security Foundation for CEMAR's employees), a Supplementary Pension Foundation organized as a not-for-profit private pension entity for the purpose of managing social security benefit plans.

FASCEMAR was fully restructured in 2005, resulting in the implementation and operation of a new pension plan as from May 2006 - Mixed Benefit Plan I, in defined contribution type, and variable contribution type in accordance with the classification defined by PREVIC. The plan grants regular retirement benefit under defined contribution type, and disablement and death benefit for active participants under defined benefit type, in addition to the mandatory legal institutes. Since its implementation, 98% of active participants of the Defined Benefit Plan I (BD I) joined the plan, as well as CEMAR employees who did not benefit from such plan before.

The BD I Plan currently benefits mostly retired employees and pensioners who were already benefiting from the plan in April 2006. This plan presents retirement benefits by age, special, time of contribution and funeral assistance.

CEMAR, as a sponsor, makes monthly regular contributions to both plans that match total contributions paid by plan participants included in its payroll. For the period ended March 31, 2016, this amount totaled R\$606 (R\$2,934 at December 31, 2015).

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 33 Private pension entity (Continued)

#### CELPA

CELPA sponsors, together with its active employees, former employees and respective beneficiaries, private retirement and pension plans with the objective of supplementing the government official benefits. These private plans are managed by FASCEMAR – Fundação de Previdência Complementar, closed complementary welfare entities, multisponsors organized as not-for-profit foundation, with management and financial autonomy.

CELPA has not covered actuarial liabilities arising from the agreement entered into between the Company and former employees and pensioners. This agreement, approved by Resolution No. 10 of August 4, 1989 by CELPA management, effective as from June 11, 1996, granted rights and social security benefits to the group of people referred to above. The amount calculated for this actuarial liability is fully provisioned under "Retirement and pension plan".

CELPA, as a sponsor, makes monthly regular contributions to 3 (three) plans (BD II, OP and R) that match total contributions paid by plan participants included in its payroll. For the nine-month period ended March 31, 2016, this amount totaled R\$775 (R\$751 at March 31, 2015).

By means of Ruling No. 247 of May 7, 2015 and Ruling No. 254 of May 11, 2015, published in the Brazilian Official Gazette on May 8 and 12, 2015, respectively, the National Superintendence of Supplementary Pension (PREVIC) approved:

- Spin-off of Benefit Plan R, CNPB No. 2006.0066-65, related to sponsor CELPA and implementation of Benefit Plan CELPA R, to be managed by FASCEMAR;
- Enrollment with the National Registry of Benefit Plans (CNPB), CELPA R Benefit Plan, under No. 2015.0007-47;
- Applying Regulation of CELPA R Benefit Plan, to be managed by FASCEMAR- Fundação de Previdência Complementar;

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 33 Private pension entity (Continued)

#### CELPA (Continued)

- Accession Agreement entered into between FASCEMAR – Fundação de Previdência Complementar and CELPA - Centrais Elétricas do Pará S.A. as sponsor of Plano de Benefícios CELPA R;
- “Spin-off Agreement of Plano de Benefícios R”, combined with management transfer of spun-off Plan (“Plano CELPA R”), between closed complementary welfare entities, entered into between Redeprev – Fundação Rede do Pará S.A. and FASCEMAR - Fundação de Previdência Complementar.
- Spin-off of Plano de Benefícios CELPA OP, CNPB No. 2000.0004-11, related to sponsor CELPA - Centrais Elétricas do Pará S.A. and management transfer of Plano de Benefícios CELPA OP to FASCEMAR – Fundação de Previdência Complementar;
- Amendments proposed to Regulation of Plano de Benefícios CELPA OP, CNPB No. 2000.0004-11, to be managed by FASCEMAR – Fundação de Previdência Complementar;
- Accession Agreement entered into between FASCEMAR – Fundação de Previdência Complementar and CELPA - Centrais Elétricas do Pará S.A. as sponsor of Plano de Benefícios CELPA OP;
- The “Agreement for Spin-off and transfer of Plano de Benefícios CELPA OP between Closed Complementary Welfare Entities”, entered into between Redeprev – Fundação Rede do Pará S.A., CELPA - Centrais Elétricas do Pará S.A. and FASCEMAR - Fundação de Previdência Complementar.

It was incumbent upon FASCEMAR and REDEPREV to operate jointly, to ensure effective transfer within 120 days, as from the publication date of the approval Administrative Rulings in the Brazilian Official Gazette referred to above.

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Notes to quarterly information (Continued)  
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### 33 Private pension entity (Continued)

#### CELPA (Continued)

On July 3, 2015, FASCEMAR forwarded an Aptitude Charter to REDEPREV provided for in the Management Transfers Form to continue the management transfer process of the Planos de Benefícios CELPA OP and CELPA R to FASCEMAR. Accordingly, from August 3, 2015, Planos de Benefícios CELPA OP and CELPA R operations and obligations will be under responsibility of FASCEMAR.

#### CELPA R Plan technical deficit:

CELPA R Plan, still under REDEPREV management, presented technical deficit for three (3) consecutive years. Pursuant to current legislation, a Technical Deficit Restructuring Plan was prepared by Escritório Técnico de Assessoria Atuarial Ltda., which was approved by the National Superintendency of Pension Funds (PREVIC).

The Deficit Restructuring Term is in phase of execution between CELPA and FASCEMAR, in compliance with the Technical Deficit Restructuring Plan approved by PREVIC and comprising the conditions referred to above.

Pension benefits plans sponsored by CELPA are summarized as follows:

#### Benefit Plan CELPA BD-I:

Established on July 30, 1982, this plan has been discontinued since January 1, 1998, when accession of new participants was locked. The following additional benefits are provided:

- Retirement for length of service/age;
- Retirement for disability;
- Sickness allowance;
- Death benefit supplement; and
- Lumpsum in the event of death.

This plan is structured as a defined benefit plan and funded by active participants, vested participants and the sponsor.

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Notes to quarterly information (Continued)  
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### 33 Private pension entity (Continued)

#### **CELPA** (Continued)

##### Benefit Plan CELPA BD-II:

Established on January 1, 1998, this plan has been discontinued since April 1, 2000, when accession of new participants was locked. The following additional benefits are provided:

- Retirement for length of service/age;
- Retirement for disability;
- Sickness allowance;
- Death benefit supplement; and
- Lumpsum in the event of death.

This plan is structured as a defined benefit plan and funded by active participants, vested participants and the sponsor.

##### Benefit Plan CELPA - OP:

Established on April 1, 2000, the plan ensures Monthly Annuity or Monthly Life Annuity, after deferral term.

CELPA OP is a contributory plan type, under variable contribution (CV), in which the future benefit depends on the amount contributed by the participant.

The Plan operates inseparably from Benefit Plan CELPA "R", where the so-called risk benefits are included (disease, disability and death supplement payment).

The funding of the plan is responsibility of the participants and sponsors. The contributions are allocated in funds for providing payment of benefits in the future.

The monthly contribution is defined by the participant. It is also possible to make occasional deposits at any time in order to improve future income.

Participants may opt for the Monthly Annuity or Monthly Life Monthly Annuity.

The benefits offered by the OP Plan are as follows:

- Monthly Life Annuity, with reversal to beneficiaries;
- Monthly Annuity, with reversal to beneficiaries;
- Payment due to disability or death.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 33 Private pension entity (Continued)

#### **CELPA** (Continued)

##### Pension plan CELPA – R

The plan regulation was authorized to operate and approved by means of Administrative Ruling No. 880, of January 12, 2007, issued by the Technical Analysis Department of the Social Security and Supplementary Benefits Office of the Ministry of Social Security. This plan results from the former benefit plans CELPA-R, CEMAT-R and ELÉTRICAS-R, the regulations of which were condensed in a single Regulation, without interruption of operations. The plan ensures risk benefits structure in the defined benefit type, as follows:

- Sickness allowance;
- Retirement for disability;
- Death benefit supplement;
- Payment due to death; and
- Annuity supplement.

The benefits are funded exclusively by CELPA.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended March 31, 2016 and 2015  
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### 33 Private pension entity (Continued)

#### CELPA (Continued)

##### Health care plan

Among several benefits to employees, CELPA established health and dental care plans as follows:

##### Central Nacional Unimed - CNU

Established on May 1, 2006, through Contract No. 402, this plan's purpose is to cover outpatient and hospital care including obstetrics services with National Coverage, coverage of all procedures contained in the Roll of Proceedings of the National Supplementary Health Insurance Agency (ANS), in the form of prepayment with co-participation only as from the sixth consultation per year and beneficiary, with employee contribution to fund the plan. It is offered to the employees of CELPA and their dependents, except for directors and managers. Additionally, it is possible to include only legal dependents, namely the Spouse/Partner, Son/daughter, Stepson/stepdaughter, or Underage individual under custody, Underage through legal guardianship, single individual of up to age 24 or invalid person with no age limit. The monthly fees are determined by type of accommodation contracted, which include Infirmary, apartment and differential room. The amounts are calculated by weighted average based on the value of the beneficiary by age group registered with the ANS. The contribution is defined by average cost and is not distinguished values the contributions (monthly) of assets insured and former employees insured. This contribution is reset for each annual period of coverage, being adjusted for the change in the values of covered procedures, depending on the claims of the policy or the change in the insured group composition (factors that influence the cost of the Operator). The value of the current fees paid by participants and the CELPA is set according to the salary range.

##### Unimed - Health Insurance Plan

CELPA offers its employees and former employees (retirees and dismissed professionals) a health insurance plan managed by operator Unimed Seguro Saúde S/A, in the form of Outpatient and Inpatient including Obstetrics, with national coverage. This plan is offered to officers and managers of CELPA as well as their dependents. The premiums are determined on a uniform basis for all beneficiaries of a same health insurance plan and there is the possibility that dismissed and retired professionals continue in the health insurance plan, provided they fully assume the insurance premium. The amount of monthly fees paid by participants and by CELPA is defined in accordance with the plan (Leader or Senior).



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Notes to quarterly information (Continued)  
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### 33 Private pension entity (Continued)

**CELPA** (Continued)

Health care plan (Continued)

Dental plan Uniodonto

CELPA offers a dental care plan managed by Uniodonto Belém operator to its employees and former employees (retired and dismissed professionals), as well as to their dependents. Unlike what is observable in medical plans, dental expenses do not increase based on the progressive aging of participants.

While there is the possibility that former employees remain in the dental care plan, the period that they remain in such plan does not increase the monthly fee paid by CELPA for its (active) employees. Accordingly, there is no post-employment commitment (cross-subsidy).

### 34 Financial instruments

#### **a. General considerations:**

In compliance with CVM Rule No. 604, of November 19, 2009, which approved Accounting Pronouncements CPC 38, 39 and 40, the Company and its subsidiaries carried out an assessment of their financial instruments, as follows: cash and cash equivalents, trade accounts receivable, concession-related financial assets, trade accounts payable, loans and financing, debentures and derivatives, with due adjustment in the accounting thereof, as applicable.

These instruments are managed through operating strategies and internal controls aiming to ensure their liquidity, profitability and security. Control policy consists of permanently monitoring the contractual conditions versus current market conditions.

Management uses financial instruments with a view to deriving high yields on its cash and cash equivalents, maintaining liquidity of its assets, hedging against changes in interest or exchange rates and complying with the ratios established in its financing contracts (covenants).

#### **b. Policy on use of derivatives**

Equatorial uses derivatives only to hedge against changes in macroeconomic indices and in exchange rates, by means of swap transactions.

Subsidiaries CELPA and CEMAR have swap to provide foreign exchange hedge.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended March 31, 2016 and 2015  
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### 34 Financial instruments (Continued)

#### c. Fair value of financial instruments (Consolidated):

In compliance with CVM Rule No. 475, book balances and market values of the financial instruments included in the balance sheets at March 31, 2016 and December 31, 2015 are as follows:

	03/31/2016		12/31/2015	
	Book value	Market value	Book value	Market value
<b>Assets</b>				
Cash and cash equivalents	404,045	404,045	397,866	397,866
Short-term investments	2,040,274	2,040,274	2,083,474	2,083,474
Trade accounts receivable	2,207,247	2,207,247	2,255,296	2,255,296
Concession-related financial assets	2,303,982	2,303,982	2,228,931	2,228,931
Judicial deposits	181,795	181,795	175,804	175,804
CCC subrogation - amounts invested	58,529	58,529	65,824	65,824
Derivative financial instruments	98,014	98,014	345,613	345,613
<b>Total assets</b>	<b>7,293,886</b>	<b>7,293,886</b>	<b>7,552,808</b>	<b>7,552,808</b>
	03/31/2016		12/31/2015	
	Book value	Market value	Book value	Market value
<b>Liabilities</b>				
Trade accounts payable	822,267	822,267	934,780	934,780
Loans and financing	3,183,950	3,183,950	3,392,653	3,392,653
Debentures	564,599	540,599	542,485	532,144
<b>Total liabilities</b>	<b>4,570,816</b>	<b>4,546,816</b>	<b>4,869,918</b>	<b>4,859,577</b>

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended March 31, 2016 and 2015  
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### 34 Financial instruments (Continued)

#### *c. Fair value of financial instruments* (Continued)

- **Short-term investments** – these are classified at fair value through profit or loss. The hierarchy of fair value of short-term investments is 1.
- **Trade accounts receivable** – these result directly from Company operations, are classified as receivables and recorded at their original amounts, subject to the provision for losses and adjustment to present value, as applicable.
- **Concession financial assets** – these are classified as lending and receivables and are recorded for their original amounts, subject to provision for losses and adjustment to present value, as applicable.
- **Trade accounts payable** – these arise directly from Company operations and are classified as financial liabilities not measured at fair value.
- **Loans and financing** – loans and financing aim at generating funds to finance the Company's investment programs and manage any short-term cash needs. They are classified as financial liabilities not measured at fair value and are recorded at their amortized amounts.
- **Debentures** – these are classified as financial liabilities not measured at fair value and are recorded at their amortized amount.
- **Derivative financial instruments** – are classified at fair value through profit or loss and are intended to hedge against movements in interest rates and exchange rates. For swap transactions, market value was determined using market information available.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended March 31, 2016 and 2015  
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### 34 Financial instruments (Continued)

#### *d. Cash and cash equivalents*

The Company's cash equivalents are highly liquid financial instruments whose market value reflects the amount recorded in the balance sheet. They comprise cash available and short-term investments.

The Company holds cash equivalents in order to meet its short-term cash commitments.

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

#### *e. Risk factors – CVM Rule No. 475*

For being a holding company, the Company's main risks relate to the performance of its subsidiaries and jointly-controlled subsidiary. According to CVM Rule No. 475, the risk factors are set out below:

- **Credit risk** - The high balances as well as aging of receivables from customers represent a risk for Company liquidity and its capital structure. Management monitors outstanding balances and to mitigate the risk of default. The Company uses all collection tools allowed by the regulatory body, such as supply interruption upon consumer default, settlement of debts and renegotiation of debts. In order to mitigate the risk of financial institutions with which the Company maintains cash deposits or financial investments, the Company selects only low-risk institutions, as assessed by rating agencies. The Company maintains its concession assets in accordance with ruling legislation and monitors possible definitions in the concession assets return rules.
- **Liquidity risk** – The liquidity risk evidences the Company's capacity of settling liabilities assumed. To determine the Company's financial capacity of adequately meeting the commitments assumed, the maturity schedule of funds raised and of other liabilities is part of the disclosures. Detailed information about loans and financing raised by the Company is presented in Notes 18.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended March 31, 2016 and 2015  
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### 34 Financial instruments (Continued)

#### e. *Risk factors – CVM Rule No. 475* (Continued)

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

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

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

- **Market risk** – The market risks relate to fluctuations in interest rates, debt indices and exchange rates, further comprising indebtedness limits defined in contracts, and noncompliance therewith may entail accelerated maturity.
- **Currency risk** - This risk arises from the possibility of the Company to incur losses due to changes in exchange rates. Subsidiary CEMAR's current exposure to exchange rates is 12% and that of CELPA is of 44.9% of its debt. The subsidiaries continually monitor exchange rates and market interest rates in order to evaluate the need of derivatives to provide hedge against the risk of volatility of these rates.

A debt sensitivity analysis was carried out considering five scenarios, in accordance with CVM Rule No. 475. One scenario with actual rates at March 31, 2016 (Probable Scenario) plus two scenarios with 25% increase (Scenario II) and 50% increase (Scenario III) in the benchmark exchange rate.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended March 31, 2016 and 2015  
 (In thousands of reais, unless otherwise stated)

### 34 Financial instruments (Continued)

#### e. Risk factors – CVM Rule No. 475 (Continued)

Two scenarios are further included, as opposed to the effect described in CVM Rule, namely 25% decrease (Scenario IV) and 50% decrease (Scenario V).

Fair value or cash flow interest rate risk related to interest rate						R\$ thousand
Transaction	Risk	Probable scenario	Scenario II - +25%	Scenario III - +50%	Scenario IV - -25%	Scenario IV - -50%
<b>Financial liabilities</b>						
Loans, financing and debentures	USD	(132,426)	(475,538)	(818,650)	156,687	553,799
		Rate at				
Reference for financial liabilities		03/31/2016	25%	50%	-25%	-50%
US Dollar /R\$		3,56	4,45	5,34	2,67	1,78

- **Accelerated maturity risk** – The subsidiaries have loan and financing agreements and debentures with covenants, which in general require compliance with certain levels of economic and financial ratios. Failure to comply with these ratios may entail accelerated debt maturity. Management monitors its positions, as well as projects its future indebtedness to take preventative measures in relation to the indebtedness limits.
- **Cash flow or fair value risk related to interest rate** - Changes in interest rates affect the Company's financial assets and liabilities. The Group sets out below the impact of these variations on return on financial investments and indebtedness in local currency.

A sensitivity analysis was carried out for the financial assets and liabilities of the subsidiaries considering five scenarios.

In accordance with CVM Rule No. 475, we considered one scenario with actual rates at March 31, 2016 (Probable Scenario) plus two scenarios with 25% increase (Scenario II) and 50% increase (Scenario III).

Two scenarios are further included, as opposed to the effect described in CVM Rule, namely 25% decrease (Scenario IV) and 50% decrease (Scenario V) in the benchmark exchange rate

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 34 Financial instruments (Continued)

#### e. Risk factors – CVM Rule No. 475 (Continued)

Fair value or cash flow interest rate risk related to interest rate						
Transaction	Risk	Probable scenario	Scenario II 25%	Scenario III 50%	Scenario IV -25%	Scenario V -50%
<b>Financial assets</b>						
Short-term investments	CDI	82,836	103,545	124,254	62,127	41,418
<b>Financial liabilities</b>						
	CDI	(35,647)	(52,862)	(70,073)	(18,436)	(1,221)
	SELIC	(14,167)	(14,614)	(15,060)	(13,721)	(13,274)
Loans, financing and debentures	TJLP	(25,816)	(32,342)	(38,866)	(19,292)	(12,769)
	IGP-M	(8,352)	(14,222)	(20,093)	(2,482)	3,388
	FINEL	(3,120)	(3,338)	(3,556)	(2,902)	(2,685)
	IPCA	(169,824)	(171,401)	(172,979)	(168,246)	(166,669)
<b>Reference for financial assets and liabilities</b>		<b>Rate at 03/31/2016</b>	<b>25%</b>	<b>50%</b>	<b>-25%</b>	<b>-25%</b>
CDI (% 9 months)		3,25	4,06	4,88	2,44	1,63
SELIC (% 6 months)		3,26	4,07	4,88	2,44	1,63
TJLP (% 9 months)		1,82	2,28	2,74	1,37	0,91
IGP-M (% 9 months)		2,97	3,71	4,45	2,22	1,48
IPCA (% 9 months)		2,62	3,28	3,93	1,97	1,31

The impact of the sensitivity analysis on P&L and equity of subsidiary CEMAR is as follows:

Scenarios	Impact on P&L	Impact on equity
Probable scenario	-	-
Scenario II	(76,678)	(76,678)
Scenario III	(153,356)	(153,356)
Scenario IV	76,678	76,678
Scenario V	153,356	153,356

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended March 31, 2016 and 2015  
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### 34 Financial instruments (Continued)

#### e. Risk factors – CVM Rule No. 475 (Continued)

The impact of the sensitivity analysis on P&L and equity of subsidiary CELPA is as follows:

##### Impact of sensitivity on P&L and equity

<u>Scenarios</u>	<u>Impact on P&amp;L</u>	<u>Impact on equity</u>
Probable scenario	-	-
Scenario II	(319,739)	(243,419)
Scenario III	(639,475)	(487,218)
Scenario IV	319,737	395,292
Scenario V	639,474	790,967

Pursuant to CPC 40, Company derivative financial instruments in force at March 31, 2016 and December 31, 2015 are summarized as follows:

Consolidated derivative instruments:

<u>Liability transactions</u>	<u>Market risk hedging purpose (a)</u>	<u>Index</u>	<u>Fair value</u>	
			<u>03/31/2016</u>	<u>12/31/2015</u>
Swap				
Long position		US\$	141,072	383,679
Short position		CDI	(89,118)	(57,050)
Total			51,954	326,629



## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended March 31, 2016 and 2015  
(In thousands of reais, unless otherwise stated)

### 34 Financial instruments (Continued)

#### e. *Risk factors – CVM Rule No. 475* (Continued)

- **Energy Shortage Risk** – The Brazilian Power System is primarily supplied by hydroelectric power generation. A long period of draught during the wet season will reduce the volume of water in the power plants' reservoirs, resulting in an increased acquisition cost of energy in the short-term market and in increased System Charges due the output of thermal power plants. Ultimately, a rationing program may be adopted, which would imply in a decrease in revenue. However, given current levels of the reservoirs and the latest simulations performed, the National Electric System Operator (ONS) does not expect a new rationing program for the coming years.

The Company and its subsidiaries manage their capital so as to maximize return for investors by leveraging the indebtedness and equity levels, seeking to achieve an efficient capital structure, and maintaining indebtedness and debt coverage ratios at levels that maximize return on capital for investors and ensure liquidity for the Company.

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

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

#### f. *Risk management arising from financial instruments*

CEMAR has derivative financial instruments (swap) with Itaú and Santander banks related to foreign currency transactions maturing on December 23, 2017 and October 10, 2017, respectively. In March 2016, the outstanding balances of contracts entered into in foreign currency transactions with Santander and Itaú are respectively 149,020 and 146,810.

CELPA has swap with Itaú, Citibank and Santander banks relating to foreign currency transactions, with their respective maturities on February 24, 2017, February 2, 2019 and August 8, 2016. In March 2016, debt balances of contracts entered into in foreign currency transactions with Itaú, Citibank and Santander banks are respectively 273,283, 440,895 and 151,100.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended March 31, 2016 and 2015  
(In thousands of reais, unless otherwise stated)

### 35 Commitments

Commitments related to long-term power purchase agreements of subsidiaries CEMAR and CELPA are as follows:

- **CEMAR:**

	<u>Effectiveness</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>From 2018 onwards</u>
Energy contracts	2016 to 2032	1,343,053	1,215,973	1,296,274	25,030,731

- **CELPA:**

	<u>Effectiveness</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>From 2018 onwards</u>
Energy contracts	2016 to 2042	2,306,607	2,211,946	2,517,923	53,283,354

Amounts related to energy purchase agreements effective for 6 to 30 years represent the total volume purchased for the restated price, according to CCEAR clause, and were approved by ANEEL.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended March 31, 2016 and 2015  
 (In thousands of reais, unless otherwise stated)

### 36 Business segment

The Company's operating segments are internally organized, mainly as a legal entity. The Company grouped operating segments as follows: Distribution, Services, Sale and Management, among others.

The Company analyzes segment performance and allocates funds based on several factors, of which revenues and operating income are significant financial factors.

	Distribution		Services / Sale		Central management and other		Eliminations and adjustments		Consolidated	
	03/31/2016	03/31/2015	03/31/2016	03/31/2015	03/31/2016	03/31/2015	03/31/2016	03/31/2015	03/31/2016	03/31/2015
Operating assets	11,926,346	10,655,107	84,470	92,247	3,827,140	3,216,991	(3,364,258)	(2,661,814)	12,473,698	11,302,531
Operational liabilities	8,293,301	8,375,833	35,762	47,266	205,923	165,066	(461,444)	(973,366)	8,073,542	7,614,799
Net revenue	1,678,600	1,640,516	55,222	38,079	-	-	-	-	1,733,822	1,678,595
Cost of services	(1,351,425)	(1,240,940)	(49,358)	(28,341)	-	-	-	-	(1,400,783)	(1,269,281)
Gross profit	327,175	399,576	5,864	9,738	-	-	-	-	333,039	409,314
Selling expenses	(107,254)	(68,006)	-	-	-	-	-	-	(107,254)	(68,006)
General and administrative expenses	(103,723)	(134,100)	(35)	(30)	(14,492)	(19,697)	49,867	(327)	(68,383)	(154,154)
Equity pickup	-	-	-	-	140,841	86,874	(134,657)	(76,172)	6,184	10,702
Goodwill amortization	-	-	-	-	(1,593)	(1,677)	-	-	(1,593)	(1,677)
Financial income	293,877	335,692	1,398	994	17,969	23,391	(10,253)	(14,924)	302,991	345,153
Financial expenses	(251,503)	(421,412)	(145)	(70)	(830)	(46)	10,253	14,924	(242,225)	(406,604)
Income before income taxes	158,572	111,750	7,082	10,632	141,895	88,845	(84,790)	(76,499)	222,759	134,728
Income and social contributions taxes	(39,451)	(16,918)	(1,806)	(3,746)	(3,092)	(3,476)	(7,605)	50	(51,954)	(24,090)
Income before noncontrolling interest	119,121	94,832	5,276	6,886	138,803	85,369	(92,395)	(76,449)	170,805	110,638
Attributable to controlling interests	-	-	(2,504)	(3,349)	-	-	(29,498)	(21,920)	(32,002)	(25,269)
Net income (loss) for the period per segment	119,121	94,832	2,772	3,537	138,803	85,369	(121,893)	(98,369)	138,803	85,369

### 37 Insurance coverage

Specification by risk type and validity of the main insurance policies taken out by the Company and its subsidiaries CEMAR and CELPA are as follows:

- **EQUATORIAL:**

<b>Risks</b>	<b>Policy maturity</b>	<b>Amount insured</b>
D&O - General	01/12/2016	30,000
Corporate – Office	22/04/2017	1,650

- **CEMAR:**

<b>Risks</b>	<b>Policy maturity</b>	<b>Amount insured</b>
Operational risks	31/12/2016	228,723
General civil liability – Operations	31/12/2016	7,000
Sundry risks	20/02/2017	1,095
Judicial guarantee insurance	(a)	28,274
Energy auction guarantee	(b)	861
Vehicle	31/01/2017	(c)

(a) 50 policies expiring between July 2015 and July 2016.

(b) 8 policies expiring between August 2015 and April 2016.

(c) 112 insured vehicles.

Subsidiary CEMAR takes out insurance for assets subject to risks at amounts considered sufficient to cover any losses, considering the nature of its operations. CEMAR's insurance policies are taken out based on risk and insurance management guidelines generally adopted by electric energy distribution companies. Given their nature, the risk assumptions adopted are not part of the scope of a special review of interim financial statements and, therefore, were not reviewed by the independent auditor.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended March 31, 2016 and 2015  
(In thousands of reais, unless otherwise stated)

### 37 Insurance coverage (Continued)

- **CELPA:**

<b>Insurance line</b>	<b>Policy maturity</b>	<b>Amount insured</b>
General civil liability – Operations	12/31/2016	7,000
Operational risks	12/31/2016	293,945
Vehicle (a)	12/31/2016	-
Vehicle (b)	12/31/2016	-
Judicial guarantee insurance (c)	-	134,241
Energy auction guarantee (d)	-	1,053

(a) 36 leased vehicles insured, according to policies;

(b) 58 leased Hilux vehicles insured, according to policies;

(c) Insurance policies in force through JAN/2021;

(d) Insurance policies in force through JUN/2017;

CELPA has insurance policies at amounts considered sufficient to cover damages caused by claims, if any, to its assets and any compensation for which it is held liable for involuntary damage, property damages and/or bodily injuries caused to third parties as a result of its operations, considering the nature of its activities. CELPA insurance plans are taken out considering risk management principles and insurance policies usually used by companies of the electric energy distribution sector. The risk assumptions adopted, given their nature, are not part of the scope of an audit of financial statements and, consequently, were not reviewed by our independent auditors.

### 38 Eventos subsequentes

At the Special General Meeting held on April 14, 2016, capital increase was approved in subsidiary CEMAR with no issue of new shares, in the amount of R\$89,210.

## **Equatorial Energia S.A**

Notes to quarterly information (Continued)  
Periods ended March 31, 2016 and 2015  
(In thousands of reais, unless otherwise stated)

### **Board of Directors**

Carlos Augusto Leone Piani

Eduardo Saggiaro

Firmino Ferreira Sampaio Neto

Guilherme Aché

Luis Henrique Moura

Marcelo Monteiro

Paulo Jerônimo Bandeira de Mello Pedrosa

### **Supervisory board**

Paulo Roberto Franceschi

Saulo de Tarso Alves de Lara

Vanderlei Dominguez da Rosa

## **Executive Board**

Augusto Miranda da Paz Júnior  
Chief Executive Officer

Carla Ferreira Medrado  
Officer

Eduardo Haiama  
Chief Financial and Investor Relations Officer

Leonardo da Silva Lucas Tavares de Lima  
Officer

Marcos Antônio Souza de Almeida  
Officer

Tinn Freire Amado  
Officer

**Geovane Ximenes de Lira**  
**Accounting and Tax Manager**  
**Accountant**  
**CRC PE 012996-O-S-MA**

Rio de Janeiro, May 12, 2016 - Equatorial Energia S.A. (BM&FBOVESPA: EOTL3) announces its results for the first quarter of 2016 (1Q16).

Equatorial is a holding company with investments in Companhia Energética do Maranhão (CEMAR), Centrais Elétricas do Pará (CELPA), Geramar and Equatorial Soluções. Equatorial holds a 65.11% interest in CEMAR, the electricity distributor for the entire state of Maranhão, and 96.50% in CELPA, the electricity distributor for the entire state of Pará. It also holds a 25% interest in Geramar, the company responsible for the construction and operation of two thermoelectric plants in Maranhão with a combined installed capacity of 330MW. In the service segment, Equatorial holds a 100% interest in Equatorial Soluções. Non-financial information relating to Equatorial Energia and its subsidiaries and the PLPT ("Light for All Program"), as well as Management's expectations regarding the future performance of the Company and its subsidiaries were not reviewed by independent auditors.

## CEMAR'S AND CELPA'S REQUIRED ENERGY INCREASES 5.0% AND 3.7%, RESPECTIVELY. QUALITY INDICATORS CONTINUE TO IMPROVE IN THE QUARTER.

### 1. FINANCIAL AND OPERATING HIGHLIGHTS

- ▶ **New Commercial System:** In this quarter, the new SAP/CCS commercial system was installed in Cemar and Celpa, which allowed the standardization of procedures and systems in both companies, the review of their business procedures and technology deployment with more agility in operations. However, during its implementation and stabilization period, some billing and loss combat activities are temporarily affected with direct consequences in the billed volume in the period, losses percentage, revenues, EBITDA and Net Income. Some of these impacts have been estimated and are highlighted in Section 2 – Implementation of the New Commercial System.
- ▶ **Solid Required Energy Growth:** Cemar's required energy grew 5.0% in the 1Q16. In Celpa, the growth amounted to 3.7%.
- ▶ **CEMAR's total energy volume** reached 1,460 GWh in 1Q16, 3.4% higher than in 1Q15. The total volume distributed by CELPA (captive and free markets) totaled 1,954 GWh in 1Q16, representing a decrease of 0.7% YoY. Considering our estimate of the SAP/CCS implementation's impact in billing, market growth could reach 4.7% in CEMAR and 3.4% in CELPA.
- ▶ In 1Q16, Adjusted EBITDA was R\$ 236 million, compared to R\$ 227 million in 1Q15, a 3.7% increase. Considering our estimate of the SAP/CCS implementation's impact in billing, the consolidated EBITDA could reach R\$ 264 million in the quarter.
- ▶ The Adjusted Net Result of the quarter was R\$ 122 million, increase of 182.0% over the previous year.
- ▶ In 1Q16, Equatorial's consolidated investments totaled R\$270 million, 16.8% less than those made in 1Q15.
- ▶ In 1Q16, CEMAR's DEC and FEC indexes (accumulated over the last 12 months) were 14.0 hours and 8.0 times respectively. In CELPA, these same indexes closed the quarter with improvements of 5.1% and 0.4%, respectively.
- ▶ In CEMAR, energy losses of the last 12 months ending 1Q16 represented 17.9% of the required energy. In CELPA, total losses ended the quarter at 29.9% of the required energy. Considering our estimate of the SAP/CCS implementation's impact in billing, the loss percentage could reach 17,7% in CEMAR and 29.2% in CELPA.

FINANCIAL DATA (R\$MM)	1Q15	4Q15	1Q16	Var.
Total Net Operating Revenue	1,679	1,875	1,734	3.3%
Adjusted EBITDA	251	333	236	3.7%
EBITDA (LTM)	1,401	1,176	1,134	-19.1%
EBITDA Margin (% net revenues)	13.5%	20.3%	13.6%	0.1 p.p.
Adjusted Net Income	43	292	122	182.0%
Profit Margin (% net revenues)	2.6%	7.6%	8.0%	5.4 p.p.
Net Income per Share (R\$ / share)	0.78	0.72	0.70	-10.5%
Investments				
CEMAR	69	128	106	53.5%
PLPT (CEMAR)	10	30	18	86.6%
CELPA	196	99	108	-45.0%
PLPT (CELPA)	47	70	35	-25.1%
Geramar	3	2	3	-10.3%
Total	325	329	270	-16.8%
Net Debt	2,134	1,682	1,977	-7.4%
Net Debt / Regulatory EBITDA (LTM)	1.9	1.4	1.7	-0.2 x
	1Q15	4Q15	1Q16	Var.
Distribution				
Billed Energy (GWh)				
CEMAR	1,412	1,598	1,460	3.4%
CELPA	1,967	2,413	1,954	-0.7%
Number of consumers (thousands)				
CEMAR	2,212	2,262	2,283	3.2%
CELPA	2,195	2,311	2,318	5.6%



2. NEW COMMERCIAL SYSTEM IMPLEMENTATION

Effects SAP/CCS Implementation	1Q15	4Q15	1Q16	Chg. %	Lower Estimate*	Higher Estimate*
<b>CEMAR</b>					<b>+9 GWh</b>	<b>+18 GWh</b>
Volume (GWh)	1,412	1,598	1,460	3.4%	1,469	1,478
Total Losses (last 12 months)	17.5%	17.6%	17.9%	0,4 p.p.	17.8%	17.7%
Adjusted NOR (R\$ MM)	657	781	728	10.9%	732	735
Adjusted EBITDA (R\$ MM)	142	168	135	-4.9%	139	142
<b>CELPA</b>					<b>+50 GWh</b>	<b>+80 GWh</b>
Volume (GWh)	1,967	2,413	1,954	-0.7%	2,004	2,034
Total Losses (last 12 months)	30.8%	29.2%	29.9%	-0,9 p.p.	29.5%	29.2%
Adjusted NOR (R\$ MM)	985	1,042	984	-0.1%	996	1,005
Adjusted EBITDA (R\$ MM)	84	223	106	26.2%	118	127
<b>Equatorial Consolidated</b>						
Adjusted NOR (R\$ MM)	1,679	1,875	1,767	5.2%	1,783	1,795
Adjusted EBITDA (R\$ MM)	227	381	236	3.8%	252	264

\* Estimated Values

The estimates presented in this section are not considered in Company's Adjusted EBITDA and Net Income.

**NEW COMMERCIAL SYSTEM IMPLEMENTATION**

During 1Q16, a new commercial system was implemented, SAP/CCS, in both companies – January in Cemar and March in Celpa, which consumed R\$ 66 million in investments in the last 20 months. The benefits for transitioning to the new system can be summed up by: (i) savings of approximately R\$ 7 million per year in Opex in both companies; (ii) standardization of the systems and procedures in both companies; (iii) the review of commercial procedures and its interfaces, and; (iv) adoption of the most recent technology, allowing more agility and efficiency in the daily operations.

**STABILIZATION PERIOD**

**CEMAR**

In this 1Q16, at Cemar, some billing and loss combat activities were affected. We estimate that there was an impact between 9 and 18 GWh in volume sold, which represents up to 4.7% growth, close to the required energy growth in the period. Losses would have reached 17.7% and, consequently, EBITDA would be R\$ 7 million higher, reaching R\$ 142 million in the quarter. Even after the impacts estimate arising from the new system, there was a non-billed revenue of R\$ 14 million negative in the quarter (R\$ 1 million negative in 1Q15), which seasonally should be reverted throughout this year.

Since its implementation took place in January, the effects from its stabilization period could be partially compensated within this same quarter. Our expectation is that the billing and loss combat initiatives should be normalized by the 2Q16, allowing for the recovery of the mentioned impact until the end of this year.

**CELPA**

At Celpa, some billing and loss combat activities were affected only in March. We estimate that there was an impact between 50 and 80 GWh in volume sold, which represents up to 3.4% growth, close to the required energy growth in the period. Losses would have reached 29.2% and, consequently, EBITDA would be R\$ 21 million higher, reaching R\$ 127 million in the quarter. Even after the impacts estimate arising from the new system, there was a non-billed revenue of R\$ 31 million negative in the quarter (R\$ 1 million negative in 1Q15), which seasonally should be reverted throughout this year.

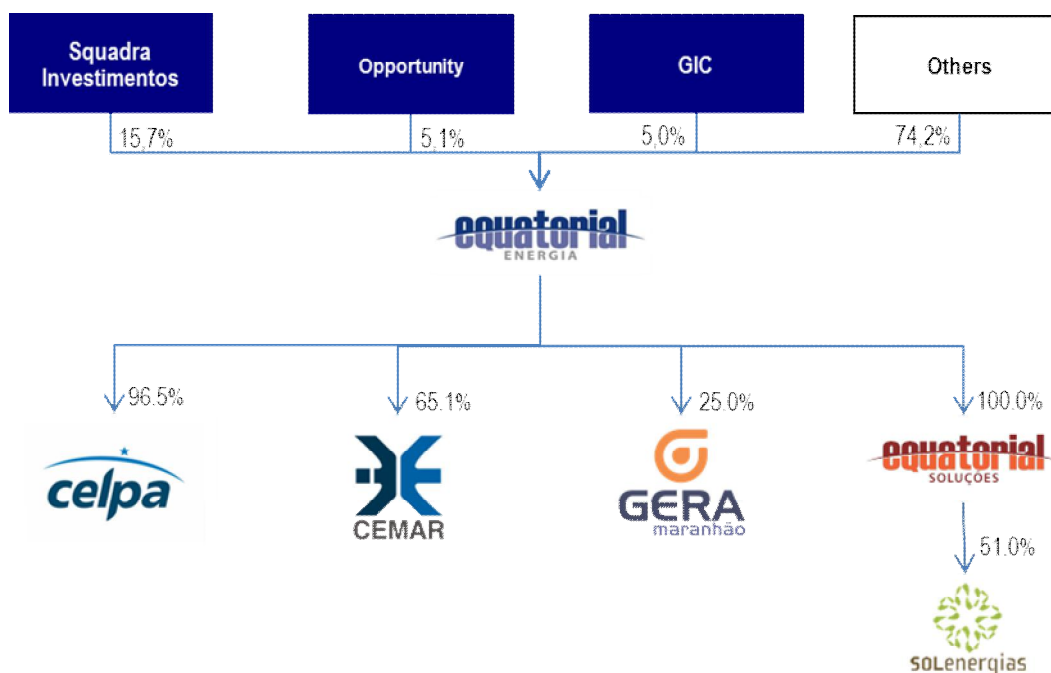
Since its implementation took place in March, the effects from its stabilization period are more relevant in the quarter. Our expectation is that the billing and loss combat initiatives may be affected by the 2Q16, allowing for the recovery of the mentioned impact until the end of this year.

Finally, we strengthened the commercial department structure to speed the normalization process and recovery of the activities forecast for the year.

3. SHAREHOLDERS' STRUCTURE

The information contained in this section reflects the current shareholding structure, as is in the same date of this Earnings Release.

Shareholder	Shares	%
Squadra Investimentos	31,176,900	15.69%
Opportunity	10,067,478	5.07%
GIC	10,001,775	5.03%
Demais Minoritários	147,429,814	74.21%
<b>Total</b>	<b>198,675,967</b>	<b>100.00%</b>



#### 4. OPERATING PERFORMANCE

The operating information contained in this section is pro forma and reflects 100% of the operations of CEMAR and 100% of the operations of CELPA.

##### 4.1 OPERATING PERFORMANCE

###### ELECTRIC ENERGY SALES

###### CEMAR

In 1Q16, energy sales (captive and free market) increased 3.4% over the same quarter of the previous year, reaching 1,460 GWh. The growth observed during the quarter was a result of the expansion of the client base of 3.2% in the quarter. Despite the strong increase in other segments (Residential, Commercial and Other), the captive industrial market and the free market showed consumption contraction this quarter.

###### CELPA

In 1Q16, sales of energy for the captive market decreased 0.7% compared to the same quarter of the previous year, reaching 1,954 GWh. In this quarter, with the migration to a new commercial system, loss prevention activities were affected in March, implementation period and stabilization of the system, which also impacted the billed market.

CONSUMPTION SEGMENTS (MWh)	1Q15	4Q15	1Q16	Var.
<b>CEMAR</b>				
Residential	703,967	785,132	746,781	6.1%
Industrial	99,550	105,283	87,860	-11.7%
Commercial	287,678	322,110	295,431	2.7%
Others	290,470	355,563	302,356	4.1%
<b>TOTAL (Captive)</b>	<b>1,381,664</b>	<b>1,568,088</b>	<b>1,432,427</b>	<b>3.7%</b>
Free Consumers	30,011	29,708	27,303	-9.0%
<b>TOTAL (Captive + Free) - CEMAR</b>	<b>1,411,675</b>	<b>1,597,796</b>	<b>1,459,730</b>	<b>3.4%</b>
<b>CELPA</b>				
Residential	803,747	1,084,082	834,693	3.9%
Industrial	327,927	343,778	262,655	-19.9%
Commercial	420,934	508,454	402,646	-4.3%
Others	326,713	408,713	344,183	5.3%
<b>TOTAL</b>	<b>1,879,320</b>	<b>2,345,028</b>	<b>1,844,176</b>	<b>-1.9%</b>
Free Consumers	88,036	68,408	109,848	24.8%
<b>TOTAL (Captive + Free) - CELPA</b>	<b>1,967,357</b>	<b>2,413,435</b>	<b>1,954,023</b>	<b>-0.7%</b>
<b>TOTAL (Captive + Free) - CELPA</b>	<b>3,379,032</b>	<b>4,011,231</b>	<b>3,413,753</b>	<b>1.0%</b>

Number of Consumers	1Q15	4Q15	1Q16	Var.
<b>CEMAR</b>				
Regular Residential	1,099,173	1,209,060	1,213,738	10.4%
Low Income Residential	868,659	803,113	818,637	-5.8%
Industrial	8,536	8,507	8,480	-0.7%
Commercial	147,345	151,361	152,240	3.3%
Others	88,526	89,561	89,949	1.6%
<b>TOTAL</b>	<b>2,212,239</b>	<b>2,261,602</b>	<b>2,283,044</b>	<b>3.2%</b>
<b>CELPA</b>				
Regular Residential	1,273,105	1,425,157	1,476,209	16.0%
Low Income Residential	617,467	562,525	509,467	-17.5%
Industrial	4,037	3,998	4,426	9.6%
Commercial	161,795	168,116	171,708	6.1%
Others	139,161	150,915	156,426	12.4%
<b>TOTAL</b>	<b>2,195,565</b>	<b>2,310,711</b>	<b>2,318,236</b>	<b>5.8%</b>
<b>TOTAL EQUATORIAL</b>	<b>4,407,804</b>	<b>4,572,313</b>	<b>4,601,280</b>	<b>4.4%</b>

The volume of required energy by CEMAR's system reached 1,768 GWh in 1Q16, a growth of 5.0% year on year. The amount of energy sold grew 3.4% over the same quarter of the previous year.

ENERGY BALANCE (GWh)	1Q15	4Q15	1Q16	Var.
Required Energy	1,684	1,948	1,768	5.0%
Sold Energy (*)	1,414	1,600	1,462	3.4%
Losses	270	348	306	13.4%

(\*) Considers sales to the segments, own consumption and sales to CEPISA e CELTINS.

The volume of required energy by CELPA's system came to 2,907 GWh in 1Q16, up 3.7% over the same period in the previous year. The volume of energy sold during the quarter grew 1.9% over 1Q15.

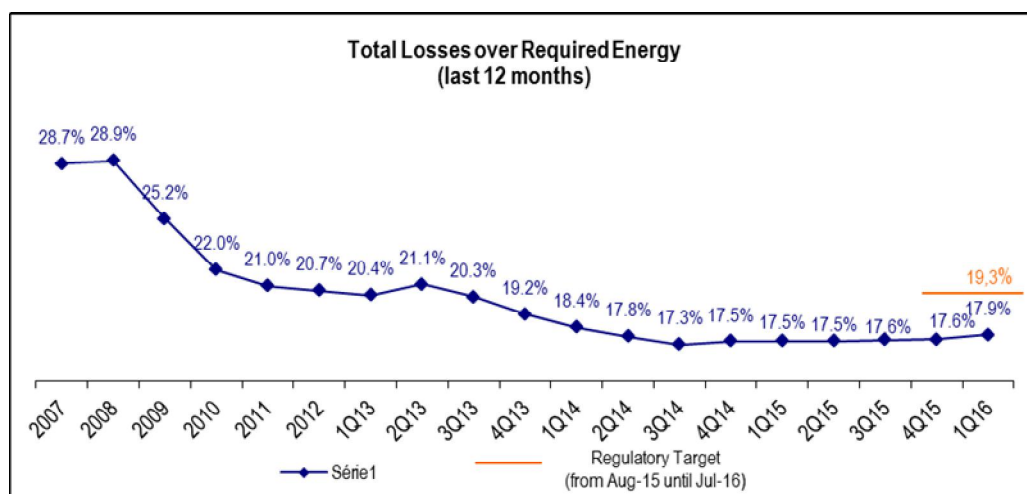
ENERGY BALANCE (GWh)	1Q15	4Q15	1Q16	Var.
Energy Sales (Captive + Own Consumption)	1,888	2,354	1,852	-1.9%
Free Market	88	68	110	24.8%
Losses	828	734	945	14.1%
Required Energy	2,804	3,157	2,907	3.7%
Own Generation	114	116	106	-6.7%
Energy Purchase (Contracts)	2,690	3,041	2,801	4.1%

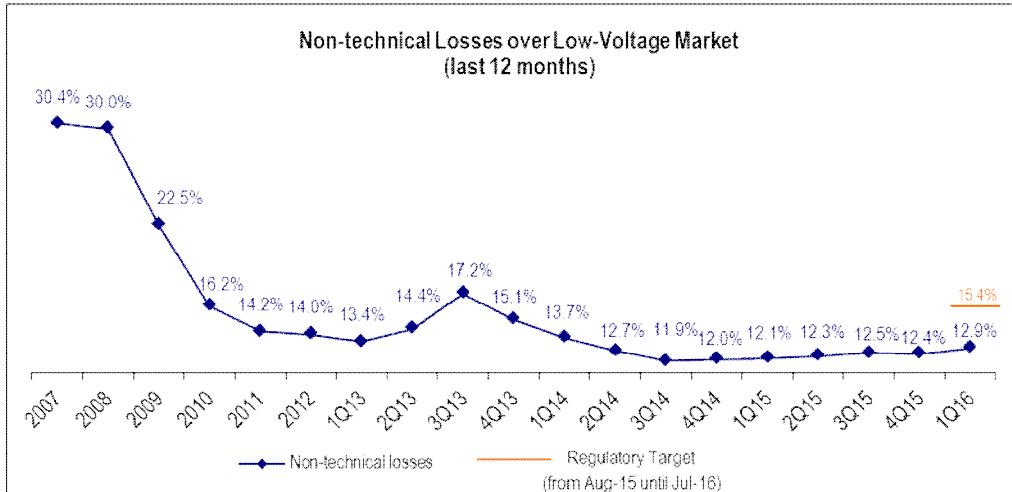
## ENERGY DISTRIBUTION LOSSES

### CEMAR

The total losses of the last 12 months ending in 1Q16 represented 17.9% of the Required Energy, an increase of 0.3 p.p. in comparison with the end of the last quarter, whereas non-technical losses in the low-voltage market represented 12.9%. We highlight that the calculation of non-technical losses is made using the regulatory percentage of 9.86% of technical losses over the Required Energy.

Despite a greater resistance against losses combat actions, due the current moment in the economy and the complexity of the concession area, we have been successful in maintaining a level considered low and stable for non-technical losses. We highlight that there was an impact due to the new commercial system SAP/CCS, estimated in Section 2 – Implementation of the New Commercial System.

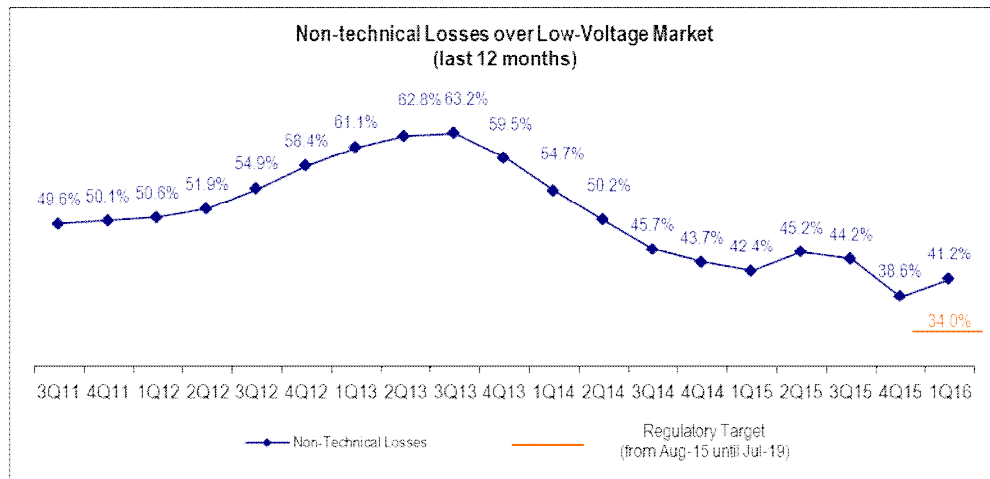
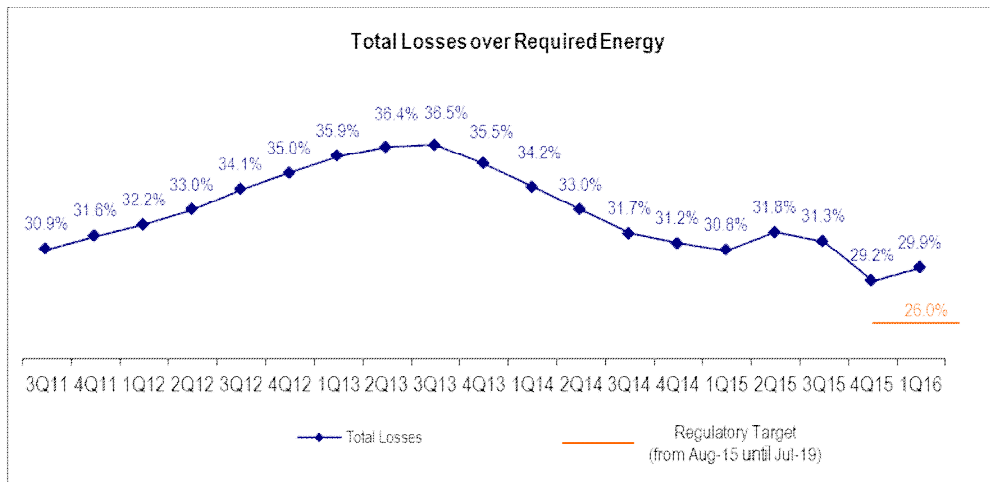




**CELPA**

The total losses of the past 12 months ending in 1Q16 accounted for 29.9% of the required energy, while non-technical losses on the Low Voltage market reached 41.2%, an increase of 2.6 p.p. Such increase is a result of the following factors: (i) greater resistance to loss combat actions due to the current economic environment; (ii) complexity of the concession area; (iii) migration to a new commercial system, affecting the loss combat actions during the implementation and stabilization period of the new system, especially in March. . We highlight that there was an impact due to the new commercial system SAP/CCS, estimated in Section 2 – Implementation of the New Commercial System.

For the calculation of the non-technical losses, the technical losses percentage subtracted from the total losses is that approved by ANEEL in the Company's last Tariff Review, 10.14%.



## QUALITY INDICATORS – DEC AND FEC

The quality and efficiency of the distribution concessionaires' networks is measured by the DEC (Duration Equivalent of Interruption per Consuming Unit that measures the equivalent length of interruptions per consumer, measured in hours per consumer for a given period) and FEC (Frequency Equivalent of Interruption per Consuming Unit, measured as the number of interruptions per consumer for a given period).

### CEMAR

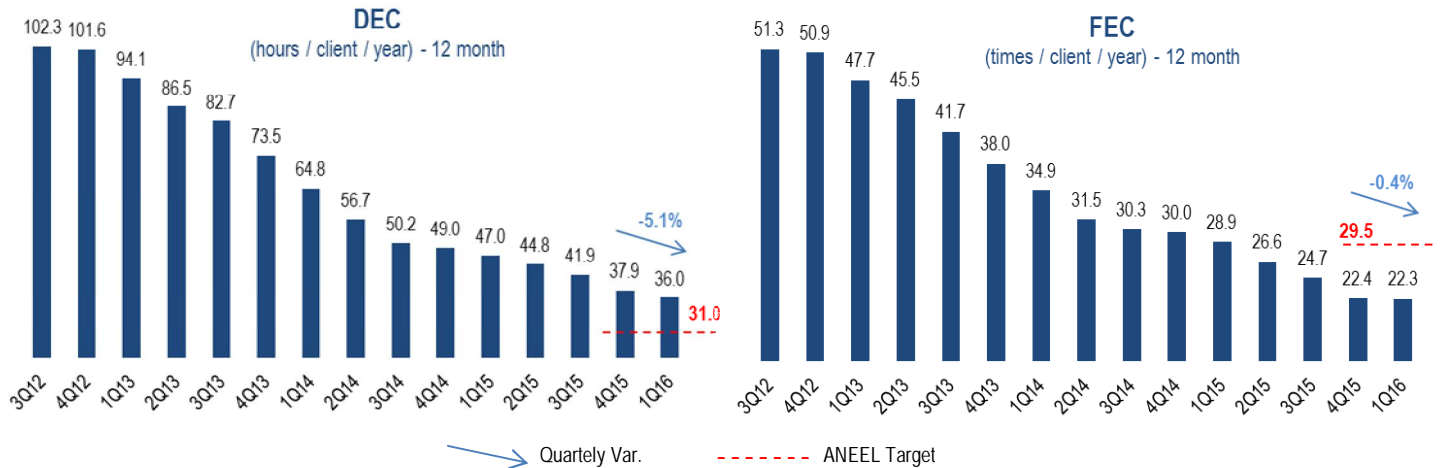
At the close of 1Q16, the 12-month DEC stood at 14.0 hours, compared to 15.3 hours at the end of 4Q15, a decrease of 8.4%. The FEC indicator (accumulated 12-month period) at the end of 1Q16 was 8.0 times, representing a 11.0% decrease in 4Q15's rate. As per the graph below, both indicators are well below the target set by ANEEL.



### CELPA

At the close of 1Q16, the 12-month DEC stood at 36.0 hours that compared to 37.9 hours at the end of 4Q15 represented a decrease of 5.1%. The FEC indicator (accumulated 12-month period) at the end of 1Q16, was 22.3 times, representing a 0.4% decrease in 4Q15's rate. In Celpa, only FEC is currently below the target set by ANEEL.

In this quarter, DEC and FEC's fall trajectory has reduced its pace due to an increase of these indicators in the supplier, which DEC increased from 0,88h in 4Q15 to 2,76h in 1Q16. As for the FEC, this indicator in the supplier increased from 1,46x in 4Q15 to 2,16x in 1Q16.



AVERAGE ENERGY PURCHASE COST

CEMAR

AVERAGE ENERGY PURCHASE COST*	1Q15	4Q15	1Q16	Var.
Energy Purchase - Contracts (R\$MM)	194	220	223	15.0%
MWh Contracted	833,272	1,063,244	1,196,195	43.6%
Energy Purchase - Spot (R\$MM)	136	91	48	-65.2%
MWh - Spot	224,248	60,592	(85,985)	N/A
GSF (R\$ MM)	21	28	42	103.7%
MWh - GSF	615,651	846,222	687,774	11.7%
<b>Average Energy Purchase Cost (R\$ / MWh)</b>	<b>210</b>	<b>172</b>	<b>174</b>	<b>-17.12%</b>

\* Net of PIS/COFINS

CELPA

AVERAGE ENERGY PURCHASE COST*	1Q15	4Q15	1Q16	Var.
Energy Purchase - Contracts (R\$MM)	388	354	398	-14.1%
MWh Contracted	1,648,970	1,727,833	2,032,264	3.0%
Energy Purchase - Spot (R\$MM)	207	138	42	-81.7%
MWh - Spot	345,833	267,847	(184,388)	N/A
GSF (R\$ MM)	22	31	55	148.9%
MWh - GSF	664,654	952,785	907,524	18.7%
<b>Average Energy Purchase Cost (R\$ / MWh)</b>	<b>232</b>	<b>177</b>	<b>180</b>	<b>-25.3%</b>

\* Net of PIS/COFINS

ENERGY PURCHASE CONTRACTS

CEMAR

CONTRACTS (MWh)	2016	2017	2018	2019	2020
Hydro	3,100,669	2,957,281	3,108,106	2,754,222	2,180,286
Termal	1,426,298	1,801,910	1,897,349	2,362,048	2,237,425
GSF	2,981,684	2,630,590	2,630,590	2,630,590	2,630,590
Others	673,565	427,174	728,128	952,635	1,113,655
<b>TOTAL - MWh</b>	<b>8,182,216</b>	<b>7,816,954</b>	<b>8,364,173</b>	<b>8,699,495</b>	<b>8,161,956</b>

CELPA

CONTRACTS (MWh)	2016	2017	2018	2019	2020
Hydro	5,177,611	5,077,330	5,515,597	5,180,447	4,237,349
Termal	2,353,011	2,256,087	2,456,309	4,246,505	3,980,117
GSF	3,870,893	3,464,461	3,464,461	3,464,461	3,473,952
Others	1,042,903	1,101,821	1,776,529	2,417,951	2,424,576
<b>TOTAL - MWh</b>	<b>12,444,418</b>	<b>11,899,699</b>	<b>13,212,896</b>	<b>15,309,364</b>	<b>14,115,994</b>



## 5. ECONOMIC-FINANCIAL PERFORMANCE - CONSOLIDATED

The information in this section reflects: i) 100% of CEMAR's operations, excluding 34.89% related to minority interests before Net Income, or 65.11% of the total; ii) 100% of CELPA's operations, excluding 3.50% related to minority interests before Net Income, or 96.50% of the total and iii) 100% of Equatorial Soluções.

We highlight that, in accordance with Brazilian accounting rules, the results referred to the 25% participation in Geramar are consolidated in Equatorial, only from Patrimonial Equivalence.

### 5.1 ECONOMIC-FINANCIAL PERFORMANCE – CONSOLIDATED

INCOME STATEMENT (R\$MM)	1Q15	4Q15	1Q16	Var.
Gross Operating Revenues (GOR)	2,279	2,761	2,492	9.3%
Net Operating Revenue (NOR)	1,679	1,875	1,734	3.3%
Energy Cost	(1,191)	(1,126)	(1,204)	1.0%
Operating Costs / Expenses	(236)	(416)	(275)	16.6%
<b>EBITDA</b>	<b>251</b>	<b>333</b>	<b>255</b>	<b>1.5%</b>
Other Revenues/ Operational Expenses	(32)	(80)	(11)	-66.6%
Depreciation	(32)	(122)	(87)	174.9%
Service Income (EBIT)	187	131	157	-15.9%
Financial Result	(61)	(40)	61	-198.9%
Goodwill amortization	9	5	5	-49.1%
Earnings before taxes (EBT)	135	96	223	65.3%
Income Tax / Social Contribution	(24)	88	(52)	115.7%
Minority Interest	(25)	(42)	(32)	26.6%
<b>Net Income</b>	<b>85</b>	<b>143</b>	<b>139</b>	<b>62.6%</b>

### EQUATORIAL'S CONSOLIDATED EBITDA

Besides the specific adjustments made in Cemar and Celpa (see EBITDA section of each company in this Earnings Release), for Equatorial holding, we also adjusted the Stock Option Plan expenses, amounting to R\$ 3 million in this quarter, since these expenses are non-cash.

In 1Q16, there is a R\$ 50 million difference in CELPA's EBITDA used in consolidation's PPA for the Equatorial's results by provisions reversals of contingencies classified as possible losses.

With these adjustments, Equatorial's regulatory EBITDA amounts to R\$ 236 million in the 1Q16, an increase of 3.7% if compared to 1Q15.

Consolidated EBITDA (R\$ million)	1Q15	4Q15	1Q16	Var.
CEMAR's EBITDA	134	146	117	-13.0%
CELPA's EBITDA	123	200	147	19.2%
EBITDA (Holding + Others)	(10)	(13)	(8)	-20.0%
Accounting EBITDA	247	333	255	3.3%
CEMAR's Adjustments	8	21	18	N/A
CELPA's Adjustments	(38)	24	(40)	4.2%
Stock Options Expense Adj. (Equatorial)	11	3	3	-70.1%
<b>Adjusted Regulatory EBITDA</b>	<b>227</b>	<b>381</b>	<b>236</b>	<b>3.7%</b>

\* CELPA's Income Statement used in the consolidation Equatorial is different from the individual because of the IFRS



## EQUATORIAL'S CONSOLIDATED NET INCOME

To calculate Equatorial's consolidated net income, besides the EBITDA and Net Income adjustments (see Net Income section of each company in this Earnings Release), there's also an adjustment regarding the stake Equatorial holds in each company (65.11% in Cemar and 96.5% in Celpa).

In 1Q16, there is a R\$ 41 million difference in CELPA's Net Income (already adjusted for their participation and tax impact) used in consolidation's PPA for the Equatorial's results by provisions reversals of contingencies classified as possible losses.

Considering these adjustments, we reach R\$ 122 million in the adjusted net income in the quarter, an increase of 182.0% if compared to 1Q15.

Consolidated Net Income (R\$ million)	1Q15	4Q15	1Q16	Chg.
CEMAR's Net Income	38	80	49	28.8%
CELPA's Net Income	35	30	82	136.9%
Net Income (Holding + Others)	12	33	7	-41.7%
Accounting Net Income	85	143	139	62.9%
CEMAR's Adjustments	4	12	10	120.7%
CELPA's Adjustments	(53)	135	(29)	-46.0%
Stock Options Expense Adj. (Equatorial)	7	2	2	-70.1%
<b>Adjusted Regulatory Net Income</b>	<b>43</b>	<b>292</b>	<b>122</b>	<b>182.0%</b>

\* CELPA's Income Statement used in the consolidation Equatorial is different from the individual because of the IFRS

## 5.2 – FINANCIAL PERFORMANCE – CEMAR

The financial performance section considers 100% of CEMAR's operations.

CEMAR's Income Statement (R\$MM)	1Q15	4Q15	1Q16	Var.
Gross Operating Revenues (GOR)	861	1,084	986	14.6%
Net Operating Revenues (NOR)	657	781	710	8.2%
Electric Energy Cost	(422)	(489)	(484)	14.7%
Operating Costs / Expenses	(101)	(146)	(109)	8.1%
<b>EBITDA</b>	<b>134</b>	<b>146</b>	<b>117</b>	<b>-12.4%</b>
Other Revenues/Operational Expenses	(5)	(9)	(7)	55.7%
Service Income (EBIT)	98	104	76	-22.4%
Financial Result	(23)	45	19	-184.5%
Earnings Before Taxes (EBT)	75	149	96	27.4%
Income Tax / Social Contribution	(16)	(25)	(20)	21.6%
<b>Net Income</b>	<b>59</b>	<b>123</b>	<b>76</b>	<b>29.0%</b>

### 5.2.1 – OPERATING REVENUES

OPERATING REVENUE - CEMAR	1T15	4T15	1T16	Var.
Energy Sales (MWh)*	1,411,675	1,597,796	1,459,730	3.4%
Number of Clients**	2,212,239	2,261,602	2,283,044	3.2%
KWh per Client	638	706	639	0.2%
Gross Operating Revenue (R\$ MM)	640	828	712	11.3%
Residential	333	433	371	11.5%
Industrial	44	51	44	1.7%
Commercial	151	191	166	9.6%
Others	112	153	131	16.7%
Ajuste RNF - Bandeira Tarifária	0	1	(1)	NA
CVA	56	20	40	-28.1%
Values to receive from Parcel A and other financial items	-	-	-	NA
Supply	5	3	17	244.5%
Other Revenues	69	70	63	-9.1%
Low Income	50	44	45	-9.9%
Irrigantes	10	13	13	23.3%
Network Usage	1	2	0	-98.9%
Other Operating Revenues	8	12	6	-30.7%
Construction Revenues	90	163	154	70.4%
Deductions from Operating Revenues	(204)	(303)	(276)	35.2%
<b>Net Operating Revenues</b>	<b>657</b>	<b>781</b>	<b>710</b>	<b>8.2%</b>

\* Does not consider own consumption and free consumers

\*\* Excludes own consumption facilities

In 1Q16, Gross Revenue from energy sales increased 11.3%, mainly influenced by: i) the two tariff adjustment occurred in the period, the Extraordinary Tariff Readjustment in March of 2015 and the Ordinary Annual Adjustment occurred in August where the average effect perceived by consumers was 3.0% and 8.64%, respectively, and; ii) growth of 3.4% in the volume of energy sold in the quarter. The Net revenue reached R\$ 710 million (R\$ 556 million, excluding construction revenues), an increase of 8.2% compared to the same quarter of the previous year.

## 5.2.2 – COSTS AND EXPENSES

In 1Q16, total costs and expenses, manageable and non-manageable, not including depreciation and amortization was R\$ 600 million (R\$ 446 million, excluding construction costs) equivalent to 84.5% of net revenues, an increase of 3.8 p.p. compared to the 1Q15.

### Manageable Operating Costs and Expenses

In 1Q16, manageable costs and expenses, including costs for Personnel, Materials, Outsourced Services and Others – PMSO, not including PDA (Provision for Doubtful Accounts), provisions for contingencies and other non-operating costs, reached R\$ 95 million, an increase of 4.1%, however when compared with the net value of PIS/COFINS, the increase is 1.8%.

In this quarter, personnel expenses totaled R\$ 29 million, 14.7% higher than the results reported in 1Q15 of R\$25 million, due to inflation, charges over payroll and rescission costs. Expenses with materials totaled R\$2 million in 1Q16, 50.0% below the amount presented in 1Q15.

Expenses for third party services in 1Q16 showed an increase of 5.1% in comparison to the results shown in 1Q15, at R\$57 million. Among its main accounts, we highlight: (i) intensification of collection actions of defaulting consumers, such as cutting, collection visits, which increased by R\$ 1.6 million in the period; and (ii) transfer of Pis/Cofins fiscal credits from third party services to the Deductions from Revenues, neutral for the EBITDA, but amounting to R\$ 2.0 million in the Manageable Expenses this quarter.

In 1Q16, PDA and Losses amounted to R\$ 10 million, or 1.2% of the Gross Operating Revenues (GOR), level 0.3 p.p above to the one observed in the same quarter last year, considered within regular levels, even despite the current macroeconomic scenario of the country.

R\$ MM	1Q15	4Q15	1Q16	Var.
Personnel	25	31	29	14.7%
<i>Relevance on Results</i>	8	8	8	1.3%
Material	3	3	2	-50.0%
Third Party Services	54	87	57	5.1%
Others	9	5	7	-14.0%
<i>Compensations DIC/FIC/DMIC</i>	4	2	4	-5.6%
PMSO	92	125	95	4.1%
<i>PIS/COFINS Credit for Third Party Services</i>	(2)	6	-	N/A
PMSO net of PIS/COFINS credit	94	120	95	
<i>% Net Revenues (without Construction Costs)</i>	16.5%	19.3%	17.1%	0.6 p.p.
Provisions	10	20	14	46.8%
<i>PDA and Losses</i>	6	17	10	51.2%
<i>% Gross Operating Revenue (without Construction Costs)</i>	0.8%	1.8%	1.2%	0.3 p.p.
Provision for Contingencies and Others	3	4	4	37.2%
Other Operating Expenses/Revenues	5	9	7	55.7%
<b>COSTS AND MANAGEABLE EXPENSES</b>	<b>108</b>	<b>149</b>	<b>116</b>	<b>8.1%</b>
<i>% Net Revenues (without Construction Revenues)</i>	19.0%	24.1%	20.9%	1.9 p.p.
Purchased Energy and Transportation	315	307	297	-5.8%
Connection and Network Usage Charges	15	18	32	108.2%
Construction Costs	90	163	154	70.4%
Other Costs	1	1	1	2.0%
<b>NON-MANAGEABLE COSTS AND EXPENSES</b>	<b>422</b>	<b>489</b>	<b>484</b>	<b>14.7%</b>
<i>% Net Revenues (without Construction Revenues)</i>	74.5%	79.2%	87.0%	12.5 p.p.
<b>TOTAL</b>	<b>530</b>	<b>638</b>	<b>600</b>	<b>13.4%</b>

### 5.2.3 – EBITDA

In 1Q15, EBITDA reached R\$117 million, already impacted by the recognition of the net regulatory asset and liabilities and by the change in the recognition of fines paid to consumers regarding individual quality indicators.

As non-recurring impacts, we highlight: (i) R\$10 million in Tariff Flags´ accounting adjustments, to be reversed in the second quarter; (ii) R\$ 4.6 million of Energy Purchase not covered by the tariff due to an overpurchase above the transferred percentage of 105% of the required regulatory energy; (iii) 1.5 million of PIS/COFINS mismatch and R\$ 1.4 million in Energy Purchase from 2015.

EBITDA (R\$ million)	1Q15	4Q15	1Q16	Var.
Service Income (EBIT)	98	104	76	-22.4%
Depreciation and Amortization	31	33	34	8.9%
Other Operating Expenses/Revenues	5	9	7	55.7%
<b>Reported EBITDA</b>	<b>134</b>	<b>146</b>	<b>117</b>	<b>-12.4%</b>
Tariff Flags adjustments			10	N/A
Energy Overpurchase (above 105%)			5	N/A
Taxes Mismatching	11		1	N/A
2015 Energy purchase adjustments			1	N/A
CVA Eletronuclear	3	3		N/A
Judicial Expenser Provisions (PMSO)		19		N/A
Impact of Tariff Readjustment	(6)			N/A
<b>Adjusted EBITDA</b>	<b>142</b>	<b>168</b>	<b>135</b>	<b>-4.9%</b>

### 5.2.4 – FINANCIAL RESULTS

In 1Q16, the net financial result was positive in R\$19 million, compared to a negative R\$23 million in 1Q15. The improvement in the financial results can be explained by higher volume of invested cash by the company, appreciation of Real compared to Dollar and VNR results.

In this quarter, due to the appreciation of the Real, a R\$ 26 million revenue was accrued relating to the Company's foreign currency denominated debt. As a counterpart, it was recognized R\$ 30 million in Revenues with Swap Operations. We highlight that, as the accounting rules require that Swap Operations be accounted at its market value (R\$ 1 million this quarter), even though the hedge is perfect from a cash perspective, we might have some impact on results, as it happened in this quarter.

R\$ MM	1Q15	4Q15	1Q16	Var.
Financial Income	40	62	48	20.5%
Fine charged on Energy Sale	18	26	19	6.3%
SWAP operations´ Revenue	45	1	-	N/A
Other Financial Revenues	3	0	0	-82.8%
New Replacement Value (NRV) Revenue	-	15	36	N/A
<b>Financial Revenue</b>	<b>105</b>	<b>104</b>	<b>91</b>	<b>-14.0%</b>
Interest on Loans and Financing	106	(50)	(32)	N/A
Monetary and Exchanging Variations	(2)	(2)	(3)	50.0%
Other Financial Expenses	(8)	(7)	(6)	-26.9%
SWAP operations´ Expenses	(6)	-	(30)	443.2%
New Replacement Value (NRV) Expense	(7)	-	-	N/A
<b>Financial Expenses</b>	<b>(128)</b>	<b>(89)</b>	<b>(71)</b>	<b>-44.7%</b>
<b>Net Financial Result</b>	<b>(23)</b>	<b>45</b>	<b>19</b>	<b>N/A</b>

### 5.2.5 – INCOME TAX AND SOCIAL CONTRIBUTION

At CEMAR, the calculation of Income Tax (IRPJ) and Social Contribution on Net Profits (CSLL) is positively influenced by the following items: i) the tax incentive of a 75% reduction in income tax as a result of the total modernization benefit, effective through 2021; ii) tax incentives related to accelerated depreciation, obtained from the SUDENE, which allows investments in expansion and modernization of the distribution network to be considered as a fully tax-deductible expense for purposes of calculating income tax immediately (effective through 2018); and, iii) the offset of accrued losses. It should be noted that all items mentioned above are applicable only to income tax.

Effective Income Tax and Social Contribution Rate

Income Tax/ Social Contribution (R\$MM)	1T 15	4T 15	1T 16
EBT ( 1 )	75	149	96
Income Tax/ Social Contribution Expenses	(16)	(25)	(20)
( - ) Deferred Tax Assets	13	11	12
= Tax Payable	(4)	(15)	(7)
( + ) Fiscal Credits	(1)	-	
= Tax - Cash Basis ( 2 )	(5)	(15)	(7)
Effective Tax Rate = ( 2 ) / ( 1 )	6.0%	9.9%	7.7%

In 1Q16, the result of income tax and social contribution was R\$ 20 million and, considering the use of deferred tax assets for compensation, the cash outflow for the payment of such taxes ended up being R\$ 7 million.

5.2.6 – NET INCOME

In 1Q16, CEMAR presented an Adjusted Net Income of R\$ 91 million versus R\$ 66 million in 1Q15, up by 38.0%. This quarter, we kept the same adjustments in EBITDA, net of their tax effects, and we stopped adjusting the impact of VNR (New Replacement Value) as nonrecurring.

NET INCOME (R\$ million)	1Q15	4Q15	1Q16	Var.
NET INCOME	59	123	76	29.0%
EBITDA's net impact	7	19	15	114.4%
Adjusted NET INCOME	66	142	91	38.0%

### 5.3 ECONOMIC-FINANCIAL PERFORMANCE – CELPA

CELPA's Income Statement (R\$MM)	1Q15	4Q15	1Q16	Var.
Gross Operating Revenues (GOR)	1,376	1,617	1,443	4.9%
Net Operating Revenues (NOR)	985	1,042	969	-1.6%
Electric Energy Cost	(744)	(585)	(683)	-8.2%
Operating Costs / Expenses	(118)	(257)	(190)	61.1%
<b>EBITDA</b>	<b>123</b>	<b>200</b>	<b>96</b>	<b>-21.6%</b>
Other Revenues/Operational Expenses	(23)	(71)	(4)	-84.1%
Service Income (EBIT)	99	40	40	-59.9%
Financial Result	(63)	(107)	23	N/A
Earnings Before Taxes (EBT)	36	(67)	63	73.2%
Income Tax / Social Contribution	(1)	98	(20)	N/A
<b>Net Income</b>	<b>36</b>	<b>31</b>	<b>43</b>	<b>20.3%</b>

#### 5.3.1 – OPERATING REVENUES

In 1Q16, Gross Revenue from energy sales increased 8.5%, influenced mainly by: (i) the Periodic Tariff Review of 7.47% (Average effect perceived by consumers) authorized by ANEEL and applied as of August 07, 2015; (ii) Extraordinary Tariff Review applied since March, 2015. Net revenue reached R\$ 969 million (R\$ 826 million, excluding construction revenues), a decrease of 1.6%, compared to the same quarter of the previous year, due to higher revenue deductions.

OPERATING REVENUE - CELPA	1Q15	4Q15	1Q16	Var.
Energy Sales (MWh)*	1,879,320	2,345,028	1,844,176	-1.9%
Number of Clients**	2,195,565	2,310,711	2,318,236	5.6%
KWh per Client	856	1,015	796	-7.1%
Gross Operating Revenue (R\$ MM)	1,098	1,499	1,191	8.5%
Residential	499	744	569	14.2%
Industrial	157	175	157	0.1%
Commercial	282	362	294	4.3%
Others	160	218	170	6.7%
(-) Exceeded demand / reactive surplus	(8)	(10)	(9)	-6.1%
Supply	9	(132)	37	325.0%
Other Revenues	64	92	74	16.3%
Low Income	51	62	59	15.4%
Network Usage	6	6	6	-14.0%
Other Operating Revenues	6	24	9	57.8%
Values to receive from Parcel A and other financial items	72	(19)	7	-90.1%
PIS and COFINS on Parcel A	(37)	-	-	100.0%
Construction Revenues	180	187	143	-20.7%
Deductions from Operating Revenues	(391)	(575)	(474)	-21.0%
<b>Net Operating Revenues</b>	<b>985</b>	<b>1,042</b>	<b>969</b>	<b>-1.6%</b>

#### 5.3.2. – COSTS AND EXPENSES

In 1Q16, total costs and expenses, manageable and non-manageable, not including depreciation and amortization was R\$ 881 million (R\$ 727 million, excluding construction costs), 0,2% higher than 1Q15.

We kept opening the Manageable Expenses (PMSO) with the cost to run the generation plants for the isolated systems. The isolated systems are cities or regions that are not connected to the SIN (National Interconnected System, in Portuguese) and, thus, need thermal power plants exclusively dedicated to generating power to these regions. The PIS/COFINS credits are now launched in Revenue Deductions, not impacting manageable costs of the Company. The cost of operations this quarter, net from these tax credits, was R\$ 47 million. Comparing the evolution of this cost, it is worth noting that there was a reduction of the CCC subsidy due to: (i) increase on the disallowance factor over the subsidy, considering the Dispatch 3,552 from Oct/15; (ii) increase in average ACR from R\$ 192.7 to R\$ 295.1 due to Dispatch 3,491 from Oct/15

Since 2015, expenses with compensations paid to consumers regarding individual quality indicators started to be recognized within the line Other when previously they were accounted as financial expenses and, in 1Q16, this amount represented R\$ 4 million. This quarter, were also recognized R\$ 12 million in expenses recovery within the line Other due to bonus for reducing these compensations under the so-called Transition Plan for the period of January/15 to August/15. We recall that in 1Q15, R\$ 58 million of this same bonus were recognized for the period November/12 to December/14.

To maintain comparability of PMSO, it is important to note: (i) from 4Q15, there was a transfer of PIS/COFINS credits to Revenue deductions (R\$ 6 million of 1Q15), and (ii) in 1Q16, there was R\$ 7.1 million in expenses that were provisioned in 2015, paid in 2016, but didn't have their provisions reversed.

In PDA, it was recorded a net provision of R\$ 35 million this quarter, equivalent to 2.7% of the Gross Operating Revenue, disregarding the Construction Revenue.

R\$ MM	1Q15	4Q15	1Q16	Var.
Personnel	39	54	38	-2.8%
<i>Relevance on Results</i>	5	8	4	-13.7%
Material	1	9	2	188.8%
Third Party Services	54	93	72	34.2%
Others	(19)	30	4	N/A
<i>Compensations DIC/FIC/DMIC</i>	(31)	23	(8)	73%
<b>PMSO</b>	<b>74</b>	<b>186</b>	<b>115</b>	<b>55.0%</b>
PIS/COFINS Credit - Third Party Services	(6)	17	-	N/A
Provisions for Duplicate Payments	-	-	7	N/A
Comensation Bonus of Quality Indicators	(58)	-	(12)	78.8%
<b>PMSO net of PIS/COFINS credit and compensation bonus</b>	<b>139</b>	<b>169</b>	<b>121</b>	<b>-12.9%</b>
Isolated Systems Costs	19	22	47	146.8%
<i>Plants Operations and Rent</i>	28	31	47	69.5%
<i>(-) Credit PIS/COFINS - Plants</i>	(9)	(9)	-	N/A
Provisions	23	47	32	38.9%
<i>PDA and Losses</i>	22	42	35	56.9%
<i>% Gross Operating Revenue (without Construction Revenues)</i>	1.9%	2.9%	2.7%	0.8 p.p.
Provision for Contingencies and Others	1	(0)	(3)	559.8%
Pension Plan Provision	-	5	-	N/A
Other Operating Expenses/Revenues	23	71	4	-84.1%
<b>MANAGEABLE COSTS AND EXPENSES</b>	<b>140</b>	<b>327</b>	<b>198</b>	<b>41.6%</b>
<i>% Net Revenues (without Construction Costs)</i>	17.4%	38.2%	24.0%	6.5 p.p.
Purchased Energy and Transportation	539	363	491	-9.0%
Connection and Network Usage Charges	26	37	50	90.5%
Construction Costs	180	187	143	-20.7%
Subvention CCC	(77)	(82)	(90)	-16.4%
Raw Material for Power Generation	71	64	108	51.9%
<b>NON-MANAGEABLE COSTS AND EXPENSES</b>	<b>740</b>	<b>587</b>	<b>683</b>	<b>-7.7%</b>
<i>% Net Revenues (without Construction Revenues)</i>	69.5%	46.8%	65.3%	-4.1 p.p.
<b>TOTAL</b>	<b>880</b>	<b>914</b>	<b>881</b>	<b>0.2%</b>

### 5.3.3. – EBITDA

In 1Q16, Accounting EBITDA was R\$96 million, already impacted by the recognition of the net regulatory asset and liabilities and by the change in the recognition of fines paid to consumers regarding individual quality indicators, which was transferred from financial expenses to the line Others inside the PMSO (manageable costs), above the EBITDA (which began in 1Q15).

In this quarter, we highlight: (i) R\$ 8.6 million of Energy Purchase not covered by the tariff due to an overpurchase above the transferred percentage of 105% of the required regulatory energy; (ii) as already detailed in the cost and operating expenses session, R\$ 12 million of bonus for reducing the fines individual quality indicators and R\$ 7 million in provisioned expenses related to third party services, but not reversed this quarter; (iii) R\$ 6 million in effects of provision / reversals of regulatory assets.



EBITDA (R\$ million)	1Q15	4Q15	1Q16	Var.
Service Income (EBIT)	99	40	40	-59.7%
Depreciation and Amortization	0	88	53	N/A
Other Operating Expenses/Revenues	23	71	4	-84.1%
<b>Reported EBITDA</b>	<b>123</b>	<b>200</b>	<b>96</b>	<b>-21.6%</b>
NOR Impacts			6	N/A
Energy Overpurchase (above 105%)			9	N/A
Quality Fines Bonus	(58)		(12)	N/A
Third part Services provisioned and not reverted			7	N/A
Retirement Program		15		N/A
3Q15 Parcel A Neutrality		8		N/A
Injunctions without correspondent CVA	15			N/A
Net Eletronuclear	4			N/A
<b>Adjusted EBITDA</b>	<b>84</b>	<b>223</b>	<b>106</b>	<b>26.3%</b>

#### 5.3.4. – FINANCIAL RESULTS

In 1Q16, the net financial result was R\$ 23 million, versus of negative result of R\$ 63 million in 1Q15.

This quarter, due to Real appreciation, a gross accounting positive (gain) impacted by R\$ 70 million over the Company's debt, of which R\$ 30 million related to non-hedged debt and with a very long maturity. As a counterpart, it was recognized R\$ 104 million in Expenses with Swap Operations. We highlight that, as the accounting rules require that Swap Operations be accounted at its market value (expenses of R\$ 13 million this quarter) and the debt accounted in the curve, generating distortion in the debt balance in Reais, net of Swaps. Thus, even though the hedge is perfect from a cash perspective, we might have some impact on results, as it happened in this quarter.

In 1Q16, there was a R\$ 4 million disallowance in the use of federal tax credit that was adjusted as nonrecurring in Net Income.

R\$ MM	1Q15	4Q15	1Q16	Var.
Financial Income	11	21	41	280.7%
Interest Income	2	2	2	-9.6%
CVA Interest Income	11	12	9	-16.9%
Taxes over Financial Income	-	(2)	(2)	N/A
Fine charged on energy sale	32	42	23	-29.1%
Discounts	2	0	4	77.6%
Adjustment - Concession Financial Asset		(48)		N/A
Adjustment - VNR		-	53	N/A
Adjustment - CDE		(24)		N/A
Adjustment - Subrogation	-	5		N/A
Present Value Adjustment JR	0	(15)	(8)	N/A
Swap Operations	129	(427)	(104)	N/A
Other Revenues	20	(25)	19	-3.5%
<b>Total Financial Revenues</b>	<b>207</b>	<b>(460)</b>	<b>38</b>	<b>-81.7%</b>
Monetary and Exchange Variations	(152)	(53)	74	148.9%
Related Party Charges	(15)	(11)	-	N/A
Restatement of contingencies	(5)	(5)	(3)	42.5%
Debt Charges	(21)	42	(37)	-79.5%
Interest, fines, Adjustment (not related to energ	(3)	1	(2)	39.7%
Fines for violation of goals	(0)	(0)	-	100.0%
Regulatory Fines	(1)	-	-	100.0%
Debt Adjustment to Present Value	(2)	(3)	-	100.0%
Adjustment - Concession Financial Asset	-	-	(13)	N/A
Swap Operations	(52)	420	-	N/A
Interest on Liabilities	(7)	(4)	-	N/A
CVA Interest on Liabilities	(5)	(6)	(9)	-77.6%
Other Expenses	(8)	(27)	(25)	-208.1%
<b>Total Financial Expenses</b>	<b>(270)</b>	<b>353</b>	<b>(15)</b>	<b>95%</b>
<b>FINANCIAL RESULT</b>	<b>(63)</b>	<b>(107)</b>	<b>23</b>	<b>N/A</b>



5.3.5. – NET INCOME

For 1Q16, CELPA's accounting net profit was R\$ 43 million, versus R\$ 36 million in 1Q15. From this quarter, we stopped making the VNR (New Replacement Value) Adjustments due to a more stable figure after the conclusion of the asset base revaluation for the Tariff Review in August/15. To maintain the comparability, we also excluded VNR Adjustments from previous quarters.

The adjustments already presented in EBITDA, as well as the cut in the use of PIS/COFINS credits, are net of their tax effects, reaching to an Adjusted Net Income of R\$ 56 million in the quarter.

NET INCOME/LOSSES (R\$ million)	1Q15	4Q15	1Q16	Var.
Net Income/Losses	36	31	43	20.1%
EBITDA Impacts	(36)	22	9	N/A
Credit disallowance of PIS/COFINS			4	N/A
Deferred taxes adjustments		(52)		N/A
Other operational results	20	55		N/A
Swap results		(18)		N/A
Depreciation and amortization	(44)	43		N/A
Parcel A Neutrality		7		N/A
Reversal of monetary adjustments over sector charges		29		N/A
Correction in the Intangible and financial assets		51		N/A
Adjusted NET INCOME	(24)	169	56	N/A

#### 5.4 FINANCIAL AND ECONOMIC PERFORMANCE – Geramar

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

Geramar's Income Statement (R\$MM)	1Q15	4Q15	1Q16	Var.
Gross Operating Revenues (GOR)	65	66	31	-52.8%
Net Operating Revenues (NOR)	59	60	28	-52.8%
Receitas não operacionais	0	-		NA
Electric Energy Cost	(39)	(47)	(15)	-60.6%
Operating Costs / Expenses	(5)	(4)	(4)	-19.3%
<b>EBITDA</b>	<b>15</b>	<b>10</b>	<b>9</b>	<b>-42.6%</b>
Depreciation	-	1	(0)	-100.0%
Service Income (EBIT)	14	10	9	-37.6%
Financial Result	(1)	(1)	(1)	9.1%
Earnings Before Taxes (EBT)	13	8	7	-42.3%
Income Tax / Social Contribution	(2)	(1)	(1)	-42.3%
<b>Net Income</b>	<b>11</b>	<b>7</b>	<b>6</b>	<b>-42.3%</b>

##### 5.4.1 – OPERATING REVENUE

In 1Q16, Net Operating Revenue (NOR) totaled R\$ 31 million, 52.8% lower than the one recorded in 1Q15. The decrease compared to the same quarter last year is due to a lower dispatch of the plants this quarter.

##### 5.4.2 – COSTS AND EXPENSES

The total expenditures by plants in 1Q16 totaled R\$ 19 million, the decrease is due to the lower dispatch order of plants in the last quarter.

Operating Costs and Expenses	1Q15	4Q15	1Q16	Var.
CUST + Generation Costs	39	47	15	-60.6%
PMSO	5	4	4	-19.3%
Depreciation	1	0	0	-100.0%
<b>Geramar</b>	<b>45</b>	<b>51</b>	<b>19</b>	<b>-57.5%</b>

##### 5.4.3 – EBITDA

Geramar's EBITDA in 1Q16 reached R\$ 9 million, figure considered as recurrent for the plants.

##### 5.4.4 – FINANCIAL RESULTS

The financial results for the 1Q16 were negative by R\$1 million due to interest on long-term loans signed to finance the construction of the plants.

##### 5.4.5 – NET INCOME

Geramar's net income was R\$ 6 million this quarter, figure considered as recurrent.

6. REGULATORY ASSETS AND LIABILITIES

Since March, 2015, when the Extraordinary Tariff Review and the new value for the Tariff Flags were implemented, we have been observing material decrease in the net balance of the Regulatory assets in both distribution companies, reaching, in this quarter, negatives values.

6.1 – CEMAR

Regulatory Assets	1Q15	2Q15	3Q15	4Q15	1Q16
<b>Saldo Inicial</b>					
<b>CVA Constitution</b>	<b>118,088</b>	<b>169,076</b>	<b>46,030</b>	<b>39,180</b>	<b>53,078</b>
<i>CDE</i>	4,506	4,613	19,809	31,677	30,439
<i>Proinfra</i>	104	212	-	-	3,422
<i>ESS</i>	-	1,116	18,614	-	8,224
<i>Basic Network</i>	6,074	6,863	4	-	1,545
<i>Energy Purchases</i>	107,404	156,272	7,603	7,503	9,448
<b>CVA Amortization</b>	<b>39,125</b>	<b>15,623</b>	<b>262,866</b>	<b>199,505</b>	<b>118,463</b>
<i>CDE</i>	385	154	34,987	26,052	15,776
<i>Proinfra</i>	538	215	272	196	124
<i>ESS</i>	23	11	-	1,152	-
<i>Basic Network</i>	940	375	6,157	4,731	2,778
<i>Energy Purchases</i>	37,239	14,868	221,450	167,374	99,785
<b>Other Subsidiaries</b>	<b>82,223</b>	<b>56,097</b>	<b>15,373</b>	<b>15,463</b>	<b>7,648</b>
<i>Other</i>	17,349	7,869	10,987	12,369	5,737
<i>Eletronuclear</i>	4,828	1,837	4,386	3,094	1,901
<i>Overpurchase</i>	60,045	46,391	-	-	10
<b>Final Balance</b>	<b>239,436</b>	<b>240,796</b>	<b>324,269</b>	<b>254,148</b>	<b>179,189</b>

Regulatory Liabilities	1Q15	2Q15	3Q15	4Q15	1Q16
<b>Saldo Inicial</b>					
<b>CVA Constitution</b>	<b>(55,638)</b>	<b>(107,295)</b>	<b>(72,165)</b>	<b>(58,490)</b>	<b>(83,915)</b>
<i>Energy Purchase</i>	(1,991)	(39,713)	(55,166)	(38,321)	(46,206)
<i>Basic Network</i>	-	-	(411)	17	-
<i>ESS</i>	(53,646)	(67,582)	(16,588)	(10,827)	(26,462)
<i>CDE</i>	-	-	-	(9,361)	(11,247)
<b>CVA Amortization</b>	<b>(3,829)</b>	<b>(1,528)</b>	<b>(85,330)</b>	<b>(109,578)</b>	<b>(37,953)</b>
<i>Basic Network</i>	(2)	(1)	-	-	-
<i>Energy Purchase</i>	-	-	-	(40,672)	-
<i>CDE</i>	(1)	(0)	(30,861)	(21,771)	(13,373)
<i>ESS</i>	(3,826)	(1,527)	(54,469)	(47,135)	(24,580)
<b>Parcel A Neutrality</b>	<b>(2,339)</b>	<b>(890)</b>	<b>(4,206)</b>	<b>(13,359)</b>	<b>(11,892)</b>
<b>Other Regulatory Liabilities</b>	<b>(4,783)</b>	<b>2,197</b>	<b>(84,515)</b>	<b>(76,011)</b>	<b>(63,287)</b>
<i>Others</i>	(722)	(275)	(2,741)	(11,353)	(16,845)
<i>Financial Exposure</i>	(4,062)	2,471	-	-	(4,638)
<i>Overpurchase</i>	-	-	(81,774)	(64,658)	(41,805)
<b>Final Balance</b>	<b>(66,589)</b>	<b>(107,516)</b>	<b>(246,216)</b>	<b>(257,439)</b>	<b>(197,047)</b>

Net Regulatory Assets, plus Low Income Assets are shown below.

Net Regulatory Assets / Liabilities	1Q15	2Q15	3Q15	4Q15	1Q16
Regulatory Assets	239,436	240,796	324,269	254,148	179,189
Regulatory Liabilities	(66,589)	(107,516)	(246,216)	(257,439)	(197,047)
<b>Net Regulatory Assets</b>	<b>172,847</b>	<b>133,280</b>	<b>78,053</b>	<b>(3,291)</b>	<b>(17,858)</b>

6.2 – CELPA

Regulatory Assets	1Q15	2Q15	3Q15	4Q15	1Q16
<b>Initial Balance</b>					
<b>CVA Constitution</b>	<b>190,453</b>	<b>204,148</b>	<b>122,334</b>	<b>87,532</b>	<b>110,712</b>
CDE	2,195	17,013	42,472	-	45,987
Proinfra	422	946	135	-	4,673
Basic Network	9,807	11,838	-	237	2,651
RTE Energy				5,475	16,328
Energy Purchases	178,029	174,351	79,727	81,820	41,073
<b>CVA Amortization</b>	<b>82,755</b>	<b>38,197</b>	<b>331,600</b>	<b>205,107</b>	<b>115,965</b>
CDE	387	177	46,193	29,787	16,318
Proinfra	596	272	801	591	328
ESS	-	-	3,236	-	-
Basic Network	3,062	1,406	10,759	6,954	3,831
Energy Purchases	78,710	36,342	270,611	167,775	95,488
<b>Overpurchase</b>	<b>61,203</b>	<b>77,625</b>	-	-	-
<b>Other Regulatory Assets</b>	<b>14,214</b>	<b>79,450</b>	<b>29,115</b>	<b>34,204</b>	<b>18,989</b>
Others	7,005	58,660	9,734	19,446	13,166
CCEAR Guarantee	632	651	637	530	150
Financial Exposure	-	17,269	12,986	10,560	3,685
Electronuclear Differential	6,577	2,870	5,759	3,668	1,988
<b>Final Balance</b>	<b>348,625</b>	<b>399,420</b>	<b>483,049</b>	<b>326,844</b>	<b>245,667</b>

Regulatory Liabilities	1Q15	2Q15	3Q15	4Q15	1Q16
<b>Initial Balance</b>					
<b>CVA Constitution</b>	<b>(136,621)</b>	<b>(178,035)</b>	-	<b>(2,121)</b>	<b>(92,295)</b>
ESS	(136,621)	(178,035)	-	(2,121)	(63,448)
CDE	-	-	-	-	(28,847)
<b>CVA Amortization</b>	<b>(8,436)</b>	<b>(3,879)</b>	<b>(218,481)</b>	<b>(153,711)</b>	<b>(67,833)</b>
Basic Network	-	-	(20)	-	-
Energy Purchases	-	-	(7,791)	(5,266)	(3,196)
CDE	(109)	(58)	(66,193)	-	(13,521)
ESS	(8,117)	(3,710)	(144,477)	(118,157)	(51,116)
Proinfra	(210)	(111)	-	-	-
RECEITA ULTR DEMANDA/REA EXC				(30,288)	
<b>Parcel A Neutrality</b>	<b>(4,927)</b>	<b>(2,150)</b>	<b>(3,104)</b>	<b>(21,359)</b>	<b>(40,575)</b>
<b>Other Regulatory Assets - Others</b>	<b>15,518</b>	<b>(45,267)</b>	<b>(151,558)</b>	<b>(212,899)</b>	<b>(124,676)</b>
Others	(34,730)	(43,827)	(96,777)	(180,618)	(22,309)
Financial Exposure	(3,300)	(1,440)	-	-	(18,919)
Overpurchase	53,548	-	(54,781)	(32,281)	(83,448)
<b>Final Balance</b>	<b>(134,466)</b>	<b>(229,331)</b>	<b>(373,143)</b>	<b>(390,090)</b>	<b>(325,379)</b>

Net Regulatory Assets / Liabilities	1Q15	2Q15	3Q15	4Q15	1Q16
Regulatory Assets	348,625	399,420	483,049	326,844	245,666
Regulatory Liabilities	(134,466)	(229,331)	(373,143)	(390,090)	(326,450)
<b>Net Regulatory Assets</b>	<b>214,159</b>	<b>170,089</b>	<b>109,906</b>	<b>(63,246)</b>	<b>(80,784)</b>

## 7. DEBT

In 1Q16, the consolidated gross debt, including charges, totaled R\$ 4,572 million, decrease of 3.8% compared to the amount of the 4Q15.

Gross Debt Maturity Timetable (100% CEMAR + 100% CELPA)

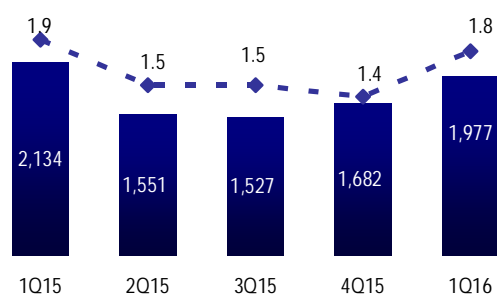
	Index	R\$ Thousands (')	Average Cost	Average	Average	Part. (%)		Maturity	CEMAR	CELPA	Consolidated	% of Total
CEMAR	FOREIGN CURRENCY	309,657	14.8%		1.9	6.8%		Short Term	271	494	765	16.7%
	Liber (no swap)	5,614	3.4%	Apr-24	8.2	0.1%		Long Term	1,938	1,869	3,807	83.3%
	Fixed (US\$) (no swap)	8,214	6.0%	Apr-24	8.2	0.2%		2017	545	168	713	15.6%
	CDI (with swap)	295,829	15.3%	Oct-17	1.7	6.5%		2018	620	275	896	19.6%
								2019	305	129	435	9.5%
								2020	247	84	331	7.2%
								After 2020	221	1,212	1,433	31.3%
								<b>Gross Debt</b>	<b>2,209</b>	<b>2,363</b>	<b>4,572</b>	<b>100.0%</b>
								Cash	1274	889	2162	
								Holding (Cash Position)			236	
							Equatorial Soluções (Cash Position)			46		
							Net Regulatory Assets	-18	-81	-98		
							CCC Subrogation	0	59	59		
							Judicial Deposits	11	116	127		
							CDE	4	7	12		
							Swaps	79	-27	52		
							<b>Net Debt</b>	<b>859</b>	<b>1,400</b>	<b>1,977</b>		
CELPA	FOREIGN CURRENCY	1,048,983	12.7%		4.4	22.9%						
	Fixed (US\$)	618,963	11.3%	May-21	5.1	13.5%						
	Liber Semester	27,112	2.7%	Apr-24	8.2	0.6%						
	Liber Quarter	402,909	15.8%	Feb-19	2.9	8.8%						
	LOCAL CURRENCY	1,313,950	11.2%		7.5	28.7%						
	TJLP	278,466	9.3%	Jun-22	6.3	6.1%						
	CDI	55,717	14.8%	Jul-18	2.4	1.2%						
	TR - IPCA	127,445	16.9%	May-21	5.2	2.8%						
	Fixed (R\$)	493,805	11.1%	Jan-20	3.8	10.8%						
	RGR	6,055	6.0%	Apr-22	6.2	0.1%						
	IGP-M	226,683	13.1%	Sep-34	18.8	5.0%						
	FINISA	35,178	6.0%	Jun-27	11.4	0.8%						
	TR - SELIC	90,602	5.7%	Mar-24	8.1	2.0%						
	<b>TOTAL (CELPA)</b>	<b>2,362,933</b>	<b>11.9%</b>		<b>6.1</b>	<b>51.7%</b>						
<b>TOTAL</b>	<b>4,571,996</b>	<b>12.1%</b>		<b>5.2</b>	<b>100.0%</b>							

Below, we disclose 25% of Geramar's loans, which are no longer consolidated under Equatorial since 2013.

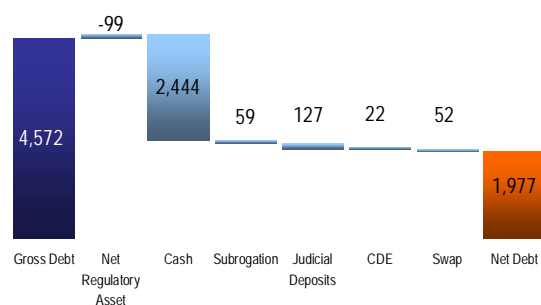
	Index	R\$ Mil	Average Cost (a.a.)	Average Due Date (mont/year)	Average Period (in years)	Part. (%)
GERAMAR	LOCAL CURRENCY	92,381	9.1%		10.0	100.0%
	TJLP	73,085	8.8%	Dec-25	9.8	79.1%
	Fixed (R\$)	19,295	10.0%	Dec-26	10.8	20.9%
	<b>TOTAL (Geramar)</b>	<b>92,381</b>	<b>9.1%</b>		<b>10.0</b>	<b>100.0%</b>

Below is the consolidated Net Debt of Equatorial, with its gross debt adjusted by net regulatory assets, cash and swaps to hedge foreign currency denominated debt.

Net Debt (R\$ MM) and Net Debt / EBITDA

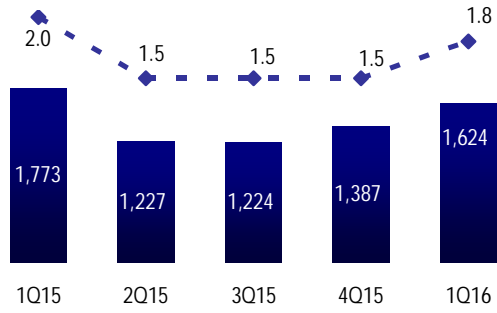


Net Debt Conciliation (R\$ MM)

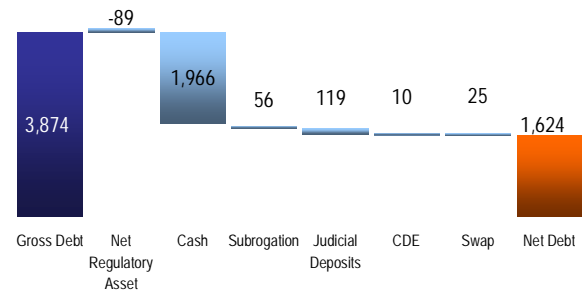


Total consolidated net debt, adjusted for Equatorial's interest in CEMAR (65.11%) and CELPA (96.50%), totaled R\$1,624 million in March 2016, representing a ratio of 1.8x consolidated EBITDA for the last 12 months.

Net Debt (R\$ MM) and Net Debt / EBITDA



Net Debt Conciliation (R\$ MM)



## 8. CAPITAL EXPENDITURES

Information relating to Capex made in the period reflects 100% of CEMAR's and CELPA's figures and 25% of Geramar's.

INVESTMENTS (R\$MM)	1Q15	4Q15	1Q16	Var.
<b>CEMAR</b>				
Grid Maintenance	18	21	17	-5.1%
Grid Expansion	30	99	72	137.7%
Systems and Equipments	21	7	16	-21.2%
Others	0	1	1	198.8%
Own Total (*)	69	128	106	53.5%
PLPT	10	30	18	86.6%
<b>CELPA</b>				
Grid Maintenance	33	19	19	-40.4%
Grid Expansion	143	60	55	-61.2%
Systems and Equipments	12	11	6	-47.3%
Universalization	-7	3	0	-106.6%
Special Projects - (Subrogation CCC)	-17	2	31	-281.1%
Others	33	5	-5	-114.4%
Own Total (*)	196	99	108	-45.0%
PLPT	47	70	35	-25.1%
<b>Geramar (25%)</b>				
Generation	3	2	2	-10.3%
<b>TOTAL EQUATORIAL</b>	<b>325</b>	<b>329</b>	<b>270</b>	<b>-16.8%</b>

(\*) Includes direct investments in PLPT

### 8.1 – CEMAR

CEMAR's investments, not including direct investment related to PLPT totaled R\$106 million in 1Q16, an increase of 53.5% compared to 1Q15. Such investments are mainly aimed at increasing the grid capacity, given the continuous growth in energy demand in Maranhão.

#### Investments in the Light for All Program - PLPT

At the end of 1Q16, 335 thousand customers were connected to CEMAR's electric power distribution network through the PLPT providing direct benefits to almost 1.6 million inhabitants of the state of Maranhão. The PLPT has now reached all 217 municipalities in Maranhão, contributing to the development of isolated areas in urban metropolitan areas and to the generation of income in these communities.

### 8.2 – CELPA

CELPA's investments, not including direct investment related to PLPT totaled R\$ 108 million in 1Q16, representing a decrease of 45.0% compared to the number reported in 1Q15. Such decrease arises from the material amount of investments made in that quarter and the deceleration of the growth in the required energy by the system.

#### Investments in the Light for All Program – PLPT

At the end of 1Q16, 386 thousand customers were connected to CELPA's electric power distribution network through the PLPT providing direct benefits to almost 1.9 million inhabitants of the state of Pará. The PLPT has now reached all 144 municipalities in Pará, contributing to the development of isolated areas in urban metropolitan areas and to the generation of income in these communities.

### 8.3 – Geramar

The capital expenditures presented in 1Q16 mainly refer to plant maintenance, because its construction phase was fully concluded in 1Q10. The amount of R\$ 3 million presented is proportional to the 25% stake that the Company holds in the generator.

#### 9. CAPITAL MARKET

The stock from the company closed the 1Q16 at R\$ 40.30, 19.6% higher than the end of 4Q15, R\$ 33.69. In comparison to 1Q15, there was an appreciation of 33.69%.

In terms of volume traded, the Company had a R\$ 49.3 million average of daily transactions over the 90 days trade sessions, ended in March, 31. The stocks of the Company are traded in "Novo Mercado" of BM&FBOVESPA and integrate the following indices: IBovespa, MSCI Brazil, IBrX-50, IEE, ITAG, IGC.

#### 10. SERVICES PROVIDED BY THE INDEPENDENT AUDITORS

The Company did not contract Ernst & Young Auditores Independentes, its external auditors, for any other services beyond the independent audit and those services required by ANEEL. The Company's contracting 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, exercise any managerial function for their clients or promote their clients' interests.

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

#### 11. CONFERENCE CALL

##### CONFERENCE CALL IN ENGLISH

Friday, March 13, 2016  
12h30 (Brasília Time)  
10h30 AM (EST)  
Phones: +55 11 2188-0155 / +1 646 843 6054  
Code: 848856#

##### CONFERENCE CALL IN PORTUGUESE

Friday, March 13, 2016  
2h00 PM (Brasília Time)  
12h30 PM (EST)  
Phone: +55 11 2188-0155  
Code: 848856#

- ▶ 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/ri> as of the date of the calls. The audio of the calls will be transmitted live on the Internet on the same site, remaining available after the event.

#### CONTACTS

- ▶ Eduardo Haiama  
CFO and Investor Relations Officer
- ▶ Thomas Newlands  
Investor Relations
- ▶ Renato Parentoni  
Investor Relations
- ▶ Telephones: + 0 XX (21) 3206-6635 / 6607
- ▶ E-mail: [ri@equatorialenergia.com.br](mailto:ri@equatorialenergia.com.br)
- ▶ Website: [www.equatorialenergia.com.br/ri](http://www.equatorialenergia.com.br/ri)



DISCLAIMER

Forward-looking statements are subject to risks and uncertainties, and are based on the expectations of 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 wording.

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

Accounting criteria adopted:

The information contained herein is presented in consolidated figures, pursuant to Brazilian Corporate Law, based on revised financial information. The consolidated financial information represents 100% of CEMAR's results, excluding 34.89% related to minority interests, 96.50% of CELPA and 100% of Equatorial Soluções' results.

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

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

CEMAR'S INCOME STATEMENT

INCOME STATEMENT (R\$MM)	1T15	4T15	1T16
<b>GROSS OPERATING REVENUES</b>	860,736	1,084,277	986,234
Electricity Sales to Final Consumer	756,022	905,084	809,834
Electricity Supply	4,851	3,202	16,712
Construction Revenues	90,366	162,865	153,997
Other Revenues	9,498	13,127	5,691
<b>DEDUCTIONS FROM OPERATING REVENUES</b>	(204,196)	(303,413)	(276,081)
<b>NET OPERATING REVENUES</b>	656,541	780,864	710,154
<b>ELECTRICITY COSTS</b>	(421,887)	(489,161)	(483,946)
Electricity Purchased for Resale	(315,226)	(307,326)	(297,072)
Transmission and Distribution Network Usage Charges	(15,305)	(17,960)	(31,867)
Construction Costs	(90,366)	(162,865)	(153,997)
Others non managable costs	(990)	(1,010)	(1,010)
<b>OPERATING COSTS/EXPENSES</b>	(101,101)	(145,803)	(109,275)
Personnel	(25,403)	(30,762)	(29,126)
Material	(3,156)	(3,128)	(1,578)
Services	(54,312)	(86,791)	(57,098)
Provisions	(9,534)	(20,481)	(13,992)
Others	(8,697)	(4,641)	(7,481)
<b>EBITDA</b>	133,552	145,901	116,933
Other Operating Revenues/Expenses	(4,561)	(9,048)	(7,100)
Depreciation and Amortization	(30,992)	(32,864)	(33,743)
<b>EBIT</b>	97,999	103,989	76,089
<b>FINANCIAL RESULTS</b>	(23,003)	44,797	19,430
Financial Revenue	98,103	104,083	90,624
Financial Expenses	(121,106)	(59,286)	(71,194)
<b>RESULTADO OPERACIONAL</b>	74,996	148,786	95,520
<b>RESULT BEFORE INCOME TAX</b>	74,996	148,786	95,520
Social Contribution	(3,547)	(14,796)	(7,308)
Income Tax	(9,611)	(24,609)	(13,245)
Deferred Taxes	(12,530)	(10,550)	(12,236)
SUDENE Incentive	9,611	24,609	13,245
<b>NET INCOME</b>	58,919	123,439	75,976

CELPA'S INCOME STATEMENT

INCOME STATEMENT (R\$MM)	1Q15	4Q15	1Q16
<b>GROSS OPERATING REVENUES</b>	1,376,260	1,617,133	1,443,066
Electricity Sales to Final Consumer	1,175,600	1,531,919	1,248,551
Use of the Grid	6,497	5,516	5,590
Electricity Supply	8,721	(131,584)	37,063
Construction Revenues	179,950	186,928	142,749
Other Revenues	5,492	24,355	9,114
<b>DEDUCTIONS FROM OPERATING REVENUES</b>	(391,296)	(575,124)	(473,609)
<b>NET OPERATING REVENUES</b>	984,963	1,042,009	969,457
<b>ELECTRICITY COSTS</b>	(745,425)	(586,991)	(683,056)
Electricity Purchased for Resale	(539,374)	(362,794)	(490,593)
Transmission and Distribution Network Usage Charges	(26,102)	(37,269)	(49,713)
Construction Costs	(179,950)	(186,928)	(142,749)
<b>OPERATING COSTS/EXPENSES</b>	(116,515)	(255,368)	(189,939)
Personnel	(39,012)	(53,662)	(37,908)
Material	(706)	(8,585)	(1,643)
Services	(78,321)	(119,899)	(96,146)
Others	18,806	(35,040)	(3,603)
PMSO	(99,233)	(217,186)	(139,301)
Subvention CCC	77,168	82,181	89,823
Raw Material for Power Generation	(71,363)	(72,997)	(108,401)
Provisions	(23,088)	(47,366)	(32,059)
<b>EBITDA</b>	123,023	199,650	96,462
Other Operating Revenues/Expenses	(23,339)	(71,238)	(3,708)
Depreciation and Amortization	(215)	(88,495)	(52,647)
<b>EBIT</b>	99,470	39,917	40,107
<b>FINANCIAL RESULTS</b>	(62,717)	(106,929)	22,945
Financial Revenue	280,919	(79,639)	204,084
Financial Expenses	(343,636)	(27,291)	(181,139)
<b>RESULT BEFORE INCOME TAX</b>	36,753	(67,012)	63,052
Deferred Taxes	(841)	98,372	(19,907)
<b>NET INCOME</b>	35,912	31,360	43,147

EQUATORIAL'S CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT (R\$MM)	1Q15	4Q15	1Q16
<b>GROSS OPERATING REVENUES</b>	2,279	2,761	2,492
Electricity Sales to Final Consumer	1,962	2,470	2,094
Electricity Supply	14	(128)	54
Construction Revenues	270	350	297
Other Revenues	33	69	47
<b>DEDUCTIONS FROM OPERATING REVENUES</b>	(600)	(886)	(758)
<b>NET OPERATING REVENUES</b>	1,679	1,875	1,734
<b>ELECTRICITY COSTS</b>	(1,191)	(1,126)	(1,204)
Electricity Purchased for Resale	(881)	(722)	(874)
Transmission and Distribution Network Usage Charges	(40)	(54)	(32)
Construction Costs	(270)	(350)	(297)
Others non managable costs	-	(1)	(1)
<b>OPERATING COSTS/EXPENSES</b>	(236)	(416)	(275)
Personnel	(84)	(98)	(90)
Material	(4)	(11)	(4)
Services	(134)	(208)	(154)
Provisions	(33)	(68)	4
Others	18	(31)	(30)
<b>EBITDA</b>	251	333	255
Other Operating Revenues/Expenses	(32)	(80)	(11)
Depreciation and Amortization	(32)	(122)	(87)
<b>EBIT</b>	187	131	157
Equity Income	11	7	6
Goodwill Amortization	(2)	(2)	(2)
<b>FINANCIAL RESULTS</b>	(61)	(40)	61
Financial Revenue	345	(435)	303
Financial Expenses	(407)	396	(242)
<b>RESULT BEFORE INCOME TAX</b>	135	96	223
Social Contribution	(6)	(19)	(9)
Income Tax	(18)	(43)	(18)
Deferred Taxes	(12)	96	(39)
SUDENE Incentive	13	55	15
<b>MINORITY STAKE</b>	(25)	(42)	(32)
<b>NET INCOME</b>	85	143	139

ANNEX 2 – REGULATORY X ACCOUNTING – CEMAR AND CELPA

CEMAR

INCOME STATEMENT (R\$MM)	1Q15		1Q15	1Q16		1Q16
	Regulatory	Adjustments	IFRS	Regulatory	Adjustments	IFRS
GROSS OPERATING REVENUES	767,563	93,173	860,736	832,237	153,997	986,234
Electricity Sales to Final Consumer	756,022	-	756,022	809,834	-	809,834
Electricity Supply	4,851	-	4,851	16,712	-	16,712
Construction Revenues	(2,808)	93,173	90,366	-	153,997	153,997
Other Revenues	9,498	-	9,498	5,691	-	5,691
DEDUCTIONS FROM OPERATING REVENUES	(204,196)	-	(204,196)	(276,081)	-	(276,081)
NET OPERATING REVENUES	563,367	93,173	656,541	556,157	153,997	710,154
ELECTRICITY COSTS	(328,714)	(93,173)	(421,887)	(329,949)	(153,997)	(483,946)
Electricity Purchased for Resale	(315,226)	-	(315,226)	(297,072)	-	(297,072)
Transmission and Distribution Network Usage Charges	(15,305)	-	(15,305)	(31,867)	-	(31,867)
Construction Costs	2,808	(93,173)	(90,366)	-	(153,997)	(153,997)
Other Non-Manageable Expenses	(990)	-	(990)	(1,010)	-	(1,010)
OPERATING COSTS/EXPENSES	(101,101)	-	(101,101)	(109,275)	-	(109,275)
Personnel	(25,403)	-	(25,403)	(29,126)	-	(29,126)
Material	(3,156)	-	(3,156)	(1,578)	-	(1,578)
Services	(54,312)	-	(54,312)	(57,098)	-	(57,098)
Provisions	(9,534)	-	(9,534)	(13,992)	-	(13,992)
Others	(8,697)	-	(8,697)	(7,481)	-	(7,481)
EBITDA	133,552	-	133,552	116,933	-	116,933
Other Operating Revenues/Expenses	(4,561)	-	(4,561)	(7,100)	-	(7,100)
Depreciation and Amortization	(30,992)	-	(30,992)	(33,743)	-	(33,743)
EBIT	97,999	-	97,999	76,089	-	76,089
FINANCIAL RESULTS	(15,728)	(7,275)	(23,003)	(3,453)	22,884	19,430
Financial Revenue	98,103	-	98,103	54,485	36,139	90,624
Financial Expenses	(113,831)	(7,275)	(121,106)	(57,938)	(13,255)	(71,194)
RESULT BEFORE INCOME TAX	82,271	(7,275)	74,996	72,636	22,884	95,520
Social Contribution	(3,547)	-	(3,547)	(7,308)	-	(7,308)
Income Tax	(9,611)	-	(9,611)	(13,245)	-	(13,245)
Deferred Taxes	(12,530)	-	(12,530)	(12,236)	-	(12,236)
SUDENE Incentive	9,611	-	9,611	13,245	-	13,245
NET INCOME	66,194	(7,275)	58,919	53,093	22,884	75,976

CELPA

INCOME STATEMENT (R\$MM)	1Q15		1Q15	1Q16		1Q16
	Regulatory	Adjustments	IFRS	Regulatory	Adjustments	IFRS
<b>GROSS OPERATING REVENUES</b>	934,763	(441,496)	1,376,260	1,300,318	142,749	1,443,067
Electricity Sales to Final Consumer	920,551	(261,546)	1,182,097	1,254,140	-	1,254,140
Electricity Supply	8,721	-	8,721	37,063	-	37,063
Encargo de Capacidade Emergencial	-	(0)	0	-	-	-
Construction Revenues	-	(179,950)	179,950	-	142,749	142,749
Other Revenues	5,492	-	5,492	9,114	-	9,114
<b>DEDUCTIONS FROM OPERATING REVENUES</b>	(391,296)	-	(391,296)	(473,609)	-	(473,609)
<b>NET OPERATING REVENUES</b>	543,467	(441,496)	984,963	826,709	142,749	969,456
<b>ELECTRICITY COSTS</b>	(297,002)	441,216	(738,218)	(558,885)	(142,749)	(701,634)
Electricity Purchased for Resale	(369,747)	169,626	(539,374)	(490,593)	-	(490,593)
Transmission and Distribution Network Usage Charges	(7,162)	17,538	(24,700)	(49,713)	-	(49,713)
Construction Costs	-	179,950	(179,950)	-	(142,749)	(142,749)
Recovery of expenses (CDE)	74,102	74,102	-	-	-	-
Other Non-Manageable Expenses	5,806	-	5,806	(18,579)	-	(18,579)
<b>OPERATING COSTS/EXPENSES</b>	(123,442)	280	(123,723)	(171,360)	-	(171,360)
Personnel	(39,012)	-	(39,012)	(37,908)	-	(37,908)
Material	(706)	-	(706)	(1,643)	-	(1,643)
Services	(78,321)	-	(78,321)	(96,146)	-	(96,146)
Provisions	(23,088)	-	(23,088)	(32,059)	-	(32,059)
Others	17,684	280	17,404	(3,603)	-	(3,603)
<b>EBITDA</b>	123,023	(0)	123,023	96,464	-	96,462
Other Operating Revenues/Expenses	(6,015)	17,324	(23,339)	(3,708)	-	(3,708)
Depreciation and Amortization	5,056	5,270	(215)	(52,647)	-	(52,647)
<b>EBIT</b>	122,064	22,594	99,470	40,109	-	40,107
<b>FINANCIAL RESULTS</b>	(82,365)	(19,648)	(62,717)	(17,035)	39,981	22,945
Financial Revenue	261,272	(19,648)	280,919	151,073	53,012	204,084
Financial Expenses	(343,636)	-	(343,636)	(168,108)	(13,031)	(181,139)
<b>RESULT BEFORE INCOME TAX</b>	39,699	2,946	36,753	23,074	39,981	63,052
Social Contribution	(841)	-	(841)	(5,565)	-	(5,565)
Income Tax	(3,251)	-	(3,251)	(14,342)	-	(14,342)
Deferred Taxes	3,251	-	3,251	-	-	-
<b>NET INCOME</b>	38,858	2,946	35,912	3,167	39,981	43,145

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

- ▶ The following table reflects Equatorial's consolidation process, i.e. the sum of Equatorial Holding + 100% of Equatorial Soluções + 100% of CEMAR + 100% of CELPA + Eliminations.
- ▶ The "Minority Interest" line contains an adjustment so that the net income of each company in Equatorial's consolidated result reflects its real ownership interest in CEMAR of 65.11% and in CELPA of 96.50%.

INCOME STATEMENT PER COMPANY (R\$MM)	Equatorial Holding	Equatorial Soluções	CEMAR	CELPA	Eliminations	Equatorial Consolidated
GROSS OPERATING REVENUES	-	62	986	1,443	-	2,492
Electricity Sales to Final Consumer	-	48	797	1,249	-	2,094
Electricity Supply	-	-	17	37	-	54
Emergency Capacity Charges	-	-	-	6	-	6
Construction Revenues	-	-	154	143	-	297
Other Revenues	-	14	18	9	-	42
DEDUCTIONS FROM OPERATING REVENUES	-	(7)	(277)	(474)	-	(758)
NET OPERATING REVENUES	-	55	709	969	-	1,734
ELECTRICITY COSTS	-	(37)	(484)	(683)	-	(1,204)
Electricity Purchased for Resale	-	(37)	(297)	(540)	-	(874)
Transmission and Distribution Network Usage Charges	-	-	(32)	-	-	(32)
Construction Costs	-	-	(154)	(143)	-	(297)
Others non managable costs	-	-	(1)	-	-	(1)
OPERATING COSTS/EXPENSES	(14)	(13)	(108)	(140)	-	(275)
Personnel	(13)	(10)	(29)	(38)	-	(90)
Material	(0)	(1)	(2)	(2)	-	(4)
Services	(1)	(1)	(57)	(96)	-	(154)
Provisions	-	(0)	(14)	18	-	4
Others	(1)	(1)	(6)	(22)	-	(30)
EBITDA	(14)	6	117	147	-	255
Other Operating Revenues/Expenses	-	-	(7)	(4)	-	(11)
Depreciation and Amortization	(0)	(0)	(34)	(53)	-	(87)
EBIT	(14)	6	76	90	-	157
EQUITY INCOME	139	-	-	-	(135)	5
Equity Income	141	-	-	-	(135)	6
Goodwill Amortization	(2)	-	-	-	-	(2)
FINANCIAL RESULTS	17	1	19	23	-	61
Financial Revenue	17	1	91	204	(10)	303
Financial Expenses	-	(0)	(71)	(181)	10	(242)
RESULTADO OPERACIONAL	142	7	96	113	(135)	223
RESULT BEFORE INCOME TAX	142	7	96	113	(135)	223
Social Contribution	(1)	(0)	(7)	(0)	-	(9)
Income Tax	(2)	(1)	(13)	(2)	-	(18)
Deferred Taxes	-	-	(12)	(27)	-	(39)
SUDENE Incentive	-	-	13	2	-	15
MINORITY STAKE	-	(3)	-	-	(29)	(32)
NET INCOME	139	3	76	85	(164)	139

**ANNEX 4 – BALANCE SHEET (R\$ MM)**

**CEMAR'S BALANCE SHEET**

ASSETS (R\$ MM)	1T 15	2T 15	3T 15	4T 15	1T 16
<b>SHORT TERM</b>	1,884,184	2,011,252	2,217,892	2,274,153	2,158,061
Cash and cash equivalents	1,063,045	1,156,366	1,339,929	1,405,235	1,273,513
Short term Investments	632,390	662,402	715,043	765,246	762,727
(-) PDA and Losses	(81,230)	(78,502)	(76,011)	(87,368)	(71,869)
Inventory	4,455	4,193	3,857	3,895	4,244
Taxes Recoverable	53,150	59,466	61,631	79,752	82,068
Low Income	57,673	36,955	38,456	34,537	34,208
Prepayments	6,326	6,207	3,849	5,010	5,205
Judicial Deposits	19,747	20,873	19,384	18,767	20,547
Services Provided	44,916	51,819	41,817	34,713	38,174
Values to receive from Parcel A and other financial items	50,851	50,111	34,340	-	-
Energy Costs Recovery and charges	23,450	35,367	-	-	-
Receivables from Tariff Flags	-	-	30,274	5,438	(0)
Other Receivables	9,409	5,996	5,323	8,928	9,244
<b>LONG TERM ASSETS</b>	2,707,188	2,706,766	2,748,348	2,845,186	2,967,618
<b>LONG TERM Receivables</b>	980,045	967,325	1,011,373	1,086,463	1,105,044
Consumers and Resellers	74,169	76,946	76,752	77,964	86,218
Taxes Recoverable	24,467	21,415	22,590	31,614	44,230
Values to receive from Parcel A and other financial items	121,995	83,169	43,713	10,859	5,500
Judicial Deposits	9,015	9,015	9,015	9,015	12,635
Indemnifiable Financial Asset	673,726	699,386	728,675	814,904	845,457
Swap Operations	65,075	66,174	116,702	128,115	98,014
Other Accounts Receivable	11,598	11,220	13,926	13,992	12,991
<b>FIXED ASSETS</b>	1,727,143	1,739,441	1,736,975	1,758,723	1,862,575
Investments	-	-	-	-	-
Goodwill	1,727,143	1,739,441	1,736,975	1,758,723	1,862,575
<b>TOTAL ASSETS</b>	4,591,372	4,718,018	4,966,240	5,119,338	5,125,680

LIABILITIES AND SHAREHOLDERS' EQUITY (R\$ MM)	1T 15	2T 15	3T 15	4T 15	1T 16
<b>CURRENT</b>	844,607	852,581	887,223	965,709	945,812
Suppliers	271,464	264,917	268,182	350,552	306,671
Salaries	11,529	12,638	13,554	11,231	13,447
Dividends / Interest on Equity	62,767	63,199	63,199	69,406	69,406
Taxes and Social Contribution	61,734	65,949	69,780	82,157	75,448
Loans and Financing	239,392	233,982	234,073	206,607	208,765
Debentures	23,813	39,792	54,915	47,303	62,131
Values to return from Parcel A and other financial items	-	-	-	14,152	23,358
Public Lighting	16,480	15,849	15,763	17,433	11,296
Provision for Contingencies	46,303	38,082	36,036	35,835	43,394
SWAP Operations	17,066	19,098	18,329	18,984	18,763
Efficiency	27,491	33,609	29,481	22,634	26,202
Others	66,568	65,466	83,911	89,415	86,932
<b>LONG TERM LIABILITIES</b>	2,034,295	2,070,593	2,185,535	2,205,356	2,155,618
Taxes and Social Contribution	969	1,000	1,022	1,104	1,073
Deferred Income Tax / Social Contribution	101,968	105,927	126,231	136,781	149,017
Debentures	513,796	486,174	489,125	495,182	502,468
Loans and Financing	1,364,261	1,423,850	1,512,774	1,502,459	1,435,698
Provision for Contingencies	32,651	34,992	37,733	39,698	37,231
Efficiency	20,650	18,650	18,650	30,132	30,131
<b>RESULTADOS DE EXERCÍCIOS FUTUROS</b>	-	-	-	-	-
<b>SHAREHOLDERS EQUITY</b>	1,712,470	1,794,844	1,893,482	1,948,273	2,024,249
Capital Stock	698,660	840,410	840,408	840,410	840,410
Capital Reserves	674	674	674	674	674
Profit Reserves	954,217	812,035	812,036	1,107,189	1,107,189
Retained Earnings/Accumulated Deficit	58,919	141,725	240,364	-	75,976
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	4,591,372	4,718,018	4,966,240	5,119,338	5,125,680



CELPA'S BALANCE SHEET

ASSETS (R\$ Mil)	1Q15	2Q15	3Q15	4Q15	1Q16
<b>SHORT TERM</b>	<b>1,804,985</b>	<b>1,873,451</b>	<b>2,304,635</b>	<b>2,560,150</b>	<b>2,415,413</b>
Cash and cash equivalents	156,295	10,313	112,329	40,860	54,844
Short Term Investments	154,080	314,220	455,617	757,774	833,701
Receivables from clients	884,856	960,834	1,066,717	1,246,976	1,113,167
Receivables from tariff flags	-	-	-	104	-
Values to receive from Parcel A and other financial items	109,068	49,480	98,011	-	7,118
Inventory	18,667	13,065	9,879	7,535	7,137
Taxes Recoverable	72,274	72,637	74,680	40,807	41,824
Income taxes recoverable	20,701	28,495	33,740	49,700	65,381
Fuel Purchase - CCC Account	230,545	219,383	195,253	221,298	168,868
Judicial deposits	523	721	1,375	2,306	1,333
Services provides	72,688	92,253	111,639	77,589	85,481
Swap operations	-	-	78,839	71,810	-
Energy costs recovery and charges	35,062	64,486	22,512	-	-
Other receivables	50,226	47,564	44,044	43,391	36,559
<b>LONG TERM ASSETS</b>	<b>4,207,143</b>	<b>4,297,077</b>	<b>4,283,077</b>	<b>4,296,059</b>	<b>4,320,210</b>
<b>LONG TERM RECEIVABLES</b>	<b>1,911,331</b>	<b>2,022,952</b>	<b>2,030,868</b>	<b>2,137,947</b>	<b>2,086,327</b>
Consumers and resellers	132,279	149,071	168,361	199,624	261,012
Values to receive from Parcel A and other financial items	105,092	100,625	-	-	-
Income taxes recoverable	37,379	37,882	38,776	39,661	40,099
Swap operations	112,772	116,043	136,962	145,688	-
Taxes Recoverable	61,626	57,089	56,679	56,619	55,120
Judicial deposits	131,930	137,761	135,953	141,512	142,888
Indemnifiable financial asset	1,184,280	1,293,633	1,350,703	1,414,027	1,458,525
CCC Subrogation	82,544	69,244	68,765	65,824	58,529
Other accounts receivable	63,429	61,604	74,669	74,992	70,153
<b>FIXED ASSETS</b>	<b>2,295,812</b>	<b>2,274,125</b>	<b>2,252,209</b>	<b>2,158,112</b>	<b>2,233,884</b>
Investments	6,842	6,800	6,774	6,748	6,748
Goodwill	2,288,970	2,267,325	2,245,435	2,151,364	2,227,136
<b>TOTAL ASSETS</b>	<b>6,012,128</b>	<b>6,170,528</b>	<b>6,587,712</b>	<b>6,856,209</b>	<b>6,735,623</b>

LIABILITIES AND SHAREHOLDERS' EQUITY (R\$ Mil)	1T15	2T15	3T15	4T15	1T16
<b>CURRENT</b>	<b>1,625,819</b>	<b>1,735,829</b>	<b>1,819,529</b>	<b>2,209,875</b>	<b>2,030,336</b>
Suppliers	675,689	667,212	581,789	565,740	498,019
Salaries charges	-	-	-	20,737	23,746
Salaries	32,749	31,293	39,460	-	-
Loans and financing	158,950	218,428	550,541	598,780	493,752
Derivatives	40,635	62,807	-	-	11,877
Taxes and Contribution	134,601	155,232	204,046	231,170	210,968
Dividends	-	-	-	17,366	17,366
Consumer charges	-	-	-	33,205	32,125
Related parties	255,584	286,886	2,523	258,656	282,425
Provision for Contingencies	-	-	96,722	99,115	95,063
Values to return from Parcel A and other financial items	-	-	-	35,409	-
R&D and Energy efficiency	58,989	52,153	58,215	52,454	57,471
Profit sharing	-	-	-	31,882	15,318
Judicial recovery	77,745	97,539	95,937	91,446	91,575
Others	190,877	164,279	190,296	173,915	200,630
<b>LONG TERM LIABILITIES</b>	<b>3,621,960</b>	<b>2,622,007</b>	<b>2,953,665</b>	<b>2,801,364</b>	<b>2,817,171</b>
Loans and Financing	2,150,823	958,459	960,266	1,084,807	1,045,735
Derivatives	-	-	-	-	15,420
Taxes and Contribution	69,772	64,222	57,364	49,605	42,994
Income taxes and social contribution	-	136,522	169,697	63,541	83,046
Provision for Contingencies	189,042	186,503	91,006	95,573	99,340
Values to return from Parcel A and other financial items	-	-	6,434	27,837	87,660
R&D and Energy efficiency	89,322	92,032	95,193	98,395	101,599
Related parties	323,975	6,777	298,613	49,861	32,529
Advance for future capital increase	306,000	-	-	-	-
Retirement plan and pension	47,768	47,768	47,768	36,718	36,718
Judicial recovery	236,498	907,983	973,833	995,599	979,088
Others	208,760	221,741	253,491	299,428	293,042
<b>SHAREHOLDERS EQUITY</b>	<b>764,349</b>	<b>1,812,692</b>	<b>1,814,518</b>	<b>1,844,970</b>	<b>1,888,116</b>
Capital Stock	924,524	1,521,740	1,521,740	1,521,740	1,521,740
Capital Reserves	190,314	184,643	178,561	171,456	165,946
Profit Reserves	-	-	-	150,465	150,465
Other comprehensive results	(15,148)	(15,148)	(15,148)	1,309	1,309
Retained Earnings/Accumulated Deficit	(335,341)	121,457	129,365	-	48,656
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>6,012,128</b>	<b>6,170,528</b>	<b>6,587,712</b>	<b>6,856,209</b>	<b>6,735,623</b>

EQUATORIAL'S CONSOLIDATED BALANCE SHEET

ASSETS (R\$ MM)	1Q15	2Q15	3Q15	4Q15	1Q16
<b>SHORT TERM</b>	4,083	4,321	4,965	5,158	4,907
Cash and cash equivalents	368	285	452	398	404
Short term Investments	1,348	1,551	1,838	2,083	2,040
Consumers and Resellers	1,517	1,605	1,764	1,983	1,860
Inventory	23	17	14	11	11
Taxes Recoverable	171	192	204	212	220
Regulatory Assets	160	100	132	-	-
Judicial Deposits	20	24	25	25	26
Fuel Purchases - CCC account	231	219	195	221	169
Energy costs recovery and charges	59	100	53	-	-
Swap operations	-	-	79	53	-
Other Accounts receivable	186	229	209	171	177
<b>LONG TERM ASSETS</b>	2,890	2,988	3,033	3,211	3,167
Consumers and Resellers	206	226	245	278	347
Taxes Recoverable	123	116	118	128	139
Judicial Deposits	141	147	145	151	156
Regulatory Assets	227	184	37	-	-
Indemnifiable Financial Assets	1,858	1,993	2,079	2,229	2,304
CCC Subrogation	83	69	69	66	59
Swap operations	178	182	254	274	83
Other Accounts receivable	74	71	86	86	80
<b>FIXED ASSETS</b>	4,330	4,316	4,289	4,217	4,399
Investments	87	87	86	86	93
Goodwill	4,243	4,229	4,202	4,131	4,306
<b>TOTAL ASSETS</b>	<b>11,303</b>	<b>11,625</b>	<b>12,287</b>	<b>12,586</b>	<b>12,474</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (R\$ MM)</b>	<b>1T15</b>	<b>2T15</b>	<b>3T15</b>	<b>4Q15</b>	<b>1Q16</b>
<b>CURRENT</b>	2,432	2,519	2,928	3,131	2,918
Suppliers	963	953	870	935	822
Salaries	47	44	55	34	45
Dividends / Interest on Equity	180	174	174	218	217
Taxes and Social Contribution	215	243	299	331	300
Loans and Financing	398	452	785	805	703
Debentures	24	40	55	47	62
Public Lighting	29	16	16	17	58
SWAP Operations	58	82	18	-	31
Provision for Contingencies	46	38	133	135	138
Others	472	477	524	609	542
<b>LONG TERM LIABILITIES</b>	5,307	4,967	5,114	5,225	5,156
Taxes and Social Contribution	71	250	296	193	226
Debentures	514	486	489	495	502
Deferred Income Tax / Social Contribution	44	-	-	-	-
Loans and Financing	3,515	2,383	2,473	2,587	2,481
Provision for Contingencies	558	558	464	470	421
Retirement and pension plan	48	48	48	37	37
Judicial Recovery	236	908	974	996	979
Others	321	335	370	447	509
<b>PARTICIPAÇÃO DE MINORITÁRIOS</b>	631	700	730	750	779
<b>SHAREHOLDERS EQUITY</b>	2,932	3,439	3,516	3,479	3,621
Capital Stock	1,977	1,977	1,979	1,980	1,980
Capital/Profit Reserve	904	911	913	1,517	1,520
Equity Adjustment	(22)	(22)	(22)	(22)	(22)
Other comprehensive results	(12)	(12)	(12)	4	4
Retained Earning / Accumulated deficit	85	585	657	-	139
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>11,303</b>	<b>11,625</b>	<b>12,287</b>	<b>12,586</b>	<b>12,474</b>