EQUATORIAL ENERGIA S.A.
CNPJ/MF nº 03.220.438/0001-73
NIRE 2130000938-8
Publicly-held Company

We submit below the Management Proposal regarding the subjects to be discussed in the Company's Annual Shareholders' Meeting to be held on April 17, 2015:

Annual Shareholders' Meeting:

1. Consolidated financial statements analysis, examination and discussion, comprising the Independent Auditor's Report and the Fiscal Council's Opinion relating to the fiscal year ended December 31, 2014.

Our proposal is for the approval of the financial statements relating to the fiscal year of 2014, as published in February 12, 2015 in the websites of CVM (Brazilian Securities and Exchange Comission) and BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros, through the IPE system and in the newspapers Folha de São Paulo, O Estado do Maranhão e Diário Oficial do Estado do Maranhão (the "Financial Statements").

Also, we highlight that, in accordance with term 3 of article 9 from CVM Instruction 481, dated December 17, 2009 ("CVM Instruction 481/09"), the information presented in the Annex I to this Proposal are our Management Discussion and Analysis of the Company.

2. Proposed allocation of net income for the year ended December 31, 2014.

Our proposal is that the net income for the year ended in December 31, 2014 has the allocation given at the Financial Statements, as in detail in Annex II to this Proposal, in accordance to term II of Paragraph One from Article 9 of CVM Instruction 481/09, and also be approved the dividend distribution as proposed by the Board of Directors' Meeting held on February 12, 2015.

3. Proposed dividend distribution

Our proposal is to distribute R$ 95,349,520.45 in dividends, in accordance to the Board of Directors' Meeting held on February 12, 2015, which should be added to the R$ 59,534,205.60 in Interest on Equity (gross of taxes) approved in the Board of Directors' Meeting held on December 19, 2014.

According to our proposal, the dividends will be paid until December 31, 2015, without any adjustment. The shareholders considered to the dividends payment will be that of April 17, 2015.

4. To resolve on the election of the Company's Board of Directors members.

We indicate Messrs. Carlos Augusto Leone Piani, Firmino Ferreira Sampaio Neto, Paulo Jerônimo Bandeira de Mello Pedrosa, Eduardo Saggioro, Guilherme Mexias Aché, Marcelo Souza Monteiro and Luis Henrique de Moura Gonçalves to compose the Company's Board of Directors.

We highlight that, in accordance to article 10 of CVM Instruction 481/09, the information referring to the candidates for the Company's Board of Directors members are detailed in the Annex IV to this proposal.

5. Proposal on the global management compensation, in accordance to the proposal approved in the Board of Directors' Meeting held on March 31, 2015.

Our proposal is the global management compensation for the 2015 fiscal year amounting up to R$ 13,500,000.00.

On the proposal for the fiscal year of 2014, it was approved by the Shareholders' Meeting the amount of up to R$ 12,500,000.00. For the same period, the overall management compensation amounted to R$ 9,980,000.00, as published in the Company's Reference Form, item 13, not included the Stock Options Plan expenses, which we do not consider as compensation. Such difference arises from the variable compensation being paid in a level below of its forecasted maximum amount.

We highlight that all the necessary information for the analysis of the global management compensation proposal, in accordance to article 12 of CVM Instruction 481/09, are available in the Annex III to this proposal.

6. Installation of the Fiscal Council for the year ended 2015, the election of its members and compensation approval.

We indicate Messrs. Sérgio Passos Ribeito (substitute Moacir Gibur), Paulo Roberto Franceschi (substitute Claudia Luciana Ceccatto de Trotta), Vanderlei Dominguez da Rosa (substitute Eduardo da Gama Godoy).

Regarding the global compensation for the Fiscal Council, our proposal is to establish up to R$400,000.00.

We highlight that, in accordance to article 10 of CVM Instruction 481/09, the information referring to the candidates for the Company's Fiscal Council are detailed in the Annex IV to this proposal.

ANNEX I
Comments by the Company's Directors
Item 10 – Reference Form (CVM Instruction 480/09)

10.1. The Directors must provide their comments on the following:

a) Financial and general equity conditions:

The Company is a holding company that operates in the electricity distribution, generation and sales segments, as well as providing electricity-related services in the North and Northeast of Brazil. The Company's headquarters are based in São Luís, in the state of Maranhão, while its shares are traded on the BM&FBOVESPA under ticker symbol "EQTL3" and, since 2008, the shares have also been listed on the Novo Mercado (New Market) segment of the same stock exchange.

2014

As at December 31, 2014 the Company had Shareholders` Equity (excluding stakes held by non-controlling shareholders), of R$2,836 million, representing an increase of 20% compared to that reported on December 31, 2013 (R$2,354 million).

Net earnings attributed to the controlling shareholders as at December 31, 2014 amounted to R$638 million, with EBITDA of R$1.298 million, while net consolidated earnings attributable to the shareholders of the Parent Company as at December 31, 2013 came to a total of R$69 million, with adjusted EBITDA of R$586 million.

As at December 31, 2014, the Company had net debt of R$1,543 million, a figure that represented 0.54 times its net equity and 1.19 times adjusted EBITDA accumulated over the last 12 months. As at December 31, 2013, also on a consolidated basis, the Group had net debt of R$1,189 million, which represented 0.51 times its net equity and 1.8 times adjusted annual EBITDA, levels which the Directors of the Company consider to be comfortable and which reflect the robustness of the financial and equity situation of the companies in the Group.

For the financial year ending December 31, 2014, investment by CEMAR amounted to R$316 million, in addition to investment allocated to the *Luz Para Todos* (Electricity for Everyone) program, which amounted to R$72 million. Subsidiary Celpa in 2013 invested a total of R$458 million in its own operations and R$201 in the *Luz Para Todos* program.

2013

As at December 31, 2013, the Company's Shareholders` Equity (excluding the stake held by non-controlling shareholders) totaled R$2,354 million, an increase of 8.8% compared to that reported on December 31, 2012 (R$2,164 million).

Net earnings attributed to the controlling shareholders as at December 31, 2013 amounted to R$69 million, with adjusted EBITDA of R$586 million, while net consolidated earnings attributable to the shareholders of the Parent Company as at December 31, 2013 came to a total of R$142 million, with adjusted EBITDA of R$587 million.

As at December 31, 2013, the Company had net debt of R$1,140 million, a figure that represented 0.79 times its net equity and 1.9 times adjusted EBITDA accumulated over the last 12 months. As at December 31, 2012, also on a consolidated basis, the Group's net debt was R$1,430 million, which represented 0.66 times its net equity and 2.6 times adjusted annual EBITDA, levels, which the Directors of the Company consider to be comfortable and that reflect the robustness of the financial and equity situation of the companies in the Group.

For the financial year ending December 31, 2013, investment by CEMAR totaled R$296 million, in addition to investment allocated to the *Luz Para Todos* (Electricity for Everyone) program, which amounted to R$29 million. Subsidiary Celpa in 2013 invested a total of R$361 million in its own operations and R$61 in the *Luz Para Todos* program

2012

As at December 31, 2012, the Company's Shareholders` Equity (excluding the stake held by non-controlling shareholders) was R$2,171 million, an increase of 141.3% compared to that reported on December 31, 2011 (R$922.1 million). As at December 31, 2010 and 2009, Shareholders` Equity (excluding the stake held by non-controlling shareholders) totaled R$953.7 million and R$1,219.4 million, respectively.

Net earnings attributed to the controlling shareholders as at December 31, 2012 amounted to R$41 million, with adjusted EBITDA of R$566.6 million, while net consolidated earnings attributable to the shareholders of the Parent Company as at December 31, 2011 came to a total of R$160.0 million and a margin of 8.1%, with adjusted EBITDA of R$503.6 million and adjusted EBITDA margin of 25.4%. For the financial year ending December 31, 2010, disregarding the indirect stake at that time held in Light, consolidated net earnings amounted to R$188.9 million.

As at December 31, 2012, the Company registered net debt of R$1,758.2 million, a figure which represented 0.79 times its net equity and 3.1 times adjusted EBITDA accumulated over the last 12 months. As at December 31, 2011, also on a consolidated basis, the Group had net debt of R$1,005,1 million, which represented 0.8 times its net equity and 2.0 times adjusted annual EBITDA, levels which the Directors of the Company consider to be comfortable and which reflect the robustness of the financial and equity situation of the companies in the Group, except in the case of the recently acquired Celpa.

For the financial year ending December 31, 2012, investment by CEMAR amounted to R$441.2 million, representing an increase of R$118.9 million, when compared to that reported in 2011, of R$322.3 million, in addition to that allocated to the *Luz Para Todos* program, which amounted to R$175.1 million. Subsidiary Celpa, in 2012 invested a total of R$432.6 million in its own business, and R$45.5 million in the *Luz Para Todos* program.

b. Capital structure and possibility of redeeming shares or quotas, indicating: (i) hypothetical redemption situations; (ii) calculation formula for redemption value

The electricity sector requires the intense use of capital. The Company and its subsidiaries frequently carry out fundraising operations in the financial and capital markets, to finance their growth strategies and run their operations, which explains the fact their capital structure consists substantially of capital from third parties.

As at December 31, 2014, the Company's capital structure consisted of 31% of its own capital and 69% third-party capital, compared to 31% of its own capital and 69% third-party capital as at the end of December 2013. As at December 31, 2012 the Company's capital structure was composed of 27% of its own capital and 73% of capital from third parties..

	Financial year ending December 31		
	2014	**2013**	**2012**
Own capital			
Paid-up capital	1,977,276	1,977,276	1,742,519
Capital reserve	22,585	14,080	14,080
Profit reserve	871,843	483,219	437,044
Adjustment for equity valuation	(22,262)	(22,262)	(22,262)
Other comprehensive results	(13,075)	(1,390)	-
Accumulated losses	-	(96,751)	-
Stake held by non-controlling shareholders	609,158	493,474	354,144
Shareholders` Equity	**3,445,525**	**2,847,646**	**2,525,525**
Third-party capital			
Current liabilities	3,152,614	1,688,932	2,654,184
Non-current liabilities	4,670,497	4,566,921	4,251,752
Total liabilities	**7,823,111**	**6,255,853**	**6,905,936**
Cash and equivalents	1,963,663	1,613,017	1,727,245
Total net liabilities	**5,859,448**	**4,642,836**	**5,178,691**
Total liabilities and shareholders` equity	**11,268,636**	**9,103,499**	**9,431,461**

The Directors of the Company believe its capital structure is appropriate to meet its short and medium-term obligations and the running of its operations, through its subsidiaries.

Additionally, the Company's Executive Board believes that the current capital structure, measured principally by the ratio of net debt to net equity, represents leverage levels that are in line with leverage values observed in comparable sector companies in the market.

The Company and its subsidiaries manage their capital in such a way as to maximize the return for investors, through the optimization of debt and equity levels, seeking to achieve an efficient capital structure while maintaining debt indices and debt coverage at levels that optimize the return on capital for investors, while guaranteeing liquidity for the Company and its subsidiaries.

The management of the capital of the Company and its subsidiaries is based on the monitoring of three main financial indicators, establishing maximum limits that do not compromise the Company's operations and those of its subsidiaries:

- Net Debt/EBITDA;
- Net Debt/Net Financial Expenses;
- Net Financial Indebtedness (Net Debt + Net Equity).

i. hypothetical redemption situations

There are no hypothetical situations for the redemption of the Company's shares, other than those set out in Brazilian Corporation Law.

ii. redemption amount calculation formula

Not applicable, seeing that there is no hypothetical situation for the redemption of the Company's shares.

c. capacity to pay in relation to financial commitments assumed

Bearing in mind its long-term debt profile, as well as its results track record, the Company intends to honor its short and long-term financial commitments from funds generated by its operational cash generation, loans and finance, and injections of capital on the part of shareholders.

This affirmation can be attested to by looking at the Company's consolidated leverage indices (Net Debt divided by EBITDA over the last 12 months), which ended the financial year 2014 at 1.4 times, compared to 2.0 times at the end of the financial year 2013 and 2.6 times at the end of 2012.

As at December 31, 2014, on a consolidated basis, the Company had R$971 million of debt falling due in the short term, and a further R$306 million falling due in 2016. Considering its cash and equivalents position of R$1,964 million at the end of the financial year, its cash flow and liquidity position, we believe that the Company has sufficient liquidity and capital resources to cover its investments, expenses, debts and other amounts needed in the accomplishment of its corporate purpose, and that these will be paid for in the next few years.

As at December 31, 2013, on a consolidated basis, the Company had R$175 million of debt falling due in the short term (falling due within 1 year), and a further R$876 million falling due in 2015. Considering its cash and equivalents position of R$1,613 million at the end of the financial year, its cash flow and liquidity position, we believe the Company has sufficient liquidity and capital resources to cover its investments, expenses, debts and other amounts needed in the accomplishment of its corporate purpose, and that these will be paid for in the next few years. If the Directors consider it necessary to take out loans to finance investments and potential acquisitions, they believe that the Company will have the capacity to raise these funds in accordance with the conditions in the market at the time. We point out that in the financial year 2013 it proved possible for the Company to honor all its financial commitments assumed.

As at December 31, 2012, even considering the acquisition of Celpa (which took place in November 2012), the Company, on a consolidated basis, had R$818 million in debt in short-term debt, with a further R$170 million falling due in 2014. Considering the funds raised through the new Primary Share Offering, concluded in December 2012, and the cash and equivalents position at the end of financial year of R$1,631 million, as well as cash generated, it proved possible for the company to honor all its commitments assumed.

d) Sources of financing used for working capital and investment in non-current assets:

CEMAR

In addition to using part of its own cash generation, the principal sources of financing for the investment projects of the Issuer in the financial years 2014, 2013, 2012 and 2011, were Banco do Nordeste - BNB, ELETROBRÁS and the BNDES, which usually offer lower interest rates and payment periods that are compatible with the time needed for the project to obtain a return on the investment.
Being located in the Northeast of Brazil, with 90% of its territory covered by the Amazon Legal Region, in addition to the traditional development funding bodies mentioned above, CEMAR also has a number of credit lines available specifically for development of the Northeast (FNE, FDNE, etc), as well as credit lines for the development of the North (FDA).
With a view to obtaining the lowest rates in the market, the Issuer has also called upon the capital markets (debentures), multi-lateral development agencies and other banking sources, in the public and private sector.

e) Sources of financing for working capital and investment in non-current assets that it intends to use to cover for deficiencies in liquidity:

CEMAR

Currently, the Company has substantial credit limits approved with a number of major financial institutions, but it has not yet used these for financing short-term working capital.
Should it prove necessary to cover any deficiencies in liquidity to finance working capital or investment in non-current assets, it should be possible to use these credit lines available with commercial banks, or access financing from official credit lines, in accordance with the time periods, cost and guarantee requirements that are available.

f) Levels of indebtedness and characteristics of these debts, also providing a description of:

- **i. material loan and financing contracts**
- **ii. other long-term relations with financial institutions**
- **iii. degree of subordination between debts**
- **iv. possible restrictions imposed on the Issuer, in particular, with regard to debt limits and the taking out of new debt, the distribution of dividends, the sale of assets, the issue of new securities, and the sale of shareholder control**

CEMAR

As at December 31, 2014, the total consolidated debt of the Issuer amounted to R$2,124.7 million, of which 10.7% (R$227 million) was denominated in foreign currency. The total consolidated debt of the Issuer, deducting cash and equivalents, of R$1069 million, amounted to R$1055 million.
Of the total amount of debt mentioned above, 12.1% (R$257.1 million) is short-term, and 87.9% (R$1867.6 million) long-term.
The table below shows the evolution in CEMAR's debt for the periods referred to:

Debt (R$ million)	2012	2013	2014

Short-term	**418.2**	**164.5**	**257.1**
Foreign currency	0.5	0.3	2.9
Local currency	417.7	164.2	254.3
Long-term	**1193.40**	**1526.8**	**1867.6**
Foreign currency	7.9	8.9	10.1
Local currency	1185.50	1517.94	1857.5
General total	**1611.60**	**1691.33**	**2124.7**

CELPA

As at December 31, 2014, the Company had R$2,250.184 of loans and financing, with R$713,576 being short-term and R$1,536,608 being long-term, with an average cost of 5.89% p.a, equivalent to 54.47% of the CDI rate.

DEC/2014 (R$ million)	2014
Short-term	**713,576**
Foreign currency	*534,966*
Local currency	*178,610*
Long-term	**1536,608**
Foreign currency	*226,725*
Local currency	*1309,883*
Total	**2250,184**

CONSOLIDATED

As at December 31, 2014, the Issuer had a total consolidated debt of R$3,858 million, of which 26% (R$989 million) was denominated in foreign currency, and R$673 million has been the object of a CGI swap operation. This figure, deducting the Issuer's cash and equivalents of R$1,964 million, amounted to R$1,894 million.
Of the total debt outlined above, 24.9% (R$960 million) is short-term and 75.1% (R$2898 million) is long-term.

The table below shows the evolution of the Issuer's total consolidated debt for the periods referred to:

Debt (R$ million)	2012	2013	2014
Short-Term	**648.68**	**169.23**	**959.9**
Foreign Currency	93.01	2.92	536,37
National Currency	555.67	166.32	423.48
Lng-Term	**1,974.19**	**2,756.34**	**2,897.75**
Foreign Currency	139.29	579.48	452.87
National Currency	1834.90	2.176.86	2.444.87
General Total	**2,622.86**	**2,925.58**	**3,857.6**

Significant financing
CEMAR

Below we highlight the main debt raising operations that have taken place between 2007 and 2014:

Debt with ELETROBRÁS:

- In January 2007 CEMAR signed contract ECF-2522/2005 with ELETROBRÁS for a credit line of up to R$57,999,000, of which R$56,274,000 has been released. This contract is backed by funds from the Global Version Reserve - RGR. The cost of this financing is 7% a year, plus variation in the RGR, with a term of 7 years, with a 2-year grace period and payback over 5 years. These funds are used for the financing of the direct cost of investment to improve the electricity supply and expand the electricity system.
- In January 2009 CEMAR signed contract ECF-2724/2008 with ELETROBRÁS for a credit line of up to R$97,686,000, of which R$89,492,000 has been released. This contract is secured by funds from the Global Reversion Reserve - RGR. The cost of this financing is 7% a year, plus variation in the RGR, with a term of 7 years, with a 2-year grace period and payback over 5 years. These funds are used for the financing of the direct cost of investment to improve the electricity supply and expand the electricity system.
- In December 2010 CEMAR signed contract ECF-2890/2010 with ELETROBRÁS for a credit line of up to R$85,686,310, of which R$66,168,000 has been released. This contract is backed by funds from the Global Reversion Reserve - RGR. The cost of this financing is 7% a year, plus variation in the RGR, with a term of 7 years, with a 2-year grace period and payback over 5 years. These funds are used for the financing of the direct cost of investment to improve the electricity supply and expand the electricity system.

Debt with the IFC:

- On February 28, 2008, CEMAR took out financing of US$80,000,000.00 from the IFC – International Finance Corporation, with the objective of financing part of its investments carried out in 2007, and part of the investment planned for the two-year period 2008/2009. The loan was paid out in Brazilian reais, in the amount of R$135,056,000 taking a PTAX dollar sell exchange rate of 1.6882 on February 26, 2008. The cost of the operation was fixed at 90.9% of the CDI rate through an exchange rate swap carried out by IFC, carrying an additional cost of 1.5% p.a.in “Exposure Fee.” The total term of this financing is 8 years, with a 2-year grace period.

  This contract with CEMAR contains, and is subject to, a number of financial indicators, which must be measured annually based on its audited financial statements:

  1st Covenant: the quotient resulting from dividing NET FINANCIAL DEBT by EBITDA over the previous 12 months, must be less than or equal to 2.5 (two and a half);

  2nd Covenant: the quotient resulting from the dividing of EBITDA over the previous 12 months by NET FINANCIAL EXPENSES, must be greater than or equal to 2.0 (two).

IFC

	4T14	3T14	2T14	1T14
Dívida Bruta*	2.133.928	1.646.473	1.671.479	1.680.479
(-) Disponibilidades	(1.077.732)	(588.735)	(629.806)	(676.688)
(-) Baixa Renda a Receber	(40.951)	(39.664)	(34.553)	(35.529)
(-) Ativos Regulatórios Líquidos	(288.218)	-	-	(104.778)
= Dívida Financeira Líquida	727.026	1.018.075	1.007.120	863.483
LAJIDA	163.759	141.400	147.372	119.281
LAJIDA Ajustado dos últimos 12 meses	571.812	515.365	535.015	546.117
1º Covenant <=2,5	1,3	2,0	1,9	1,6
Desp. Fin. Líquida Trimestral	24.150	20.952	14.901	7.971
Desp. Fin. Líquida dos últimos 12 meses	67.973	64.851	62.729	65.536
2º Covenant >=1,5	8,4	7,9	8,5	8,3

* Corresponds to the Gross Debt of loans and financing, and the Gross Debenture Debt.

** EBITDA calculated according to the financing contract, which signifies earnings before interest, taxes, depreciation and amortization, disregarding other non-recurring expenses and revenues. The other non-recurring expenses and revenues are from write-offs and the sale of fixed assets.

Debt with Banco do Nordeste do Brasil:

- BNB I – In 2006, Cemar contracted financing from the Banco do Nordeste do Brasil – BNB, for the amount of R$136,076,000, for the purpose of financing investment in the reduction of technical and commercial losses, improving the quality of energy supply, expanding the distribution system and updating information. The funds come from the Northeast Financing Constitutional Fund - FNE. Interest is payable at 8.5% a year.
- BNB II -on February 5, 2009, CEMAR signed a contract for a loan from the Banco do Nordeste do Brasil - BNB, for the amount of R$144.939,000, with the purpose complementing its financial resources for investment in the electricity grid. The funds come from the Northeast Financing Constitutional Fund - FNE. The FNE interest rate is 8.5% a year with a performance bonus of 15% on interest payments.

Debt with the BNDES:

- On November 11, 2011, CEMAR signed a financing contract with the National Social and Economic Development Bank – BNDES, for an amount of up to R$193,023,400 with a total of R$175,237,000 being released, secured on funds originating from the Worker Support Fund – FAT, funds from FAT – Special Deposit and Participation Fund PIS/PASEP. The total financing amount is divided into four separate sub-credits, as set out below:
    - Sub-credit A: amount contracted of R$70,626,000, released on November 25 and December 27, 2011, with interest payable at TJLP (long-term interest rate) + 2.21% per year. The loan has a total term of 6 years, with payback beginning in January 2012. As at December 31, 2011, interest payable on this operation was 8.21% per year.
    - Sub-credit B: amount contracted of R$70,626,000, released on November 25 and December 27, 2011, with interest payable at TJLP + 3.21% per year. The loan has a total term of 6 years, with payback beginning in January 2012. As at December 31, 2011, interest payable on this operation was 9.21% a year.
    - Sub-credit C: amount contracted of up to R$50,772,000, with a total of R$33,000,000 released on November 25 and December 27, 2011, at a cost of 8.7% a year. The loan has a total term of 10 years, with a 2-year grace period and payback over 8 years beginning in December 2013. As at December 31, 2011, interest payable on this operation was 8.7% a year.
    - Sub-credit D: amount contracted of up to R$1,000,000, with a total of R$986,000 released on December 27, 2012, with interest payable at the TJLP. The loan has a total term of 6 years, with a one-year grace period, and payback over 5 years, beginning December 2017.
- December 13, 2012, CEMAR signed a financing contract with the National Social and Economic Development Bank – BNDES, for an amount of up to R$516.487,600 with a total of RR333.949,000 being released, secured on funds originating from the Worker Support Fund – FAT, funds from FAT – Special Deposit and Participation Fund PIS/PASEP. The total financing amount is divided into nine separate sub-credits, as set out below:
    - Sub-credit A: amount contracted of up to R$144,562,400, with a total of R$144.562,000 released by December 31 2014, with interest payable at TJLP + 2.06% per year. The loan has a total term of 8 years, with payback beginning in January 2015. As at December 31, 2014, interest payable on this operation was 7.06% a year.
    - Sub-credit B: amount contracted of up to R$144,562,400, with a total of R$144.562,000 released by December 31 2014, with interest payable at TJLP + 3.06% per year. The loan has a total term of 8 years, with payback beginning in January 2015. As at December 31, 2014, interest payable on this operation was 8.06% a year.
    - Sub-credit C: amount contracted of up to R$130,473,900, with a total of R$106.188,000 released as at December 31 2014, with interest payable at 2.5% per year. The loan has a total term of 10 years, with payback beginning in January 2015. As at December 31, 2014, interest payable on this operation was 2.5% a year.
    - Sub-credit D: amount contracted of up to R$36,641,800, with a total of R$19,527,000 released as at December 31, 2014, with interest payable at TJLP + 2.06% per year. The loan has a total term

of 8 years, with a 2-year grace period and payback over 6 years, with payback beginning in January 2015. As at December 31, 2014, interest payable on this operation was 7.06% a year.

- Sub-credit E: amount contracted of up to R$36,641,800, with a total of R$19,527,000 released as at December 31, 2014, with interest payable at TJLP + 3.06% per year. The loan has a total term of 8 years, with a 2-year grace period and payback over 6 years, with payback beginning in January 2015. As at December 31, 2014, interest payable on this operation was 8.06% a year.
- Sub-credit F: amount contracted of up to R$12,904,600, with a total of R$5,836,00 released as at December 31, 2014, with interest payable at TJLP + 2.5% per year. The loan has a total term of 10 years, with a 2-year grace period and payback over 8 years, with payback beginning in January 2015. As at December 31, 2014, interest payable on this operation was 2.5% a year.
- Sub-credit G: amount contracted of up to R$4,065,400, with a total of R$3,810,00 released as at December 31, 2014, with interest payable at TJLP + 2.06% per year. The loan has a total term of 8 years, with a 2-year grace period and payback over 6 years, with payback beginning in January 2015. As at December 31, 2014, interest payable on this operation was 7.06% a year.
- Sub-credit H: amount contracted of up to R$4,065,400, with a total of R$3,810,00 released as at December 31, 2014, with interest payable at TJLP + 3..06% per year. The loan has a total term of 8 years, with a 2-year grace period and payback over 6 years, with payback beginning in January 2015. As at December 31, 2014, interest payable on this operation was 8.06% a year.
- Sub-credit I: amount contracted of up to R$2,569,500, with interest payable at the TJLP rate per year with a total released of R$1.229,000 as at December 31, 2014.. The loan has a total term of 8 years, with a 2-year grace period and payback over 6 years, with payback beginning in January 2015. As at December 31, 2014, interest payable on this operation was 5.0% a year.

Debt with Banco do Brasil:

- As at December 2014, amendments were made to agro-industrial financing contracts I, II and III with a new loan taken out of R$20,000,000 from Banco do Brasil. The total amount raised was R$300,000,000, which breaks down as follows:
  - Agro-industrial loan I: on May 13, 2013, R$90,000,000 additional funding was obtained with an additional loan on 19/12/2014. This contract was of the bullet type, with a term of two years, in other words with interest payable half-yearly from 11/06/2015 with payback being in a single tranche at the end of the second year following the contracting of the additional loan. Agro-industrial loan I was subdivided as follows:
    - Agro-industrial I – Sub-credit A: amount loaned of R$45,000,000 at a cost of 108% of the CDI rate.
    - Agro-industrial I – Sub-credit B: amount loaned of R$45.000,000 at a cost of 108% of the CDI rate.
  - Agro-industrial II: on June 21, 2013, the amount of R$150,000,000 was raised at a cost of 99% of the CDI rate. While on 19/12/2014 an amendment was signed altering this cost to 108% of the CDI rate. This contract was of the bullet type, with a term of two years, with interest payable half-yearly from 12/06/2015 with payback being in a single tranche at the end of the second year following the contracting of the additional loan
  - Agro-industrial III: on December 19, 2013 the amount of R$40,000,000 was raised at a cost of 99% of the CDI rate. While on 19/12/2014 and amendment was signed altering the cost to 108% of the CDI rate. This contract was of the bullet type, with a term of two years, with interest payable half-yearly from 15/06/2015 with payback being in a single tranche at the end of the second year following the contracting of the additional loan.
  - Agro-industrial IV: on December 19, 2014, R$20.000,000 was raised, also at a cost of 108% of the CDI rate. This contract was of the bullet type, with a term of two years, in other words with payback

and interest paid in a single tranche at the end of the third year following the contracting of the loan.

Debt with Santander:

- Santander – in 2014, Cemar took out a financing contract with Santander, for the amount of R$100.000, to supplement its working capital, to meet the Company's business needs. This financing was registered under operation number 4131 with the effective interest rate being at the CDI rate + 1.30% a year.

Debt with Itaú:

- Itaú – on October 21, 2014 Cemar took out a financing contract from Itaú, for the amount of R$100,000, to supplement its working capital, in order to meet the Company's business needs. This financing was registered under operation number 4131, with the effective interest rate being at the CDI rate +1.30% a year.

Debt with Caixa Econômica Federal:

- In December 2013 CEMAR signed a loan contract with Caixa Econômica Federal for the amount of R$28,626,800, being provided under FINISA (CAIXA Fund for Investment in Infrastructure and Sanitation). As at December 31, 2014, R$20,038,000 had been released. This contract carries a cost of 6% p.a. with a grace period of 24 months and payable in 120 installments under the Constant Amortization System (SAC) method.

Lastly, the financing contracts taken out above have the objective of providing financing for the Issuer's investment plans and supplementing its working capital.

CELPA

Below we highlight the main loan contracts taken out by the Company:

- **Receivership:** as a result of the application of the Judicial Reorganization Plan, the loan and financing contracts of the Issuer underwent a renewal and renegotiation process. On 31 December 2014, loan and financing contracts subject to the outcome of receivership proceedings amounted to a balance of R$1,046 million.
- **Eletrobrás**: on 31 March 2010 the Issuer signed loan contract ECF-2812/2010a with ELETROBRÁS. This loan contract is secured by funds from the Global Reversion Reserve - RGR. The cost of this financing is 7% a year, plus variation in the 7% RGR, falling due in 7 years, with a 2-year grace period and payback over 5 years. These funds are earmarked for the direct cost of financing investment in improving the electricity supply and expansion of the system.
- **BANCO GUANABARA:** in 2014, Celpa contacted financing from Banco Guanabara, of R$8,113 million. The effective interest on this operation is payable at the CDI rate +1.5% per year.
- CITIBANK: on July 23, 2014, Celpa took out a loan of USD 80 million. Interest on this operation is payable at 2.37% a year.
- IBM: in 2014 Celpa contracted three tranches of financing on the following dates: 22/01, 19/09 and 30/12/2014 with respective interest payable of: the CDI rate (R$11,700 million) CDI + 1.13% (R$10,000 million) and CDI +0.25% (R$22,900 million).

- Itaú: on December 15, 2014 Celpa contacted financing with Itaú, of R$120,000 million. Interest payable on this operation is at the CDI rate + 1.10% a year.
- Itaú BBA: on June 17, 2014, Celpa took out a financing contract with Itaú BBA, for the amount of R$120,000 million. Interest payable on this operation is at the CDI rate +1.30 % a year.
- On December 26, 2014 CEMAR signed a financing contract with the National Social and Economic Development Bank - BNDES for up to R$498,073,500, with R$383,400, 000 already released. The total amount of this financing is divided into six sub-credits, as shown below:
- Sub-credit A: amount contracted of up to R$93.373,00, with a total of R$81,500,000 released as at December 31, 2014, at a cost of TR - BNDES + 2.78% a year.
- Sub-credit B: amount contracted of up to R$217,869,000, with a total of R$190,000,000 released as at December 31, 2014, at a cost of URTJLP + 2.78% a year.
- Sub-credit C: amount contracted of up to R$156.671.000, with a total of R$103,500,000 released as at December 31, 2014, at a cost of PRÉ 6% a year.
- Sub-credit D: amount contracted of up to R$8,305,000, with a total of R$2,500,000 released as at December 31, 2014, at a cost of TR BNDES+ 2.78% a year.
- Sub-credit E: amount contracted of up to R$19,377,000, with a total of R$5,900,000 released as at December 31, 2014, at a cost of URTJLP+ 2.78% a year.
- Sub-credit F: O amount contracted of up to R$2,478,000, with no amounts yet released as at December 31, 2014, and with the cost of URTJLP a year.

As at December 31, 2014, the total consolidated current and non-current liabilities of Equatorial Energia amounted to R$7,823.1 million (R$6,255.9 million on December 31, 2013, R$6,905.9 million on December 31 2012), of which R$678.8 million (R$580.7 million as at December 31, 2013, R$587.3 million as at December 31, 2012) is backed by real guarantees, R$1,630.3 million (R$1,366.4 million as at December 31, 2013, R$572.5 million as at December 31, 2012) is backed by floating guarantees, R$2,065.9 million (R$1,263.2 million as at December 31, 2013, in 2012 there were no classifications with fiduciary guarantees) is backed by fiduciary guarantees, and R$3,448.3 million (R$3,045.6 million as at December 31, 2013, R$5.746.1 million as at December 31, 2012) is backed by unsecured guarantees.

g) limits to the use of financing already contacted for:

CEMAR

For the contract with the BNDES signed on December 23, 2012 for the financing of the Company's investment plan from 2012 to 2014, the time limit for the use of the total amount available is up to March 31, 2015.
Of the R$516.5 million contacted for, 86.4% has already been used, and 13.6% is likely to be taken up by the end of March 2015,

CELPA

For the contract with the BNDES signed on December 26, 2015 for the financing of the Company's investment plan from 2013 to 2014, the time limit for the use of the total amount available is up to December 31, 2014. Of the R$498.1 million contacted for, 76.98% has already been used, and 23.02% is likely to be taken up by the end of March 2015,

h) significant alterations to each item in the financial statements:

	Consolidado							
	31/12/2014	%AV	31/12/2013	%AV	%AH	31/12/2012	%AV	%AH
Receita operacional líquida	6.773.453	100%	4.715.036	100%	44%	2.884.496	100%	63%
Custo do serviço de energia elétrica	(5.073.379)	-75%	(3.672.894)	-78%	38%	(2.056.081)	-71%	79%
Lucro operacional bruto	1.700.074	25%	1.042.142	22%	63%	828.415	29%	26%
Despesas com vendas	(266.857)	-4%	(248.717)	-5%	7%	(146.980)	-5%	69%
Despesas administrativas	(234.619)	-3%	(287.357)	-6%	-18%	(152.391)	-5%	89%
Despesa com pessoal e administradores	(38.220)	-1%	(38.256)	-1%	0%	(22.467)	-1%	70%
Provisão para créditos de liquidação duvidosa e perda com c	(104.592)	-2%	(87.355)	-2%	20%	(58.109)	-2%	50%
Provisão (reversão) de contingências	(10.357)	0%	(16.736)	0%	-38%	18.092	1%	-193%
Provisão plano de pensão e aposentadoria	(973)	0%	7.843	0%	-112%	(14.768)	-1%	-153%
Depreciação e amortização	(35.339)	-1%	(29.665)	-1%	19%	(18.318)	-1%	62%
Amortização do direito de concessão	(1.116)	0%	(4.612)	0%	-76%	(5.816)	0%	-21%
Resultado da equivalência patrimonial	23.806	0%	16.847	0%	41%	18.180	1%	-7%
Outras despesas/receitas operacionais	(108.966)	-2%	(65.569)	-1%	66%	(42.786)	-1%	53%
Total de receitas (despesas) operacionais	(777.233)	-11%	(753.577)	-16%	3%	(425.363)	-15%	77%
Lucro antes do resultado financeiro	922.841	14%	288.565	6%	220%	403.052	14%	-28%
Resultado financeiro	(210.909)	-3%	(219.098)	-5%	-4%	(91.209)	-3%	140%
Receitas financeiras	902.123	13%	473.381	10%	91%	259.845	9%	82%
Despesas financeiras	(1.113.032)	-16%	(692.479)	-15%	61%	(351.054)	-12%	97%
Lucro antes da contribuição social e imposto de renda	711.932	11%	69.467	1%	925%	311.843	11%	-78%
Imposto de renda e contribuição social	68.630	1%	9.050	0%	658%	(104.377)	-4%	-109%
Lucro líquido do período	780.562	12%	78.517	2%	894%	207.466	7%	-62%
Atribuível aos acionistas não controladores	(142.806)	-2%	(9.880)	0%	1345%	(71.138)	-2%	-86%
Lucro do exercício atribuído aos acionistas da controladora	637.756	9%	68.637	1%	829%	136.328	5%	-50%

Comparison of consolidated results for the financial years ending December 31, 2014 and 2013.

Net operating revenue

The Company's net operating revenue increased from R$4,715 million in 2013, to R$6,773 million in 2014, an increase of 44%. The Directors of the Company understand that this variation occurred for the following reasons in particular: (i) the increase of 7.9% in the volume of electric power supplied to clients of CEMAR, and the 11.7% increase in volume for clients of CELPA, and (ii) recognition of the remaining balances related to the differences arising in Tranche A and other financial components that have yet to be recouped or returned.

Costs of electricity service

The cost of the Company's electricity service increased from R$3,673 million in 2013 to R$5,073 million for the same period in 2014, representing an increase of 38%, for the following reasons:

(i) The cost of electric power increased from R$3,104 million in 2013, to R$4,443 million in 2014, an increase of 43%. The Directors of the Company understand that this variation occurred for the following reasons in particular: (i) the unfavorable water supply situation in the country, which resulted in the need for the dispatch of thermoelectric power stations, not in order of merit, the price per MWh of which is higher due to restrictions in the national grid system or need for water reserves, (ii) an increase in power demand required to cater to the growth in the markets of both CEMAR and CELPA, (iii) monetary correction of power purchase costs in accordance with the IPCA index, from August 2014, which led to the increase in cost being greater than the increase in net operating revenue, and (iv) the start of power supplied under new contracts as a result of the A – 5 (2009) and A – 3 (2008) auctions.

(ii) The cost of operation increased from R$569 million in 2013 to R$630 million in 2014, an increase of 11%. The Directors of the Company understand that this variation occurred for the following reason in particular: (i) the increase in the cost of material, which rose from R$13 million in 2013 to R$21 million in the same period in 2014, an increase of 40%.

Financial result

The Company's financial result saw a change from a net financial expense of R$219 million in 2013, to R$211 million in 2014, a reduction of 4%.

Profit before Income Tax and Social Contribution

As a result of the factors mentioned above, the Company's profit before income tax and social contribution increased from R$69 million in 2013, to R$712 million in 2014, an increase of 925%.

Net profit for the period

As a result of the factors mentioned above, the Company's net profit for the period increased from R$68 million in 2013 to R$638 million in 2014, an increase of 894%.

Comparison of the consolidated results for the financial years ending December 31, 2013 and 2012.

Net operating revenue

The Company's net operating revenue increased from R$2,884 million in 2012 to R$4,715 million in 2013, representing an increase of 63%. The Directors of the Company understand that this change occurred for the following reasons in particular: (i) the start of consolidation of subsidiary Celpa for the entire year, bearing in mind that in 2012, the results from that subsidiary were only consolidated from November; (ii) the increase in the volume of electric power supplied to clients of CEMAR, of 10.3%, and the increase of 8.6% for clients of CELPA, (iii) the impact of the implementation of MP 579.

Cost of electricity service

The cost of the Company's electricity service increased from R$2,056 million in 2012, to R$3,673 million in the same period in 2013, representing an increase of 78% for the following motives:

(i) The cost of electric power increased from R$1,805 million in 2012, to R$3,104 million in 2013, an increase of 72%. The Directors of the Company understand that this change occurred for the following reasons in particular: (i) the dispatch of certain thermoelectric power stations, not in order of merit, the MWh price of which is higher due to restrictions in the national grid system or the need for maintaining water reserves, (ii) the increase in demand for power due to the growth in the markets both of CEMAR and CELPA, (iii) monetary correction of the costs of power purchased in accordance with the IPCA index from August 2013, reasons which led to the increase in cost being higher than the rise in net operating revenue, and (iv) the start of consolidation of CELPA for the entire year (in 2012 the results from this subsidiary were only consolidated from November).

(ii) The cost of operations increased from R$250 million in 2012 to R$569 million in 2013, representing an increase of 127%. The Directors of the Company understand that this change occurred for the following reasons in particular: (i) the start of consolidation of Celpa for a full year in 2013, bearing in mind that in 2012 the results from this subsidiary were only consolidated from November 2012, (ii) the rise in the cost of outsourced services, which increased from R$109 million in 2012 to R$235 million in the same period in 2013, up 115%.

Financial result

The Company's financial result varied from a net financial expense of R$91 million in 2012, to R$219 million in 2013, representing an increase of 140%. The Directors of the Company understand that this change occurred in particular as a result of the consolidation of Celpa for a full year in 2013, seeing that in 2012 the results from this subsidiary were only consolidated from November.

Profit before income tax and social contribution

As a result of the factors mentioned above, the Company's profit before income tax and social contribution dropped from R$326 million in 2012 to R$69 million in 2013, a reduction of 78%.

Net Profit for the period

As a result of the factors mentioned above, the Company's net profit for the period fell from R$141 million in 2012, to R$68 million in 2013, representing a drop of 51%.

Comparison of the consolidated results for the financial years ending December 31, 2012 and December 31, 2011.

Net operating revenue

The Company's net operating revenue increased from R$1,980 million in 2011, to R$2,987 million in 2012, representing an increase of 51%. The Directors of the Company understand that this change occurred for the following reasons in particular: (i) the start of consolidation of subsidiary Celpa, despite the fact that this only took place in the months of November and December; (ii) the increase in the volume of electric power supplied to clients of CEMAR, which increased from 4,370 GWh in 2011 to 4,796 GWh in 2012.

Cost of electricity service

The cost of the Company's electricity service increased from R$1,277 million in 2011 to R$2,123 million in the same period in 2012, representing an increase of 66% for the following reasons:

(i) The cost of electric power increased from R$1,114 million in 2011 to R$1,871 Million in 2012, up 68%. The Directors of the Company understand that this change occurred for the following reasons in particular: (i) the dispatch of a number of thermoelectric power stations, not in order of merit, the MWh price of which is higher due to restrictions in the national grid system and the need to maintain water reserves, (ii) the increase in energy demand required as a result of growth in the market, and the use of power contracted under new contracts resulting from the A-3 auctions, and alternative sources, (iii) contractual monetary correction applied to the power purchased in accordance with the IPCA index, from August 2011 at subsidiary CEMAR, the reason why the increase in cost is higher than the rise in net operating revenue, and (iv) the start of consolidation of results from Celpa.

(ii) The cost of operation increased from R$162 million in 2011 to R$252 million in 2012, an increase of 55%. The Directors of the Company understand that this change occurred for the following reasons in particular: (i) the start of consolidation of Celpa's results in 2012, and (ii) the rise in the cost of outsourced services, which increased from R$56 million in 2011 to R$110 million in the same period in 2012, up 95%.

Financial result

The Company's financial result varied from a net financial expense of R$53 million in 2011 to R$98.5 Million in 2012, representing an Increase of 84%. The Directors of the Company understand that this change occurred as a result of the consolidation of Celpa's results, although this only occurred in the months of November and December.

Profit before income tax and social contribution

As a result of the factors mentioned above, the Company's profit before income tax and social contribution increased from R$304.0 million in 2011 to R$328.9 million in 2012, up 8%.

Net profit for the period

As a result of the factors mentioned above, the Company's net profit fell from R$160.0 million in 2011 to R$141 million in 2012, representing a drop of 12%.

Comparison of the main consolidated Asset Balance Sheet Accounts for December 31, 2014 and December 31, 2013.

	Consolidado				
	31/12/2014	%AV	31/12/2013	%AV	%AH
Ativo					
Circulante					
Caixa e equivalentes de caixa	**280.098**	2%	350.885	4%	-20%
Investimentos de curto prazo	**1.683.565**	15%	1.262.132	14%	33%
Contas a receber de clientes	**1.382.874**	12%	1.006.085	11%	37%
Valores a receber de parcela A e outros itens financeiros	**341.602**	3%	-	0%	N/A
Impostos e contribuições a recuperar	**109.916**	1%	113.849	1%	-3%
Impostos e contribuições sobre o lucro a recuperar	**76.192**	1%	53.871	1%	41%
Conta de consumo de combustíveis CCC	**236.701**	2%	94.346	1%	151%
Estoques	**20.912**	0%	24.258	0%	-14%
Serviços pedidos	**106.304**	1%	100.265	1%	6%
Depósitos judiciais	**20.037**	0%	24.165	0%	-17%
Instrumentos financeiros derivativos	**64.553**	1%	4.286	0%	1406%
Recuperação de custo de energia e encargos	**-**	0%	5.721	0%	-100%
Outros créditos a receber	**64.070**	1%	41.336	0%	55%
	4.386.824	39%	3.081.199	34%	42%
Não circulante					
Contas a receber de clientes	**191.871**	2%	116.124	1%	65%
Valores a receber de parcela A e outros itens financeiros	**380.854**	3%	-	0%	N/A
Impostos e contribuições a recuperar	**87.059**	1%	59.544	1%	46%
Impostos e contribuições sobre o lucro a recuperar	**36.238**	0%	33.206	0%	9%
Imposto de renda e contribuição social diferidos	**-**	0%	31.099	0%	-100%
Depósitos judiciais	**136.156**	1%	139.559	2%	-2%
Instrumentos financeiros derivativos	**8.860**	0%	232	0%	3719%
Ativo financeiro da concessão	**1.565.973**	14%	1.195.743	13%	31%
Sub-rogação da CCC - valores aplicados	**113.255**	1%	185.689	2%	-39%
Outros créditos a receber	**63.222**	1%	72.770	1%	-15%
Investimentos	**77.464**	1%	70.894	1%	9%
Imobilizado	**3.341**	0%	2.713	0%	23%
Intangível	**4.217.519**	37%	4.114.727	45%	2%
	6.881.812	61%	6.022.300	66%	14%
Total do ativo	**11.268.636**	100%	9.103.499	100%	24%

	Consolidado				
	31/12/2014	%AV	31/12/2013	%AV	%AV
Passivo					
Circulante					
Fornecedores	**1.139.843**	10%	674.714	7%	69%
Folha de pagamento e provisão de férias	**54.467**	0%	43.278	0%	26%
Empréstimos e financiamentos	**959.855**	9%	169.234	2%	467%
Debêntures	**10.861**	0%	5.974	0%	82%
Impostos e contribuições a recolher	**250.740**	2%	248.686	3%	1%
Impostos e contribuições sobre o lucro a recolher	**32.160**	0%	17.845	0%	80%
Dividendos e JSCP	**176.840**	2%	29.890	0%	492%
Provisão para processos cíveis, fiscais e trabalhistas	**51.728**	0%	39.775	0%	30%
Contribuição de iluminação publica	**30.848**	0%	32.749	0%	-6%
Pesquisa e desenvolvimento e eficiência energética	**79.569**	1%	70.208	1%	13%
Participação nos lucros de empregados	**32.161**	0%	34.673	0%	-7%
Recuperação judicial - CELPA	**79.631**	1%	85.254	1%	-7%
Outras contas a pagar	**253.911**	2%	236.651	3%	7%
	3.152.614	28%	1.688.931	19%	87%
Não circulante					
Empréstimos e financiamentos	**2.897.754**	26%	2.756.344	30%	5%
Debêntures	**506.423**	4%	294.085	3%	72%
Impostos e contribuições a recolher	**77.046**	1%	333.813	4%	-77%
Imposto de renda e contribuição social diferidos	**31.614**	0%	-	0%	N/A
Provisão para processos cíveis, fiscais e trabalhistas	**546.245**	5%	637.524	7%	-14%
Pesquisa e desenvolvimento e eficiência energética	**107.519**	1%	80.740	1%	33%
Plano de aposentadoria e pensão	**47.768**	0%	25.533	0%	87%
Recuperação judicial - CELPA	**256.230**	2%	332.620	4%	-23%
Outras contas a pagar	**199.898**	2%	106.262	1%	88%
	4.670.497	41%	4.566.921	50%	2%
Patrimônio líquido					
Capital social	**1.977.276**	18%	1.977.276	22%	0%
Reservas de capital	**22.585**	0%	14.080	0%	60%
Reservas de lucros	**871.843**	8%	484.463	5%	80%
Outros resultados abrangentes	**(13.075)**	0%	(2.633)	0%	397%
Ajuste de avaliação patrimonial	**(22.262)**	0%	(22.262)	0%	0%
Prejuízos acumulados	**-**	0%	(96.751)	-1%	-100%
Patrimônio líquido atribuível aos acionistas da Compan	**2.836.367**	25%	2.354.173	26%	20%
Participação dos acionistas não controladores	**609.158**	5%	493.474	5%	23%
Total do patrimônio líquido	**3.445.525**	31%	2.847.647	31%	21%
Total do passivo	**11.268.636**	100%	9.103.499	100%	24%

Current Assets

The current assets of the Company showed an increase from the figure of R$3,081 million as at December 31, 2013, to R$4,387 million as at December 31, 2014, representing an increase of 42%. The Directors of the Company understand that this change occurred principally due to the increase in the Fuel Consumer Account CCC (from R$94 million to R$237 million), the increase in short-term Derivative Financial Instruments (from R$4 million to R$65 million), the recognition of balances remaining related to differences in Tranche A, and other financial components as yet not recouped or returned, of R$342 million.

Non-current assets

The Non-Current Assets of the Company increased from R$6,022 million as at December 31, 2013, to R$6,882 million as at December 31, 2014, representing an increase of 14%. The Directors of the Company understand that this change occurred principally due to the recognition of the balances remaining from the differences in Tranche A and other financial components as yet not recovered or given back, of R$389 million.

Current liabilities

The Company's current liabilities increased from R$1,689 million as at December 31, 2013, to R$3,153 million as at December 31, 2014, representing an increase of 87%. The Directors of the Company understand that this change occurred principally due to the increase in the Company's short-term bank debt (from R$175 million to R$971 million).

Non-current liabilities

The Company's non-current liabilities increased from R$4, 567 million as at December 31, 2013, to R$4,670 million as at December 31, 2014, representing an increase of 2%. The Directors of the Company understand that there was practically no variation in this account between the two financial periods.

Shareholders' Equity

The Company's Shareholders' Equity increased from R$2,848 million as at December 31, 2013, to R$3,446 as at December 31, 2014, representing an increase of 21%. The Directors of the Company understand that this variation occurred basically due to the increase in reserves (from R$496 million to R$894 million).

Comparison between the main Consolidated Asset Balance Sheet Accounts of December 31, 2013 and December 31, 2012.

Current assets

The current assets of the Company showed a decrease from the figure of R$3,320 million as at December 31, 2012, to R$3,082 million as at December 31, 2013, representing a drop of 7%. The Directors of the Company understand that this change occurred principally due to the reduction in the total level of cash and equivalents of the Issuer in the period (from R$1,725 million to R$1,613 million) and because of the drop in the short term Customer Receivables Account (from R$1,094 million to R$1,006 million).

Non-current assets

The Company's non-current assets increased from R$5,961 million as at December 31, 2012, to R$6,022 million as at December 31, 2013, representing an increase of 1%. The Directors of the Company understand that there was practically no variation in this account.

Current liabilities

The Company's current liabilities fell from R$2,596 million as at December 31, 2012, to R$1,689 million as at December 31, 2013, representing a drop of 35%. The Directors of the Company understand that this change occurred principally because of the reduction in the Company's short-term bank debt (from R$818 million to R$175 million).

Non-current liabilities

The Company's non-current liabilities increased from R$4,169 million as at December 31, 2012, to R$4,567 million as at December 31, 2013, representing an increase of 10%. The Directors of the Company understand that the cause of this change was principally due to the lengthening of the Company's debt profile, the balance of which increased from R$2,257 million to R$3,050 million.

Shareholders' Equity

The Company's Shareholders Equity increased from R$2,516 million as at December 31, 2012, to R$2,848 million as at December 31, 2013, representing an increase of 13%. The Directors of the Company understand that this change occurred principally due to the increase in paid-up capital of R$234 million which occurred in 2013.

Comparison of the main Consolidated Asset Balance Sheet Accounts of December 31, 2012, with December 31, 2011.

Current assets

The Company's current assets increased from R$1,053.6 million as at December 31, 2011, to R$3,378,9 million as at December 31, 2012, representing an increase of 220%. The Directors of the Company understand that this change occurred principally due to the beginning of the consolidation of Celpa's balance sheets, a company acquired on November 1, 2012.

Non-current assets

The Company's non-current assets increased from R$2,345.2 million as at December 31, 2011, to R$6,052 million as at December 31, 2012, representing an increase of 158%. The Directors of the Company understand that this change occurred principally due to the beginning of the consolidation of the balance sheets of Celpa, acquired on November 1, 2012.

Current liabilities

The Company's current liabilities increased from R$787.0 million as at December 31, 2011, to R$2,654 million as at December 31, 2011, representing an increase of 237%. The Directors of the Company understand that this change occurred principally due to the beginning of the consolidation of the balance sheets of Celpa, acquired on November 1, 2012.

Non-current liabilities

The non-current liabilities of the Company increased from R$1.353,3 million as at December 31, 2011 to R$4,251 million as at December 31, 2012, representing an increase of 214%. The Directors of the Company understand that this change occurred principally due to the beginning of the consolidation of the balance sheets of Celpa, acquired on November 1, 2012.

Shareholders' Equity

The Company's shareholders' equity increased from R$1,258.5 million as at December 31 to 2011 to R$2,525 million as at December 31 2012, representing an increase of 135%. The Directors of the Company understand that this change occurred principally due to the increase in paid-up capital of R$1,175 million that took place 2012, and the start of consolidation of the balance sheets of Celpa.

10.2. The Directors must comment on:

a) the results of the operations of the Issuer, in particular:

i. A description of any important revenue components

The financial information included in this Reference Form, unless expressly otherwise stated, refers to the Company's consolidated financial statements.

a. the results of the Company's operations, in particular:

For a more detailed breakdown of the principal variations perceived in the Company's results, see item 10.1(h) of this Reference Form.

i. description of any important revenue components

The Company's net revenue is principally composed of the billing for electricity consumed by consumers in the concession areas of CEMAR and Celpa.

The Directors of the Company believe that the principal factors which drive the performance/principal components of the Company's consolidated net revenue are:

(i) Volume of electric power sold by CEMAR and Celpa;

(ii) Tariffs practiced;

(iii) Level of power losses, and;

(iv) Revenue from construction.

ii. Factors which materially affect operational results

The Directors of the Company understand that the results from the Company's operations in the financial years ending December 2014, 2013 and 2012 are significantly affected by a large variety of factors, including:

- alteration in the Company's costs, including the electricity price;
- increase in the volume of electric power bought for resale, as a consequence of the market growth in the supply of electricity;
- new electricity purchase contracts (hydroelectric and thermoelectric), signed as a function of market growth, the price of which is higher compared to previous existing electricity contracts (hydroelectric sources);
- annual increases in the price of electricity bought for resale;
- alterations in the power tariffs which the Company can charge to its clients due to tariff revisions and adjustments authorized by ANEEL;
- availability of power to supply a service without market restrictions;
- general economic conditions in Brazil and specifically in the CEMAR concession area;
- changes in regulations and legislation in the electricity sector;
- results of court disputes and contingencies;
- variation in exchange rate and interest rates;
- issue of an amendment by ANEEL guaranteeing that CVA values and other financial components will be incorporated in the compensation calculation, when the concession expires.

Power losses

The CEMAR and Celpa distributors are subject to two types of electric power losses: technical losses and commercial losses. Technical losses occur in the ordinary course of electricity distribution, while commercial losses result from the theft of power, as well as fraud, incorrect meter reading and errors in bills issued. Power losses result in the need for the Company to purchase more electricity to meet its distribution needs, with a consequent increase in the cost of electricity bought for resale.

Tax incentives (CEMAR)

Accelerated Depreciation

Article. 31 of Law No. 11,196/2005, regulated by Decree No. 5.988/2006 provides an incentive for incentivized accelerated depreciation, for the effect of calculating income tax, for assets acquired between January 1, 2006 and December 31, 2018, by companies that have projects approved for installation, expansion, modernization or diversification, in sectors of the economy that are considered a priority for regional development, in micro-regions that are less developed, located in areas covered by SUDENE and SUDAM. Accelerated, incentivized depreciation consists of full depreciation in the year the asset was acquired.

This tax incentive was obtained by CEMAR through Government Directive No. 0043, issued by SUDENE, on April 27, 2007. Under the terms of Government Directive MIN No. 1211, issued on December 20, 2006, the Ministry for National Integration cited 217 municipalities in the state of Maranhão as falling into the category of less-developed micro-regions in the context of the Government Directive of SUDENE. In this way, CEMAR has been using this tax incentive for all 217 municipalities in the state of Maranhão.

75% income tax exemption

On May 14, 2007, the Northeast Development Agency - ADENE, the current Superintendency for Development of the Northeast - SUDENE, which is part of the Ministry for National Integration, issued Constitutive Report No. 0061/2007, which authorizes CEMAR to increase the percentage of income tax reduction from 25% to 75% with the justification of modernizing all its electricity installations, this measure being valid from 2007 to 2021.

The CVM through Deliberation No. 555, issued on November 12, 2008, approved technical pronouncement CPC 07 which deals with government subsidies and assistance, determining the accounting recognition of subsidies granted as a way of reducing or exempting tax on revenue. Law No. 11.638/07 brought an end to capital reserves and donations and subsidies for investment, and created the tax incentive reserve, by which a General Shareholders Meeting, as proposed by a company's management bodies, may allocate a tranche of net earnings from government donations and subsidies for investment, to a tax incentive reserve, which can be excluded from the calculation base for obligatory dividends.

b. variations in revenues attributable to modifications in price, exchange rates, inflation, alterations in volumes and the introduction of new products and services

The electricity sector follows a model that sets rates on a one-year tariff cycle. In the case of CEMAR, the tariff year runs from August 28 for one year, to August 27 the following year. In the case of Celpa, the tariff year runs from August 7 of one year to August 6 of the following year. In this model are considered estimates for the costs of sector charges, the purchase of power, among other aspects, which are considered to be non-manageable items by the Company. The Company's Financial Statements always reflect the authorized tariff in its revenue, which includes these expected non-manageable costs. In this manner, as the real costs are booked, the Company's results will be affected by any variation between the actual value and that considered in the tariff. But for tariff purposes with ANEEL the Company constitutes a CVA[1] account in its Regulatory Balance to register any variation between projected and real cost, specifically for non-manageable items, for subsequent charging and/or return of the difference to consumers.

On November 25, 2014, ANEEL decided to insert an amendment to the concession and permission contracts of Brazilian electricity distribution companies, with a view to eliminating a number of uncertainties, which up to that time existed, with respect to the recognition and realization of temporal differences, the values of which are passed-on annually onto the electricity distribution – Tranche A (CVA) and other financial components. Under the terms of the amendment issued by ANEEL, the regulatory body guarantees that the amounts booked under the CVA account and other financial components shall be incorporated in the compensation calculation upon expiration of the concession.

As a consequence, CPC technical guidelines – OCPC08 ("OCPC08") were issued, which had the objective of dealing with the basic requirements for recognition, measurement and citation of these financial assets or liabilities, which were then attributed with the characteristic of having the unconditional right to receive (or obligation to deliver) cash or another financial instrument in counterparty, clearly identified.

The amendment to the concession contracts under the terms dealt with by these guidelines represented a new element which secures, from the date of its signature, the right or obligation of the concessionaire to receive or pay for assets or liabilities to the counterparty –the Granting Authority. This event alters, from that date, the contractual conditions that existed previously, and removes uncertainties with respect to the realization/obligatory payment, of these assets and liabilities.

In this way, these are conditions that differ from those previously present, and for this reason they are applied in a forward-looking manner, from the date of the signing of the respective contractual amendments. The accumulated balance up to 2014, of these regulatory assets and liabilities of the subsidiaries were recognized in asset balance accounts in counterparty to the results, for the year in which the operational revenue was received from sales.

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[1] CVA, created by Provisional Measure 2.227/01 and instituted by inter-ministry Government Directive No. 25/02, registers the variation between the annual tariff adjustments, based on items that represent a cost for distributors, such as the purchase of electric power from the Itaipu hydroelectric dam and other tariff charges in the electricity sector. The passing on of this account onto tariffs with reference to the variation from 2003 was to have taken place last year, but this was postponed to this year and next year, by Inter Ministry Government Directive No. 116, of April 4, 2003.

c) **Impact of inflation, change in the prices of the main imports and products, the exchange rate, and interest rates on the operational result and the financial results of the issuer**

The principal indices present in the Issuer's business plan are: the IGP-M, TJLP, CDI and IPCA:

- IGP-M: 11.2% of the Company's debt is linked to the IGP-M index.
- TJLP: 11.2% of Equatorial's debt is linked to the TJLP (long-term interest rate).
- CDI: all the financial investments of CEMAR and CELPA are remunerated at the CDI rate. 13.7% of Equatorial's debt is linked to the CDI rate.
- IPCA: 6.2% of Equatorial's debt is linked to the IPCA index.

10.3 - Events with a material effect, that have either occurred or are expected to occur, on the financial statements

a) introduction or sale of assets in the operational segment

Up to December 31, 2013, as well as for the financial years ending December 31, 2012, and 2011, there was no introduction or sale of assets in the operational segment of the Company or its subsidiaries.

b) constitution, acquisition or sale of equity shareholding

Acquisition of CELPA

On September 25, 2012, the Company signed a Contract for the Purchase and Sale of Shares and Other Adjustments ("Purchase/Sale Contract") for the purpose of acquiring shares that represent 65.18% of the paid-up voting capital and 61.37% of the total paid-up capital of CELPA in receivership. On November 1, 2012, after approval by ANEEL and CADE, the Company concluded this acquisition, with CELPA thus becoming one of its subsidiaries. See this Reference Form, item 8.4 – Description of Economic Group – Other Material Information, for a detailed description of CELPA's Recovery Plan and the Purchase Contract.

Acquisition of 50% of Vila Velha Termoelétricas Ltda.

On February 10, 2012, the Company signed a Private Purchase/Sale Instrument for the with LMP Energy Participações e Consultoria Ltda. whereby it acquired 50% of the paid-up capital of Vila Velha Termoelétricas Ltda. ("Vila Velha"), a company in the pre-operational phase, responsible for the installation and operation of thermoelectric power stations in Espírito Santo. The value of the acquisition amounted to R$3.75 million, consisting of (i) a cash payment of R$2.0 million, and (ii) R$1.75 million after the occurrence of any one of the events cited in the instrument. In February 2012, all the prior conditions set out in the contract in question were fulfilled by the company, thus completing the acquisition of Vila Velha.

10.4. The Directors must comment on:

The following information presented expresses the opinions of our Directors

a) Significant changes in accounting practices

The accounting practices adopted in 2014 are consistent with those adopted in last year's financial statements, except for the following revisions to IFRS applied for the first time in 2014:

OCPC 08 - Booking of regulatory assets and liabilities

With the adhesion to the contractual alteration approved by ANEEL at its 13th Extraordinary Public Meeting held on November 25, 2014, based on the amendment to the concession and permission contracts and the consequent alteration in the tariff review procedures, the contingency aspect was removed, allowing the recognition of the asset or liability as a financial instrument, in other words, with effective amounts receivable or payable.

This is an event which alters assessment with respect to the probability of the incoming or outgoing of funds that result in economic benefits for the Company, qualifying these assets or liabilities for recognition in the financial statements. With effect from its effective date, it ensures that concessionaires can recognize the balances remaining resulting from the differences in Tranche A and other financial components, which have yet to be recouped or returned.

CPC 33 (R1) - Employee Benefits

The Company's accounting practice up to December 31, 2012 was to book actuarial gains and losses in accordance with the so-called "corridor" method, whereby actuarial gains and losses were only recognized in the result to the extent that they exceeded the "corridor" value, and amortized over the average estimated remaining life of the population entitled to benefits. Therefore these actuarial gains and losses measured in the period were not immediately recognized, resulting in a liability amount that differed from the present estimated value of the actuarial obligations not yet recognized.

The principal impact of the adoption of the accounting standard in the financial statements for the year ending December 31, 2013, with a retrospective effect on the Company's financial statements for the year ending December 31, 2012, and the open balance as at January 1, 2012, are as follows:

i. Recognition of the actuarial gains and losses not yet recognized in counterparty to "Other Comprehensive Results", due to the phasing out of the "corridor" method for the recognition of actuarial results;

ii. The replacement of interest on liabilities and return expected from assets, with a single net interest rate, which had no impact due to the fact that the Company does not have any actuarial assets.

b) Significant effects of alterations in accounting practices

Through Dispatch No. 4.621, on November 25, 2014, ANEEL approved the amendment model for concession contract for the public distribution of electricity, the objective of which is to ensure that the remaining regulatory asset or liability balances related to financial values to be measured based on regulations previously established by ANEEL, including those constituted after the most recent tariff alterations, be included in the amount of compensation to be received by the concessionaire in the event of the concession being terminated, for any reason.

From 2014, with the advent of OCPC08, - Recognition of Particular Assets or Liabilities in the General Purpose Financial Accounting Reports of Electricity Distribution Companies, issued in accordance with Brazilian and International Accounting Standards, which regulated the recognition of regulatory assets and liabilities arising from the contractual amendment signed by the Granting Authority, the subsidiaries of the Issuer started to register these rights and obligations in accordance with the corresponding period, and in a forward-looking manner. With this, as at December 31, 2014 the results of the Issuer were positively impacted in the amount of R$722 million.

On December 31, 2013 CELPA registered an addition to its actuarial liabilities for its post-employment benefit plans for employees, as required by accounting practices adopted in Brazil, of R$16,258.

As a result of these alterations, in its asset balance sheet of December 31, 2012 CELPA recognized an increase in net actuarial liability of R$18,081 and an increase in deferred fiscal assets of R$6148, the counterparty to this being a reduction of R$11,933 in its shareholders' equity.

c) Restrictions and emphases present in the auditor's report

Restrictions: there were no restrictions in the report from the independent auditors with respect to the 2014, 2013 and 2012 financial statements.

Emphases: there were no emphases in the report from the independent auditors with regard to the 2014 financial statements.

Emphases in 2013 financial statements:

“Individual financial statements

As described in the explanatory note on accounting policies, the individual financial statements were drawn up in accordance with accounting practices adopted in Brazil. In the case of Equatorial Energia S.A. these practices differ from those of the IFRS, applicable to separated financial statements, only in regard to the evaluation of investments in subsidiaries, affiliates and jointly owned subsidiaries, under the equity income result method, while for the purpose of IFRS, these would be booked at cost or fair value. Our opinion carries no qualification with respect to this matter.

Re-organization in Receivership

Without prejudice to our opinion, we draw attention to the fact that the subsidiary Centrais Elétricas do Pará S.A. – CELPA is in receivership. As published in Explanatory Note 1, on September 1 2012, The General Meeting of Creditors approved the Re-organization Plan in Receivership presented by subsidiary Centrais Elétricas do Pará S.A. – CELPA, which is based on the following assumptions: (i) the transfer of shareholder control to the Company, (ii) a minimum injection of new capital of R$700,000,000 on the part of the new controlling shareholder, (iii) approval, by ANEEL, of the Transition Plan, (iv) the obtaining of permission to pay outstanding tax in installments, as well as social charges, over a period of not less than 60 (sixty) months, and (v) the renegotiation of its debt. These conditions indicate the existence of significant uncertainty, which could raise substantial doubts about the subsidiary being able to continue to operate. The Company's financial statements were drawn up based on the assumption that the Judicial Re-organization Plan of subsidiary Centrais Elétricas do Pará S.A. – CELPA will have a successful outcome.

Re-presentation of the corresponding amounts

As mentioned in Explanatory Note 3, as a result of the changes to accounting practices introduced by the adoption of CPC 33 (R1) and ICPC 19 (R2) and the addition to actuarial liabilities of December 31, 2012, implemented by subsidiary Centrais Elétricas do Pará S.A. (CELPA), the corresponding values referring to the previous financial year, shown for comparison purposes, have been adjusted, and are being re-presented in accordance with the terms of CPC 23 - Accounting Policies, Change Investments and Corrections to Errors. Our opinion contains no modification with respect to this matter.”

Emphasis financial statements 2012:

"As described in the accounting policies explanatory note, the individual financial statements were prepared in accordance with accounting practices adopted in Brazil. In the case of Equatorial Energia S.A. these practices differ from IFRS, applicable to separate financial statements only as regards the evaluation of investments in subsidiaries, associate and jointly controlled companies, by the equity pick up method, whereas under IFRS it would be cost or fair value. Our opinion is not qualified in respect of this matter. "

10.5 - Critical accounting policies adopted by the Company (including accounting estimates made by management on uncertain and relevant issues for describing the financial position and results that require subjective or complex judgments, such as: provisions, contingencies, revenue recognition, tax credits, long-lived assets, useful life of non-current assets, pension plans, conversion adjustments in foreign currency, environmental recovery costs, criteria for testing the recovery of assets and financial instruments):

The preparation of the Company's individual and consolidated financial statements requires that we, the Directors, together with management, make judgments and estimates and adopt assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, on the base date of the financial statements.

However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Company's accounting policies, management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements:

Estimates and Assumptions

The main assumptions related to sources of uncertainty in future estimates and other important sources of uncertainty in estimates on the date of the balance sheet, involving significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Loss for Reduction to the Recoverable Value of Non-Financial Assets

A loss by impairment exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the greater of the fair value less the selling costs and value in use. The calculation of fair value less selling costs is based on information available regarding sales transactions of similar assets or market prices less additional costs to discard the asset. The calculation of value in use is based on the discounted cash flow model. The cash flows derive from the budget for the next five years and do not include restructuring activities with which the Company has not yet committed or significant future investments that will improve the asset base of the cash-generating unit tested. The recoverable amount is sensitive to the discount rate used in the discounted cash flow method, and the future cash receipts expected and the growth rate used for extrapolation purposes.

Taxes

Estimates and assumptions for recovery of tax credits are supported by forecasts of taxable income taking into account market, financial and business assumptions. Therefore, these estimates are subject to the inherent uncertainties of these estimates. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the jurisdictions in which it operates. The amount of such provisions is based on several factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and by the tax authority responsible. Such differences of interpretation may arise on a wide variety of subjects, depending on the conditions prevailing in each of the Company's respective tax jurisdictions.

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable income is available to allow the use of such damages. Significant judgment on the part of management is required to determine the value of deferred tax assets that could be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Retirement Benefits

The cost of retirement plans with defined benefits and other benefits such as post-employment health care and the present value of pension obligations are determined using actuarial valuation methods. The actuarial valuation involves the use of assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future increases in retirement benefits and pensions. The defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on mortality tables available in the country. Future increases in wages and retirement and pension benefits are based on expected future inflation rates for the country.

Amortization of intangible concession

Intangible assets are amortized on a straight-line basis over the period corresponding to the right to charge consumers for use of concession assets that generated it (useful regulatory lives of assets) or the term of the concession contract, whichever is lower.

Financial concession asset

The Company recognizes a financial asset resulting from a concession agreement when it has an unconditional contractual right to receive cash or an equivalent financial asset from the granting authority for construction or upgrade of the services rendered. These financial assets are measured at fair value upon initial recognition and, subsequent to initial recognition these financial assets are measured at their amortized cost.

If the Company is partially reimbursed for construction services through a financial asset and partly with an intangible asset, then each component of the consideration received or receivable is registered individually and initially recognized at fair value of the consideration received or receivable.

Fair value of financial instruments

When the fair value of financial assets and liabilities presented in the balance sheet can not be obtained in active markets, it is determined using assessment techniques, including the discounted cash flow method. The data for these methods are based on market conditions, where possible; however, when this is not feasible, a certain level of judgment is required to determine the fair value. The judgment includes consideration of data used such as, for example, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provisions for tax, civil and labor risks

The Company recognizes a provision for civil and labor lawsuits. The assessment of probability of loss included an evaluation of available evidence, the hierarchy of laws, available case law, recent court decisions and their relevance in the legal system, as well as the opinion of outside counsel. Provisions are reviewed and adjusted to take into account changes in circumstances, such as applicable statutes of limitation, conclusions of tax audits or additional exposures identified based on new matters or court decisions.

Provision for doubtful accounts

An amount considered sufficient to cover possible losses on accounts receivable is constituted.

10.6 - Internal controls related to the preparation of financial statements - Degree of efficiency and deficiency and recommendations in the auditor's report

The following information presented reflects the views of our Directors

a) degree of efficiency of such controls, indicating any imperfections and measures adopted to correct them

The Company complies with the corporate governance standards of the listing segment of the BM&FBOVESPA and considers its internal controls sufficient given the type of activity and the volume of transactions that it operates. In addition, given the complexity of activities and technological innovation, management is committed to deepening, reviewing and continuously improving its processes, and the implementation of new tools for review and internal controls.

Internal Audit - During 2014, the internal audit work were focused on the identification of risks related to the preparation and dissemination of the Company's financial statements. Thus, a structure of internal controls for mitigating a significant part of the risks identified in order to guarantee the processes involved was implemented.

The Company's management concluded the review of its internal controls and did not identify any deficiency that could be considered significant or material, or any weakness in its control environment with respect to the preparation and dissemination of the Company's financial statements.

b) deficiencies and recommendations about internal controls in the independent auditor's report

In the latest report of the independent auditors received, there is no mention of any deficiency that could be considered significant or of a material weakness in the Company's internal control environment.

10.7. If the issuer has made a public offering of securities, the Directors should comment on:

a) how the proceeds from the offering were used

In December 2012, Equatorial completed its capital stock increase operation *(follow on)* through which it raised a net amount of approximately R$ 1.1 billion.

Between December 2012 and January 2014, Equatorial paid in or advanced payments for future capital stock increases in its Celpa subsidiary, of R$690 million.

The remainder of these resources, approximately R$460 million, is in short-term investments (available) to be appropriately used for: (i) new funding being made available to Celpa; (Ii) potential new M&A (mergers and acquisitions) opportunities, or; (Iii) Company's working capital.

b) were there material differences between the effective investment of funds and investment proposals disclosed in the respective offering

The proposed allocation of resources contained in the prospectus of the aforementioned capital stock increase stated that funds would be used as follows:

Capitalization of CELPA

We intend to invest 70.0% of the funds raised through the Primary Offering to make new funds available to CELPA (equity and/or debt), to enable CELPA meet its obligations under the Judicial Reorganization Plan, especially payment of the first portion allocated to authorized creditors enabled through the Plan.

The exercise of preemptive rights by minority shareholders in any capitalization of Celpa could reduce the amount of the contribution to be made by the Company. If this occurs, the Company may reallocate the remaining amount of funds to the other uses foreseen, in the proportions mentioned in the table above.

Acquisitions

We intend to invest 25.0% of the funds raised through the Primary Offering in acquisitions of companies operating in the electricity distribution, sales and generation sector.

Working capital

We intend to invest 5.0% of the funds raised through the Primary Offering for working capital reinforcement purposes.

The Company's directors believe there was no deviation from the use of funds raised and the proposed allocation of resources contained in its distribution prospectus.

c) case of deviations, the reasons for such deviations

The Company's Directors believe there were no deviations.

10.8 - Material items not disclosed in the financial statements

The following information expresses the views of our Directors

a) the assets and liabilities held by the issuer, directly or indirectly, not included in the balance sheet (off-balance sheet items), such as:

i. operating leases, assets and liabilities

ii. receivables portfolios over which the entity has risks and responsibilities, indicating their respective liabilities

iii. contracts for future purchase and sale of products or services

iv. unfinished construction contracts

v. contracts for future receipt of financing

The Company has no assets or liabilities that are not reflected in the financial statements and the notes thereto.

b) other items not included in financial statements

Not applicable, given that there are no items not evidenced in the Company's financial statements.

10.9 - Comments on items not included in the financial statements

a) how these items change or may change revenues, expenses, operating income, financial expenses or other items in the financial statements of the issuer

As mentioned in item 10.8 above, there are no items not evidenced in the Company's financial statements.

b) nature and purpose of the operation

As mentioned in item 10.8 above, there are no items not evidenced in the Company's financial statements.

c) nature and amount of the obligations and rights generated in favor of the issuer as a result of the operation

As mentioned in item 10.8 above, there are no items not evidenced in the Company's financial statements.

10.10. Directors should indicate and comment on key elements of the issuer's business plan, specifically exploring the following topics:

a) investments, including:

i. quantitative and qualitative description of investments in progress and expected investments

In 2014, CEMAR's investments, excluding direct investments related to the PLPT, totaled R$ 316 million, while investments in the Light for All Program totaled R$ 75 million. In this same period, CELPA invested R$ 458 million in investments and R$ 201 million in the Light for All Program.

In 2013, CEMAR's investments, excluding direct investments related to the PLPT, totaled R$ 296 million, while investments in the Light for All Program totaled R$ 29 million. That same year, CELPA invested R$ 361 million in investments and R$ 61 million in the Light for All Program.

In 2012, investments of CEMAR, excluding direct investments related to PLPT, totaled R$ 441.2 million, while investments in the Light for All Program totaled R$ 177.5 million. That same year, Celpa invested R$ 432.6 million in investments and R$ 45.5 million in the Light for All Program.

In 2011, investments of CEMAR, excluding direct investments related to the PLPT, totaled R$ 322.3 million, of which R$ 58.6 million was targeted for network maintenance and R$ 263.7 million went for expansion of the power distribution network.

ii. Investment funding sources

CEMAR
The Issuer finances its own investment projects in part with its own cash generation and partly through credit lines from national and international development banks such as the Banco do Nordeste do Brasil – BNB, ELETROBRÁS, BNDES, IFC and/or other instruments for funding through capital markets and banking, such as Debentures and other securities that carry attractive rates and have an adequate maturity profile.

The direct investments of the Light for All Program are funded through Eletrobras, through the RGR and CDE lines.

iii. Relevant divestitures in progress and expected divestitures

There are no significant divestitures in progress or planned.

b) If disclosed, indicate the acquisition of plants, equipment, patents or other assets that may materially affect the issuer's production capacity

There was no acquisition of assets that should materially affect the issuer's production capacity.

c) New products and services, including:

i. Description of ongoing research already disclosed;

ii. Total amounts spent by the issuer in research to develop new products or services;

iii. Projects under development already disclosed;

iv. Total amounts spent by the issuer on the development of new products or services.

Not applicable.

10:11 Comment on other factors that influenced the operating performance in a relevant way and have not been identified or commented on other items in this section:

All material information pertinent to this topic was disclosed in the items above.

ANNEX II
ANNEX 9-1-II (CVM Instruction 481/09)
Allocation of net income

(Amounts stated in thousands of Reais, except where otherwise indicated)

1. Report net income for the year

R. R $ 637,756

2. State the total amount and the value per share of dividends, including interim dividends and interest on equity already declared

R. Proposed dividends: R$ 152,840
Dividends per share: R$ 0.77

3. Inform the percentage of net profit for the year distributed

R. 25.56%

4. Inform the overall amount and the value per share of dividends distributed based on profits from previous years

R. None

5. Inform, net of prepaid dividends and interest on equity already declared:

a. The gross amount of dividends and interest on equity, separately, per share of each type and class.

Dividends

Type of Share	Quantity	Value
Common	198,447	95,350

Interest on shareholders' equity

Type of Share	Quantity	Value
Common	198,447	59,534

b. The form and term of payment of dividends and interest on equity

R. Will be paid by December 31, 2015.

c. Any restatement and interest on dividends and interest on equity

R. Not applicable

d. Date of payment declaration of the dividends and interest on equity used to identify shareholders entitled to receive them

R. Entitled to receive the announced dividends are those shareholders identified as such on the date of the General Shareholders Meeting.

6. In the event of a declaration of dividends or interest on equity based on profits from six-month balance sheets or shorter periods

a. Inform the amount of dividends or interest on equity already declared

R. There were none

b. State the date of the respective payments

R. There were none

7. Provide a comparative table indicating the following amounts per share of each type and class:

a. Net income for the year and the three (3) previous years

	2014	2013	2012
Profit for the period	637,756	68,637	140,995
Earnings per share (R$)	3.21	0.35	0.72
Weighted average number of shares	197,832	197,832	113,672

b. Dividends and interest on shareholders' equity paid in three (3) previous years

R.

Value per Share (lot of units in reais)

Resolution	Proceeds	Value	ON
12/31/2014			
Meeting of the Board of Directors on December 19, 2014	Interest on shareholders' equity (gross)	59,534	0.30
Meeting of the Board of Directors on February 12, 2015	Dividends	93,270	0.47
12/31/2013			
Meeting of the Board of Directors on February 26, 2014	Dividends	17,860	0.09
12/31/2012			
Meeting of the Board of Directors on March 28, 2013	Dividends	33.736	0.17

8. If profits are allocated to the legal reserve

a. Identify the amount allocated to the legal reserve

R. R$ 31,888

b. Detail the calculation of the legal reserve

R. 5% of the income.

9. If the company has preferred shares with the right to fixed or minimum dividends

a. Describe the calculation of fixed or minimum dividends

R. Not applicable

b. Inform whether the income is sufficient for the full payment of fixed or minimum dividends

R. Not applicable

c. Identify whether any unpaid portion is cumulative

R. Not applicable

d. Identify the global amount of fixed or minimum dividends to be paid to each class of preferred shares

R. Not applicable

e. Identify the fixed or minimum dividends to be paid per preferred share of each class

R. Not applicable

10. Regarding the mandatory dividend

a. Describe the calculation method set forth in the Bylaws

R. "(iii) at least 25% (twenty five percent) of the net profit, after the deduction mentioned in item (i) of this Paragraph, shall be distributed in the form of a dividend to all shareholders of Company; "

b. Inform whether it is being fully paid

R. Yes.

c. Inform the amount withheld

R. None.

11. In the case of retention of mandatory dividend due to the company's financial situation

a. Inform the amount withheld

R. Not applicable

b. Describe in detail the financial situation of the company, including covering aspects related to analysis of liquidity, working capital and positive cash flows

R. Not applicable

c. Justify the withholding of dividends

R. Not applicable

12. If income is allocated to the contingency reserve

a. Identify the amount allocated to the reserve

R. Not applicable

b. Identify the probable loss and its cause

R. Not applicable

c. Explain why the loss was considered probable

R. Not applicable

d. Justify the reserve

R. Not applicable

13. If net income is allocated to the reserve for unrealized profits

a. Inform the amount allocated to the reserve for unrealized profits

R. Not applicable

b. Inform the nature of unrealized profits that originated the reserve

R. Not applicable

14. If income is allocated to statutory reserves

a. Describe the statutory clauses that establish the reserve

R. "(iv) the remaining portion of the net profit after payment of dividends to shareholders, in percentage to be defined by the general meeting, will be allocated to the Reserve for Investment and Expansion, which aims to (i) ensure resources for acquisition of ownership interests in the share capital of other companies, consortia and enterprises that operate in the electricity sector; (ii) strengthen the working capital of the Company; and (iii) also be used in operations for redemption, reimbursement or acquisition of the Company's share capital; "

b. Identify the amount allocated to the reserve

R. R$ 450,985

c. Describe how the amount was calculated

R. Balance of surplus profit for the period adjusted after dividend proposal.

15. If there are retained earnings called for in the capital budget

a. Identify the amount withheld

R. Not applicable

b. Provide a copy of the capital budget

R. Not applicable

16. If income is allocated to the reserve for tax incentives

a. Inform the amount allocated to the reserve

R. Not applicable

b. Explain the nature of the allocation

R. Not applicable

ANNEX III
COMPENSATION OF THE MANAGEMENT
Item 13 – Reference Form (Instruction CVM 480/09)

13.1. Compensation policy or practice for the Board of Directors, statutory and non-Statutory Executive Board, fiscal council and committees

a) objectives of the compensation policy or practice:

The objective of Equatorial's compensation policy is to attract and retain, motivate and develop executives with the excellence standards required by the Company. Compensation practices aim at the creation of a culture directed towards result achievement, through reaching and exceeding goals that may be interesting to the employees, to the company and to the shareholders.

Additionally to the compensation policy, the company also has the Stock Option Plan which gives to its holder the right, not the obligation, to subscribe shares of the company at a price fixed in a determined period of time. In our view, this is an instrument that, on one hand, involves risks, but, on the other hand, allows an alignment of management's interests to employees' interests on the medium and long term. Due to a lack of specific classification in this Form, we will describe the amounts referring to the Stock Option Plan within item 13, destined to Compensation, in the line Stock Based Compensation.

b) compensation composition

i. compensation elements and objectives:

Members of the Board of Directors and Fiscal Council of Equatorial receive fixed monthly fees for the performance of their duties, aligned to the market average.

Compensation for Statutory Executive Board comprise fixed monthly fees, profit sharing and benefits. Fixed compensation is aligned to the market average and defined through market research, using the Hay Group methodology. Variable compensation, however, is determined through goal achievement and it is linked to meritocracy, a value practiced in the Company. Benefits received by directors comprise: health and dental care plans, meal assistance.

ii. proportion of each element in total compensation*:

Body	Fixed Fee	Benefits	Variable	Stock Options
Fiscal Council	100%	0%	0%	0%
Board of Directors	100%	0%	0%	0%
Statutory Executive Board	19.53%	1.00%	79.47%	0%

* For information purposes (refer to item 13.16)

iii. calculation and readjustment methodology for each of the elements in compensation:

There is no specific readjustment methodology for each of the compensation components, for members of the Board of

Directors and fiscal council, as well as for Statutory Executive Board. With respect to calculation methodology, the company periodically analyzes market practices, obtained through market research, to evaluate internal adherence of values to market reality.

iv. reasons that justify compensation composition:

The compensation composition takes into account the responsibilities of each position, and uses as a parameter the market amounts paid to professionals that perform duties with similar complexity.

c) main performance indicators considered to determine each compensation element:

Compensation of members of the Board of Directors and Fiscal Council of the company is fixed and does not comprise performance indicators.

Variable compensation of Statutory Executive Board is defined through a goal management system, previously set and aligned to the company's strategic planning. The mains indicators include: EBITDA, operating cash flow generation, capex execution, quality indicators, client and employees satisfaction, energy losses index, among others.

d) how compensation is structured, in order to reflect the evolution of performance indicators:

Regarding Statutory Executive Board, variable compensation is based in quantitative goals formally contracted, which reflect the evolution of the company's performance indicators.

Presidency's goals are unfolded to each director and so on, in such a way that achieving goals by segments may contribute to the company's results of operations. Furthermore, it is necessary for the Company that it achieves a minimum desired performance in order to pay variable compensation, and in this sense, exceptional results are also reflected in higher variable compensation.

e) how the compensation policy or practice aligns to the issuer's short, medium and long term interests:

The compensation format described above seeks to encourage all employees to look for higher profitability on the investments and projects developed by the Company, in order to align their interests.

The Stock Options Plan, although we understand such Plan is not compensation, aims to align the long term goals from the Company, its shareholders and its management. Due to information purposes, these information will be included in this item 13.

f) existence of compensation supported by subsidiaries, controlled companies or direct or indirect controlling companies:

Equatorial maintains with its controlled company CEMAR resource sharing, strictly complying with the law, especially accounting and regulatory rules. Therefore, the percentage related to compensation for performed duties by the Statutory Executive Board in the controlling company is transferred to the controlled company.

g) existence of any compensation or benefit linked to corporate events, like sale of the issuer equity control:

The Company does not have any sort of compensation or benefits linked to corporate events.

13.2. Compensation accounted for in the income statement for the year 2014 and compensation forecasted for the current fiscal year, for Board of Directors, Statutory Executive Board and fiscal council:

COMPENSATION FOR THE FISCAL YEAR 2012 (R$ thousands)				
a. Body	**Board of Directors**	**Fiscal Council**	**Executive Board**	**TOTAL**
b. Number of members	7 members	3 members	4 members	14 members
c.i. Fixed annual compensation				
Salaries or fees	1.155	173	1.100	2.428
Direct and indirect benefits	-	-	47	47
Compensation for participation in committees	-	-	-	-
Other	230	35	220	485
c.ii. Variable compensation				
Bonus	-	-	-	-
Profit sharing	-	-	3.645	3.645
Compensation for participation in meetings	-	-	-	-
Commissions	-	-	-	-
Other	-	-	729	729
c.iii. Post-retirement benefits	-	-	-	-
c.iv. Benefits motivated by stop helding the position	-	-	-	-
c.v. Stock based compensation*	-	-	554	554
d. Amount of compensation per each Body	**1.385**	**208**	**6.295**	**7.888**
e. Total compensation for the Bodies				7.888

* Considers Stock Options for information purposes (refer to item 13.16)

COMPENSATION FOR THE FISCAL YEAR 2013 (R$ thousands)				
a. Body	**Board of Directors**	**Fiscal Council**	**Executive Board**	**TOTAL**
b. Number of members	7 members	3 members	7 members	17 members
c.i. Fixed annual compensation				
Salaries or fees	1.260	189	1.619	3.068
Direct and indirect benefits	-	-	75	75
Compensation for participation in committees	-	-	-	-
Other	252	38	1.298	1.588
c.ii. Variable compensation				
Bonus	-	-	-	-
Profit sharing	-	-	5.048	5.048

Compensation for participation in meetings	-	-	-	-
Commissions	-	-	-	-
Other	-	-	-	-
c.iii. Post-retirement benefits	-	-	-	-
c.iv. Benefits motivated by stop helding the position	-	-	-	-
c.v. Stock based compensation*	-	-	-	-
d. Amount of compensation per each Body	**1.512**	**227**	**8.040**	**9.779**
e. Total compensation for the Bodies				**9.779**

* Considers Stock Options for information purposes (refer to item 13.16)

(1) No valor da remuneração, estão incluídos todos os encargos e provisões para atendimento ao regime de competência.

COMPENSATION FOR THE FISCAL YEAR 2014 (R$ thousands)				
a. Body	**Board of Directors**	**Fiscal Council**	**Executive Board**	**TOTAL**
b. Number of members	7 members	3 members	7 members	17 members
c.i. Fixed annual compensation				
Salaries or fees	1.170,00	189,00	2.091,00	3.450,00
Direct and indirect benefits	-	-	100,26	100,26
Compensation for participation in committees	-	-	-	-
Other	234,00	37,80	418,20	690,00
c.ii. Variable compensation				
Bonus	-	-	-	-
Profit sharing	-	-	4.966,48	4.966,48
Compensation for participation in meetings	-	-	-	-
Commissions	-	-	-	-
Other (INSS Bonus)			993,30	993,30
c.iii. Post-retirement benefits	-	-	-	-
c.iv. Benefits motivated by stop helding the position	-	-	6,77	6,77
c.v. Stock based compensation*	-		3.543	3.543
d. Amount of compensation per each Body	**1.404,00**	**226,80**	**12.119,01**	**13.749,81**
e. Total compensation for the Bodies				**13.749,81**

* Considers Stock Options for information purposes (refer to item 13.16)

FORECASTED COMPENSATION FOR THE FISCAL YEAR 2015 (R$ thousands)				
a. Body	**Board of Directors**	**Fiscal Council**	**Executive Board**	**TOTAL**
b. Number of members	7 members	3 members	7 members	17 members
c.i. Fixed annual compensation				
Salaries or fees	1.170,00	189,00	2.091,00	3.450,00
Direct and indirect benefits	-	-	100,26	100,26
Compensation for participation in committees	-	-	-	-

Other	234,00	37,80	418,20	690,00
c.ii. Variable compensation				
Bonus	-	-	-	-
Profit sharing	-	-	8.049,00	8.049,00
Compensation for participation in meetings	-	-	-	-
Commissions	-	-	-	-
Other (INSS Bonus)			1.609,80	1.609,80
c.iii. Post-retirement benefits	-	-	-	-
c.iv. Benefits motivated by stop helding the position	-	-	6,77	6,77
c.v. Stock based compensation*	-		9.142	9.142
d. Amount of compensation per each Body	**1.404,00**	**226,80**	**21.417,03**	**23.047,83**
e. Total compensation for the Bodies				**23.047,83**

* Considers Stock Options for information purposes (refer to item 13.16)

13.3. Variable compensation accounted for in the income statement for the year 2014 and variable compensation forecasted for the current fiscal year, for Board of Directors, Statutory Executive Board and fiscal council:

VARIABLE COMPENSATION IN 2012 (R$ Thousands)			
a. Body	**Board of Directors**	**Fiscal Council**	**Executive Board**
b. Number of members	7 members	3 members	4 members
c. Bonus			
i. Minimum amount forecasted in the compensation plan	N/A	N/A	N/A
ii. i. Maximum amount forecasted in the compensation plan	N/A	N/A	N/A
iii. Amount forecasted in the compensation plan, if the goals are achieved	N/A	N/A	N/A
iv. Amount effectively accounted for in the income statement	N/A	N/A	N/A
d. Profit Sharing			
i. Minimum amount forecasted in the compensation plan	N/A	N/A	0
ii. Maximum amount forecasted in the compensation plan	N/A	N/A	3.600
iii. Amount forecasted in the compensation plan, if the goals are achieved	N/A	N/A	3.600
iv. Amount effectively accounted for in the income statements of the last 3 fiscal years.	N/A	N/A	3.600

VARIABLE COMPENSATION IN 2013 (R$ Thousands)			
a. Body	**Board of Directors**	**Fiscal Council**	**Executive Board**
b. Number of members	7 members	3 members	7 members
c. Bonus			
i. Minimum amount forecasted in the compensation plan	N/A	N/A	0
ii. i. Maximum amount forecasted in the compensation plan	N/A	N/A	5.540
iii. Amount forecasted in the compensation plan, if the goals are achieved	N/A	N/A	2.770
iv. Amount effectively accounted for in the income statement	N/A	N/A	5.048

d. Profit Sharing			
i. Minimum amount forecasted in the compensation plan	N/A	N/A	N/A
ii. Maximum amount forecasted in the compensation plan	N/A	N/A	N/A
iii. Amount forecasted in the compensation plan, if the goals are achieved	N/A	N/A	N/A
iv. Amount effectively accounted for in the income statements of the last 3 fiscal years.	N/A	N/A	N/A

VARIABLE COMPENSATION IN 2014 (R$ Thousands)			
a. Body	**Board of Directors**	**Fiscal Council**	**Executive Board**
b. Number of members	7 members	3 members	7 members
c. Bonus			
i. Minimum amount forecasted in the compensation plan	N/A	N/A	0
ii. i. Maximum amount forecasted in the compensation plan	N/A	N/A	7.370
iii. Amount forecasted in the compensation plan, if the goals are achieved	N/A	N/A	4.860
iv. Amount effectively accounted for in the income statement	N/A	N/A	4.966
d. Profit Sharing			
i. Minimum amount forecasted in the compensation plan	N/A	N/A	N/A
ii. Maximum amount forecasted in the compensation plan	N/A	N/A	N/A
iii. Amount forecasted in the compensation plan, if the goals are achieved	N/A	N/A	N/A
iv. Amount effectively accounted for in the income statements of the last 3 fiscal years.	N/A	N/A	N/A

FORECASTED VARIABLE COMPENSATION IN 2015 (R$ Thousands)			
a. Body	**Board of Directors**	**Fiscal Council**	**Executive Board**
b. Number of members	7 members	3 members	7 members
c. Bonus			
i. Minimum amount forecasted in the compensation plan	N/A	N/A	0
ii. i. Maximum amount forecasted in the compensation plan	N/A	N/A	9.480
iii. Amount forecasted in the compensation plan, if the goals are achieved	N/A	N/A	8.049
d. Profit Sharing			
i. Minimum amount forecasted in the compensation plan	N/A	N/A	N/A
ii. Maximum amount forecasted in the compensation plan	N/A	N/A	N/A
iii. Amount forecasted in the compensation plan, if the goals are achieved	N/A	N/A	N/A

13.4. Compensation plan based in actions by the Board of Directors and Statutory Executive Board, in force during the last fiscal year and forecasted for the current fiscal year:

Due to lack of specific classification, and as mentioned in item 13.1.a, we are providing information related to the Stock

Option Plan of the Company in this item 13.4.

a) general terms and conditions:

On the Extraordinary General Meeting (AGM) held on July 21, 2014, the creation of the Fourth Stock Option Plan ("Fourth Plan") was approved. The options to be granted under the Fourth Plan cannot exceed 3% of the shares issued by the Company. Once exercised the options, the shares will be issued through the Issuer's capital increase, within the limit authorized by the Company's Bylaws. Further details about the Plan can be obtained in the AGM minutes in which it was approved, available at the Company's and CVM's websites.

b) main objectives of the plan:

The objetctive of the Plan is to allow that electible persons, subject to certain conditions, acquire shares, aiming at: (a) foster the expansion, success and execution of the company's mandate; (b) align the shareholders interest to that of the electible persons; and (c) attract and maintain the electible persons in the Company or its subsidiaries.

c) how the plan contributes to achieve these goals:

The plan contributes to these objectives by way of offering its beneficiaries the incentive to make him a shareholder of the Company, aligning their interests to those of the shareholders, and incentivizing them to obtain their maximum performance.

d) how does the plan fits into the issuer's compensation policy*:

The Issuer has a policy that values the individual merit of its employees, based on the achievement of preset operating and financial goals and individual performance. The Stock Option Plan is an incentivizing tool of the good personal performance and commitment with long term corporate objectives.

* As mentioned in item 13.1.a, we do not consider this Plan as compensation.

e) how the plan aligns the interests of the management and of the issuer at short, medium and long term:

The options granted by the plan have a médium and long term exercise period, which can reach up to 6 years. In this sense, the plan aligns the interests of the management, the company and its shareholders since it stimulates the best managers performance in a longer term, bringing benefits to all through the increase in the company's share price.

f) maximum amount of shares covered:

Up to 3% of the Issuer's Capital Stock.

g) maximum amount of options to be granted:

Each granted option originates 1 common share from the Issuer, limited to up to 3% of the Company's Capital Stock.

h) conditions for share acquisition:

The options are exercisable once the beneficiaries are still working as a manager or employee of the Company or any of its subsidiaries, in the period between the granting date and the anniversary of each lot. Options will be extinct after 6 years since the granting date (07/21/2014).

The beneficiary that wants to exercise its option should inform the company, in a written letter, his/her intention to do so and indicate the amount of Options he/she wishes to exercise.

i) criteria to set the acquisition or exercise price:

Its strike price was determined based upon the average price of the company's shares traded at BM&FBOVESPA, weighed by its trading volume, in the 180 day period prior to the granting date.

The strike price will be deducted by dividends, interest on equity and any other such events, including capital reduction without the extinction of shares or any other corporate deal that ensues resources distribution to shareholders or reduction in the share price, considering the period between the granting date and the exercise of the Options.

j) criteria to set the exercise term:

The plan stablishes the exercise of the options, being:

(a) 25% after the 1st anniversary of the granting date;
(b) 25% after the 2nd anniversary of the granting date;
(c) 25% after the 3rd anniversary of the granting date;
(d) 25% after the 4th anniversary of the granting date;

The term to acquire the share is limited to 6 years from the granting date.

k) type of settlement:

Not explicit in the Plan.

l) restrictions to transfers of shares:

Before 1 year from the exercise date, the beneficiaries may not sell, transfer or anyhow alienate the shares acquired through the Plan.

m) criteria and events that, whenever found, cause the suspension, change or extinction of the plan:

The Company's Board of Directors may, at any moment, alter or extinguish the Fourth Plan.

n) effects of the management's departure from the issuer's bodies, over the rights set on the stock based compensation plan.

* As mentioned in item 13.1.a, we do not consider this Plan as compensation.

If the manager or employee is no longer working in the Company: (i) the Options yet not due, on its dismissal date, will be automatically extinguished, without entitlement to any compensation; and (ii) the Options already due on its dismissal date may be exercised within 30 days, after which they will be automatically extinguished.

13.5. Report the quantity of shares or stocks directly or indirectly held, in Brazil or abroad, and other securities convertible in shares or stocks, issued by the issuer, its direct or indirect controllers, subsidiaries or under shared control, by members of the Board of Directors, Statutory Executive Board of members of the Fiscal Council, grouped by body, in the date of closing the last fiscal year.

Body	Equatorial Energia S.A.		
	Common shares held		
	Directly held	Indirectly held	Total
Board of Directors	67,713	0	67,713
Executive Officers	568,573	0	568,573

Fiscal Council	0	0	-

13.6. Regarding the stock based compensation* accounted for in the income statement of the 3 last fiscal years and the forecast for the current fiscal year, for the Board of Directors and Statutory Executive Board

2015	
a. body	Executive Board
b. total number of members	7
c. number of members granted on date	7
i. granting date	21/07/2014
ii. Amount of options granted	1.760.000
iii. Starting date for exercising	25% per year starting 21/7/2015
iv. Final date for exercising	21/07/2020
v. Restriction date for the share transfer / sale	1 after exercise
vi.Wieighted average exercise price for each group of options:	
available at the beginning of the year	R$ 21,76
lost during the year	N/A
exercised during the year	N/A
expired during the year	N/A
d. Options' fair value in the grant date	N/A
e. possible dilution should all granted options be exercised	3,00%

2014	
a. body	Executive Board
b. total number of members	7
c. number of members granted on date	7
i. granting date	21/07/2014
ii. Amount of options granted	1.760.000
iii. Starting date for exercising	25% per year starting 21/7/2015
iv. Final date for exercising	21/07/2020
v. Restriction date for the share transfer / sale	1 after exercise
vi.Wieighted average exercise price for each group of options:	
available at the beginning of the year	R$ 21,76
lost during the year	N/A
exercised during the year	N/A
expired during the year	N/A
d. Options' fair value in the grant date	N/A

e. possible dilution should all granted options be exercised	3,00%

In 2012 and 2013, there were no granted, exercised or available options.

13.7. Options outstanding for the Board of Directors and Statutory Executive Board at the end of the last fiscal year

2014	
a. body	Executive Board
b. total number of members	7
c. number of members granted on date	7
i. granting date	21/07/2014
ii. Amount of options granted	1.760.000
iii. Starting date for exercising	25% per year starting 21/7/2015
iv. Final date for exercising	21/07/2020
v. Restriction date for the share transfer / sale	1 after exercise
vi.Wieighted average exercise price for each group of options:	
available at the beginning of the year	R$ 21,76
lost during the year	N/A
exercised during the year	N/A
expired during the year	N/A
d. Options' fair value in the grant date	N/A
e. possible dilution should all granted options be exercised	3,00%

13.8. Exercised options and shares delivered related to stock based compensation for the Board of Directors and Statutory Executive Board, in the last 3 fiscal years

2012	Executive Officers	Board of Directors
Number of beneficiaries	3	1
	Exercised options	
Amount of shares	109.428	8.334
Weighted average exercise price	1,00 global	1,00 global
Total difference between the exercise price and the market value of the exercised shares (R$ thousand)	1.346	103

13.9. Information necessary to understand the data disclosed in items 13.6 and 13.8, as well as the explanation about the pricing method to value shares and options.

a) Pricing method

The Black & Scholes method was used for pricing of the options based on their starting and end of exercise dates. All parameters were based on historical data (volatility, risk-free rate and share price).

b) data and assumptions used in the pricing model, including weighted average price of the shares, exercise price, expected volatility, lifetime of the option, expected dividends and risk free interest rate.

Risk-free rate: rate of federal public bonds NTN-B (IPCA), with the closest maturity date possible to the exercise of the lot. More specifically, 6.76%, 7.19%, 7.22% and 7.39% for lots 1, 2, 3 and 4, respectively.

Strike period: average term of each batch of options, namely 2/8/10, 2/27/11, 2/27/12 and 2/27/13.

Weighted average price of the shares: In 2012, we used the weighted average price of the shares of R$14,54.

Volatility: calculated based on publicly-held companies with comparable volatility to that of our segment, 39.7%.

Strike price: calculated based upon the issuance price of the options (R$9,50 per share) adjusted by IPCA (inflation), and also adjusted for dividends declared during the period.

Dividends: It was adopted as a parameter the values effectively declared after the issuance of the options.

13.10. Pension plans in force, granted to members of the Board of Directors and to Statutory Executive Board

None.

13.11. Compensation for members of the Board of Directors, Statutory Executive Board and members of the fiscal council

In R$ Thousand	Executive Board			Board of Directors			Fiscal Council		
	31/12/2014	31/12/2013	31/12/2012	31/12/2014	31/12/2013	31/12/2012	31/12/2014	31/12/2013	31/12/2012
Members	7	7	4	7	7	7	3	3	3
Highest Compensation	2.075	2.391	2.079	200	216	198	76	76	50
Lowest Compensation	60	144	168	200	216	198	76	76	50
Average Compensation	1.225	1.149	1.573	200	216	198	76	76	50

* Considers Stock Options for information purposes (refer to item 13.16)

13.12. Description of contractual arrangements, insurance policies or other instruments that structure

compensation or indemnification mechanisms for directors in the event of dismissal from the position or retirement, as well as the financial consequences to the issuer

None

13.13. Percentage of each body total compensation, in the fiscal year 2011, accounted for in the income statement of the issuer referring to members of the Board of Directors, Statutory Executive Board and members of the fiscal council that are related parties to the indirect or direct controllers of the Company, as defined by the accounting standards ruling this matter.

2014 – EQUATORIAL ENERGIA			
Body	**Board of Directors**	**Fiscal Council**	**Executive Board**
Percentage of total compensation	0,00%	0,00%	0,00%

13.15. Amounts accounted for in the income statement of direct or indirect controllers', companies under shared control and subsidiaries, as compensation for members of the issuer's Board of Directors, Statutory Executive Board or members of the fiscal council, grouped by body, in the fiscal year 2014

2014 (R$ thousand)				
Body	**Board of Directors**	**Fiscal Council**	**Executive Board**	
	Fixed	**Fixed**	**Fixed**	**Variable**
CEMAR	260	72	1.035	3.499
CELPA	449	77	120	0,00
TOTAL(1)	**709**	**149**	**1.155**	**3.499**

(1) In the compensaion amount, all the charges and provisions are included, to attend the fiscal year competence procedure.

13.16. Further information the Issuer deems material

Additionally to the compensation policy, the company also has the Stock Option Plan which gives to its holder the right, not the obligation, to subscribe shares of the company at a price fixed in a determined period of time. In our view, this is an instrument that, on one hand, involves risks, but, on the other hand, allows an alignment of management's interests to employees' interests on the medium and long term. Due to a lack of specific classification in this Form, we will describe the amounts referring to the Stock Option Plan within item 13, destined to Compensation, in the line Stock Based Compensation.

ANNEX IV
FISCAL COUNCIL AND BOARD OF DIRECTORS CANDIDATES
Items 12.6 to 12.10 – Reference Form (Instruction CVM 480/09)

12.6 – Regarding the candidates to be members of the issuer's Fiscal Council and Board of Directors, report, in a table:

Name	Age	Profession	CPF	Position	Election Date	Starting Date	End of mandate	Other positions or functions	Nominated by the controlling shareholder	Independent	Consecutive Mandates
Luís Henrique de Moura Gonçalves	45	Company Manager	011.974.617-44	Board Member	17/04/2015	17/04/2015	AGM 2017	No	N/A	Yes	0
Carlos Augusto Leone Piani	40	Company Manager	025.323.737-84	Board Member	17/04/2015	17/04/2015	AGM 2017	No	N/A	No	3
Guilherme Mexias Aché	45	Economist	960.753.177-91	Board Member	17/04/2015	17/04/2015	AGM 2017	No	N/A	No	0
Firmino Ferreira Sampaio Neto	66	Businessman	149.224.538-06	Board Member	17/04/2015	17/04/2015	AGM 2017	CEO	N/A	No	5
Marcelo Souza Monteiro	51	Economist	803.398.757-04	Board Member	17/04/2015	17/04/2015	AGM 2017	No	N/A	Yes	0
Eduardo Saggioro	37	Businessman	079.897.957-79	Board Member	17/04/2015	17/04/2015	AGM 2017	No	N/A	No	1
Paulo Jerônimo Bandeira de Mello Pedrosa	51	Mechanical Engineer	309.880.471-87	Board Member	17/04/2015	17/04/2015	AGM 2017	No	N/A	No	5

Name	Age	Profession	CPF	Position	Election Date	Starting Date	End of mandate	Other positions or functions	Nominated by the controlling shareholder	Independent	Consecutive Mandates
Sérgio Passos Ribeiro	42	Company Manager	026.246.867-03	Fiscal Council Member	17/04/2015	17/04/2015	AGM 2016	No	N/A	N/A	5
Paulo Roberto Franceschi	63	Accountant	171.891.289-72	Fiscal Council Member	17/04/2015	17/04/2015	AGM 2016	No	N/A	N/A	5
Vanderlei Dominguez da Rosa	51	Accountant	422.881.180-91	Fiscal Council Member	17/04/2015	17/04/2015	AGM 2016	No	N/A	N/A	0
Moacir Gibur	48	Accountant	574.558.569-20	Fiscal Council Member	17/04/2015	17/04/2015	AGM 2016	No	N/A	N/A	0
Claudia Luciana Ceccatto de Trotta	43	Lawyer	606.362.629-87	Fiscal Council Member	17/04/2015	17/04/2015	AGM 2016	No	N/A	N/A	0
Eduardo da Gama Godoy	51	Accountant	422.881.180-91	Fiscal Council Member	17/04/2015	17/04/2015	AGM 2016	No	N/A	N/A	0

Carlos Augusto Leone Piani, Board of Directors candidate –
Mr. Piani is Vinci Capital Gestora de Recursos Ltda.'s Executive Officer since April 2010, being co-responsible for the Private Equity sector. Additionally, Mr. Piani is the CEO of PDG Realty and a member of Companhia Mineira de Açúcar e Álcool Participações's and Unidas S.A.'s Board of Directors since July 2011, Chairman of Equatorial Energia S.A.'s Board of Directors and member of CEMAR's Board since April 2010 and March 2006, respectively. In Equatorial, was also a member of the Board between November 2008 and April 2010, was also the company's CEO from March 2007 to April 2010. In CEMAR was also Administrative and Financial Vice-President from May 2004 to March 2006 and Chief Executive Officer between March 2006 and April 2010. Before, he worked for six years at Banco Pactual. Between 2000 and 2004, he coordinated the venture capital funds management managed by the bank's Investment Area. During this period, he served as a member of the Board Proteus Soluções em Tecnologia da Informação S.A., Visionnaire S.A., Extracta Moléculas S.A., Padtec S.A., Pini S.A, Automatos International Ltd., SpringWireless Ltd. and Fiscal Council Alternate of Eletropaulo Metropolitana Energia Elétrica de São Paulo S.A. (from April 2003 to March 2004). Between 1998 and 2000, he worked in the area Corporate Finance in Operation focused on the sectors of Infrastructure. Before Pactual, in 1997 he worked at Ernst & Young as an analyst in the Department of Business Valuation. Mr. Piani has a degree in Informatics from PUC-RJ and in Business Administration from IBMEC. In addition, he earned a CFA Charterholder by CFA Institute in 2003 and completed the course Owners and President Management (OPM) Program at Harvard Business School in 2008.

Eduardo Saggioro, Board of Directors candidate - Mr. Saggioro is a founding partner of Visagio, operated for 12 years in management consulting, having rendered services to companies such as Vale, Petrobrás, Oi, Shell, Fiat, Basf, Ipiranga, Endesa, Marquise, CR Almeida, Marítima, Abril, Anglo American, Casagrande, Camargo Corrêa, Estácio, Lafarge, among others, in countries like Brazil, Canada, Italy, Australia, Indonesia, New Caledonia and Oman. He was also, for five years, professor of COPPEAD specialization courses in operations management and logistics, and co-author of two books and over 10 articles in the area. He graduated in Production Engineering from UFRJ and holds a Master degree in Management Engineering from Turin Polytechnic and participates in the Chair of COPPEAD's Strategy and Organizational Growth.

Firmino Ferreira Sampaio Neto, Board of Directors candidate - Mr. Sampaio Neto was the chairman of the Company's board of directors from March 2006 to April 2010, and member of the Board from CEMAR since May 2004. Mr. Sampaio Neto was chief executive officer of Eletrobrás from 1996 to 2001 and of Eletrobrás Termonuclear from 2000 to 2001. Prior to Eletrobrás, Mr. Sampaio Neto was president and chief financial officer of COELBA for fourteen years from 1984 to 1997. He was also a member of the boards of directors of Furnas, Itaipu Binacional, CHESF, Eletrosul, Gerasul, CEMIG, ENERSUL, CEMAT and Light. Mr. Sampaio Neto received a degree in economics from the Federal University in Bahia and a postgraduate degree in industrial planning from SUDENE/IPEA/FGV. Mr. Sampaio Neto is also member of the board in Equatorial Energia S.A. and ex-member of Light S.A's.

Paulo Jerônimo Bandeira de Mello Pedrosa, Board of Directors candidate - Mr. Pedrosa has been a member of Equatorial Energia's board of directors since March 2006. Mr. Pedrosa is the chief executive officer of the Brazilian association of electricity traders (Associação Brasileira dos Agentes Comercializadores de Energia Elétrica—ABRACEEL). Mr. Pedrosa worked for Eletronorte and CHESF, and served as assistant to subcommission of energy and commission of infrastructure of the Brazilian senate. From 2001 to 2005, Mr. Pedrosa served as an officer at ANEEL and now currently lectures at IBMEC regulatory affairs. He received a degree in mechanical engineering from the University of Brasília, with complementary specialization in ancillary systems of hydroelectric power plants, and a master's degree in business administration from the University of São Paulo.

Guilherme Mexias Aché, Board of Directors candidate – Mr. Aché is an economist and founding partner at Squadra Investimentos, acting as CEO and co-CIO. He is also Board Member at Imaginarium Group. Mr. Aché has been responsible for the corporate analysis at Pactual Bank between 1993 and 1998, where he started as associate in 1991. From 1998 to 2007, was one of the founding partners and officer at JGP Gestão de Recursos, where he acted as Portfolio Manager responsible for domestic and emerging equity markets.

Luis Henrique de Moura Gonçalves, Board of Directors candidate – Mr. Gonçalves is a partner and Board Member at Gera Venture and Eleva Educação since 2011; Imaginarium (since 2012), and Brasil Brokers (since 2014). He was responsible by the equity strategy in 3G Capital based in New York between 2005 and 2011. Between 1998 and 2004 was portfolio manager for international equity and research at JGP S.A.. He was responsible for corporate finance and equity manager at Pactual Bank between 1994 and 1998, international trainee and corporate finance analyst at Citibank between 1990 and 1994. Mr.Gonçalves graduate in Business Administration in PUC-Rio, MBA in Corporate Finance by IBMEC and M&A by Wharton School of Business.

Marcelo Souza Monteiro, Board of Directors candidate –
Mr. Monteiro was financial manager at COPEL, between 1990 and 1995. Became sell side analyst for the utilities sector at Banco Pactual in 1995 and acted as Portfolio Manager until 2007, being partner since 2001. He was Emerging Markets Portfolio Manager at Pactual Capital Partners (PCP) between 2007 and 2009. He as a Fiscal Council member of Equatorial Energia and CEMAR, and also Board of Directors member at CESP and Triunfo Participações.

Sérgio Passos Ribeiro – Fiscal Council candidate
Sérgio Passos is a partner and responsible for the controlling department of Vinci Partners. Joined Pactual Bank in 1998, where he worked as manager of fiscal department, and from 2006 to 2009 took the position as responsible for the accounting department. Before Pactual, he was a tax consultant for PriceWaterhouseCoopers. Sérgio Passos is graduated in Business Administration and Accounting by Santa Ursula University, has an MBA in Finance by IBMEC RJ.

Paulo Roberto Franceschi, Fiscal Council candidate
Mr. Paulo Roberto is partner of Audicontrol, Auditoria e Controle - an Independent Auditing and Consulting firm, since 1995. As a Senior Partner, his responsibilities are the strategic management of the business, technical responsibility over the jobs performed by the other partners and the general administration of the firm. He worked in International Audit for 18 years before creating Audicontrol. Also, he is part of the Fiscal Council of Bematech S.A. - a public held company - for 6 years, he is part Economic Council of Mitra Arquidiocese de Curitiba for 5 years and the Executive Council of a familial company for 5 years. Also, he was part of the Fiscal Council of a limited liability company that operates in the chemistry sector in 2008 and part of the Audit Committee, as assessor of the Council of Administration, of Positivo Informática - public held company, in 2007 and 2008. Mr. Paulo Roberto graduated in Economics in FAE Business School and Accounting in Fundação de Estudos Sociais do Paraná.

Vanderlei Dominguez da Rosa, Fiscal Council candidate
Mr. Dominguez is graduated in Accounting Sciences by the Universidade Federal do Rio Grande do Sul (UFRGS) and in extension courses in Capital Markets by the UFRGS and Expenses Accounting by Pontifícia Universidade Católica do Rio Grande do Sul (PUC-RS). He is also an executive-partner at HB Audit and his main role is to execute, review and manage the independent auditing works and is the technical responsible to CVM (Brazilian SEC). Fiscal Council member at Odontoprev, Sanepar, Tecnisa and Weg; and a Fiscal Council substitute member at Marcopolo, Padtec, Ideiasnet, Officer Distribuidora; In the last 5 years, has acted as Fiscal Council member at Triunfo, Equatorial Energia, Celpa, OSX, Tegma, Multiplus, MPX, Tupy and Marisol.

Moacir Gibur – Fiscal Council candidate (substitute)

Mr. Gibur is partner at Audicontrol, independent auditing and accounting and fiscal consultancy since 2001. Prior, Mr. Gibur worked at Emilio Romani S.A. and Russel Bedford Auditores Independentes. Has been Fiscal Council member at Siderquimica S.A..

Claudia Ceccatto de Trotta – Fiscal Council candidate (substitute)
Ms. Trotta graduated in Law from the Faculdade de Direito de Curitiba and specialized in Corporate Law from the Universidade Federal do Paraná. Ms.Trotta is currently a member of Trotta, Ceccatto Advogados Associados, law firm with specialized expertise in the areas of Corporate, Business, Foreign Investment, Business Contracts, Administrative Law and Competition, Environmental Law, Civil Law and Real Estate since 2013. Was also a member, for 18 years, of the Office Augusto Prolik - Advogados Associados, acting as a lawyer in the areas of Business Law, Corporate Law, Contracts and Foreign Investments. Ms.Trotta is also member of the Comissão de Sociedades de Advogados da Ordem dos Advogados do Brasil, Paraná Section since July 2013 and was an instructor of the Comissão de Seleção da Ordem dos Advogados do Brasil, from Paraná, from January 2005 to January 2007, responsible for the reportage of archiving processes of creation, modification and other corporate acts of law firms.

Eduardo da Gama Godoy – Fiscal Council candidate (substitute)
Mr. Godoy is a founding partner at Godoy Empresarial since 1993 and partner at HB Audit. Fiscal Council member at Padtec, Ideiasnet and Officer Distribuidora, and substitute Fiscal Council member at Odontoprev. Recently, has been Fiscal Council member at Tupy and North American-Brazilian Cultural Institute.

12.6 – Relating to each of the persons that acted as Board of Directors or Fiscal Council members in the last year, inform the percentage of presence in the meetings held by the respective body in the same period, after they took office.

Name	Position	% Presence
Carlos Augusto Leone Piani	Board Member	100%
Firmino Ferreira Sampaio Neto	Board Member	100%
Eduardo Saggioro	Board Member	100%
Paulo Jerônimo Bandeira de Mello Pedrosa	Board Member	100%
Luís Henrique de Moura Gonçalves	Board Member	N/A
Guilherme Mexias Aché	Board Member	N/A
Marcelo Souza Monteiro	Board Member	N/A
Sérgio Passos Ribeiro	Fiscal Council - Effective	100%
Paulo Roberto Franceschi	Fiscal Council - Effective	100%
Vanderlei Dominguez da Rosa	Fiscal Council - Effective	N/A
Moacir Gibur	Fiscal Council - Substitute	N/A
Claudia Luciana Ceccatto de Trotta	Fiscal Council - Substitute	0%
Eduardo da Gama Godoy	Fiscal Council - Substitute	N/A

12.7 – Provide information mentioned in item 12.6 regarding members of statutory committees, as well as audit, risk, financial and compensation committees, even if such committees or structures are not statutory:

None.

12.8 – Relating to each of the persons that acted as member of the statutory committees:

None.

12.9 e 12.10 – Relating to the Board of Directors and Fiscal Council candidates:

In relation to listed candidates, there isn't, in the last five years, any criminal conviction, any conviction in the CVM's administrative process, any final conviction in the judicial or administrative area, which had them suspended or disqualified for the practice of any professional or commercial activity.

There is no marital relationship, marriage or relationship to the second degree between: (a) the Company's management, (b) (i) directors of the Company and (ii) managers of subsidiaries, direct or indirect, of the Company, (c) (i) directors of the Company or its subsidiaries, direct or indirect, and (ii) direct or indirect controlling the Company, (d) (i) directors of the Company and (ii) directors of the companies direct and indirect subsidiaries of the Company.

Messrs. Sérgio Passos Ribeiro, Paulo Roberto Franceschi, Vanderlei Dominguez da Rosa, Moacir Gibur, Claudia Luciana Ceccatto de Trotta and Eduardo da Gama Godoy are also candidates to the position of Fiscal Council members of the controlled companies Companhia Energética do Maranhão – CEMAR and Centrais Elétricas do Pará S.A. – CELPA.

Mr. Firmino Ferreira Sampaio Neto is also CEO of the Issuer and Board Member of the controlled companies Centrais Elétricas do Pará S.A. – CELPA and Companhia Energética do Maranhão (CEMAR).

Mr. Carlos Augusto Leone Piani is also a Board Member of the controlled company Centrais Elétricas do Pará S.A. – CELPA.