KPMG

Equatorial Energia S.A
(Publicly-held Company)

Independent accountants' special review report
Quarter ended March 31, 2010

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(Publicly-held Company)

Notes to the quarterly information

Period ended March 31, 2010

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Rio de Janeiro, May 14, 2010 - Equatorial Energia S.A. (Bovespa: EQTL3) announces its results for the first quarter 2010 (1Q10).

Equatorial is a holding company with investments in Companhia Energética do Maranhão (CEMAR), Light S.A. (Light) and Geramar (previously known as Geranorte). Equatorial holds a 65.12% interest in CEMAR, the electricity distributor for the entire state of Maranhão. In the state of Rio de Janeiro, Equatorial indirectly holds a 13.03% interest in Light, which generates, distributes and sells electricity in the state. Equatorial also holds a 25% interest in Geramar (previously known as Geranorte), an electricity generation company responsible for the construction and operation of two thermal plants in Maranhão, with a joint capacity of 330MW. The following information was not reviewed by the independent auditors: non-financial information relating to Equatorial Energia and its subsidiaries; information relating to the PLPT Program ("Light for All Program"); and information relating to Management's expectations regarding the future performance of the Company and its subsidiaries.

EQUATORIAL'S CONSOLIDATED BILLED ENERGY GROWS 13.8% IN 1Q10. CEMAR'S LOSSES SUSTAIN DECLINE AND REACH 24.2% OF REQUIRED ENERGY.

1. Financial and Operating Highlights

- As from this quarter, in view of RME's split-off, **we are consolidating just 13.03% of Light's figures** in our operating and financial information, instead of the 25.0% consolidated previously. The consolidation of results in this Performance Report is *pro forma* and differs from the consolidation made in the Company's financial statements, where the results arising from RME, as from 1Q10, started to be recognized solely under the Equity Method in view of Equatorial's split-off process.
- **Net operating revenues (NOR)** reached R$483.5 million in 1Q10, 7.3% up over 1Q09, reflecting a 1.6% increase by CEMAR and a 10.9% growth by Light.
- CEMAR's and Light SESA's **total energy volume** amounted to 1,753 GWh in 1Q10, 13.8% more than in 1Q09. CEMAR's quarterly volume grew by 17.5%, while Light's increased by 9.5% (considering both captive and free markets).
- Adjusting for non-recurring effects, 1Q10 **EBITDA** reached R$125.3 million, down by 16.7% over 1Q09. The EBITDA was positively affected by the strong market growth both in CEMAR and Light. Some changes in the accounting standards and the effects of the first year after CEMAR's Tariff Review compensated part of this growth (refer to "Financial Performance - Consolidated" for details).
- Adjusted **net income** came to R$42.4 million in 1Q10, reflecting a 33.0% downturn over 1Q09 (refer to "Financial Performance - Consolidated" for details).
- In 1Q10, Equatorial's consolidated **investments** reached R$91.1 million, down by 6.4% compared with 1Q09. CEMAR's investments (excluding direct investments in the PLPT program) totaled R$36.7 million in 1Q10, while Light's investments came to R$15.0 million in the period, up by 44.3% over 1Q09. Geramar's (previously known as Geranorte) investments reached R$6.3 million in 1Q10.
- CEMAR's last-12-month 1Q10 **DEC** index improved 21.8%, to 21.9 hours, while last-12-month **FEC** index improved 17.7%, to 14.4 times. Light's DEC increased 14.4%, while FEC remained stable compared with 1Q09's figure.
- CEMAR's last-12-month **energy losses** totaled 24.2% of required energy in 1Q10, 4.3 p.p. less than the 1Q09 ratio. Light's last-12-month losses came to 22.1%, 1.3 p.p. up compared with 1Q09.
- On April 29, 2010, the Annual and Extraordinary General Meeting approved the proposal for the **partial split-off of Equatorial**, transferring its indirect stake in Light (by means of RME) to a new company called Redentor. This company is currently under constitution and will be further listed in the BM&FBovespa's Novo Mercado segment. We expect the listing process to take up to 90 days to be concluded.

FINANCIAL DATA (R$MM)	1Q09	4Q09	1Q10	Chg.
Total Net Operating Revenue	**450.5**	**516.8**	**483.5**	*7.3%*
EBITDA	**150.5**	**171.5**	**124.2**	*-17.5%*
EBITDA Margin (% net revenues)	*33.4%*	*33.2%*	*25.7%*	*-7.7 p.p.*
Net Income	**63.0**	**7.1**	**41.7**	*-33.8%*
Profit Margin (% net revenues)	*14.0%*	*1.4%*	*8.6%*	*-5.3 p.p.*
Net Income per Share (R$ / share)	**0.60**	**0.07**	**0.39**	*-34.0%*
Investimentos				
CEMAR	43.3	63.6	36.7	*-15.1%*
PLPT (CEMAR)	35.8	69.2	33.1	*-7.7%*
Light	10.4	27.5	15.0	*44.3%*
Geramar (ex-Geranorte)	7.9	13.5	6.3	*-20.1%*
Total	97.3	173.8	91.1	*-6.4%*
Net Debt	**680.2**	**956.7**	**954.5**	*40.3%*
Net Debt / EBITDA (LTM)	**0.9**	**1.6**	**1.6**	*0,7 x*

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2. Operating Performance

The operating information in this section reflects 100% of CEMAR's, 13.03% of Light's and 25% of Geramar's (previously known as Geranorte) operations.

	1Q09	4Q09	1Q10	Chg.
Distribution				
Billed Energy (GWh)				
CEMAR	816.8	985.4	959.9	17.5%
Light	724.1	744.9	793.1	9.5%
Total	1,540.8	1,730.3	1,753.1	13.8%
Number of Consumers (thousands)				
CEMAR	1,573	1,688	1,731	10.1%
Light	514	521	525	2.1%
Total	2,087	2,209	2,256	8.1%
Generation				
Sold Energy (GWh)	165	180	208	26.7%
Installed Capacity (MW)	111	111	194	74.1%
Assured Energy (MW)	70	70	130	85.7%
Trading				
Traded Energy (GWh)	46	68	120	159.3%
Number of Employees				
CEMAR	1,287	1,309	1,291	0.3%
Light	485	481	488	0.5%
Total	1,772	1,790	1,779	0.4%

2.1 OPERATING PERFORMANCE – DISTRIBUTION

CONSUMPTION CLASS AND FREE CLIENTS (GWh)	1Q09	4Q09	1Q10	Chg.
Residencial	383.0	455.4	449.4	17.3%
Industrial	90.6	103.6	97.3	7.4%
Comercial	161.4	187.6	190.4	18.0%
Outros	181.8	238.8	222.8	22.6%
CEMAR	**816.8**	**985.4**	**959.9**	**17.5%**
Residencial	281.8	272.8	314.8	11.7%
Industrial	56.4	66.2	58.6	3.9%
Comercial	206.1	212.0	221.8	7.6%
Outros	107.2	110.9	112.3	4.7%
Clientes Livres	72.4	82.9	85.6	18.2%
Light	**724.1**	**744.8**	**793.1**	**9.5%**
Residencial	664.9	728.3	764.2	14.9%
Industrial	147.0	169.8	155.9	6.1%
Comercial	367.5	399.6	412.2	12.2%
Outros	289.0	349.7	335.1	16.0%
Clientes Livres	72.4	82.9	85.6	18.2%
Total	**1,540.8**	**1,730.2**	**1,753.1**	**13.8%**

2.1.1 - ELECTRICITY MARKET – CEMAR

Energy Sales

In 1Q10, billed energy volume moved up by 17.5% over 1Q09, reaching 959.9 GWh. This quarterly growth derives from three main reasons: (i) a decline of more than 55% in the State's rainfall during the quarter, compared with its historical average; (ii) the State's economic growth, with higher per capital consumption; and (iii) the stronger efforts made by the Company to fight energy losses, aiming to keep it below the target established by ANEEL in the second tariff review.

Another highlight was the industrial segment, which shows a consumption rebound after some quarters posting declining figures, resuming the positive trend of the economic activity in Maranhão.

ENERGY BALANCE

CEMAR's required energy volume totaled 1,240.4 GWh in 1Q10, reflecting an increase of 11.2% over 1Q09 and a growth of 17.3% in energy sales volume quarter-on-quarter. Despite the strong growth posted by the market, the Company's losses declined by 5.6% in 1Q10 compared with 1Q09.

ENERGY BALANCE (GWh)	1Q09	4Q09	1Q10	Chg.
Required Energy (*)	1,115	1,295	1,240	*11.2%*
Sales (**)	818	987	960	*17.3%*
Losses	297	308	280	*-5.6%*

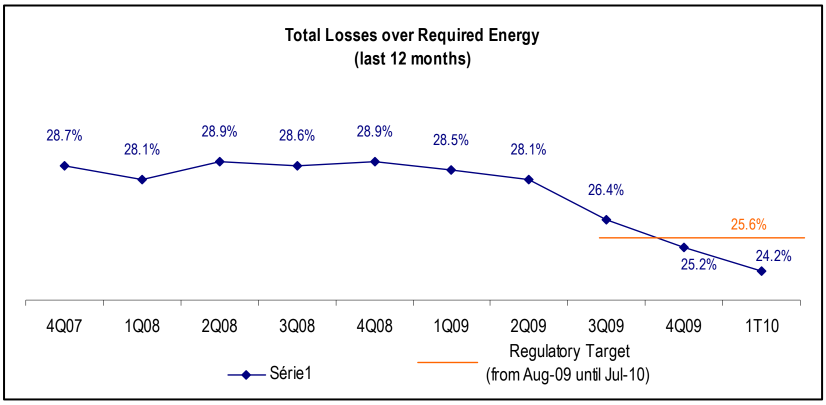
(*) Includes own generation
(**) Includes sales to the market, own consumption and sales to CEPISA.

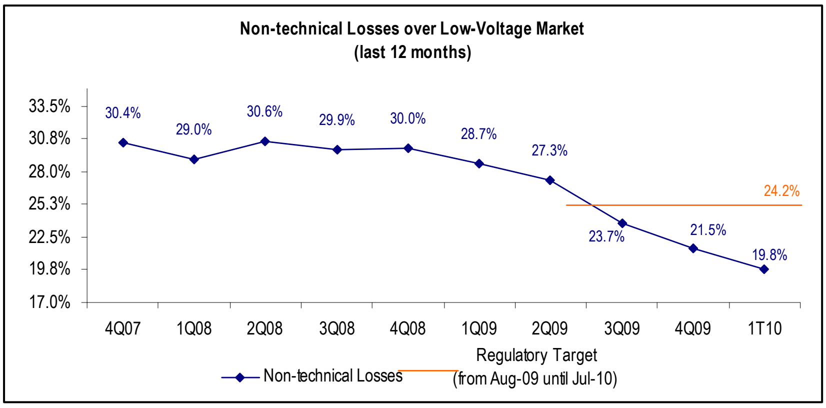
ENERGY LOSSES

In order to keep the Company's energy losses below the new regulatory targets established in CEMAR's second tariff review process, the Company has enhanced its loss-combating initiatives, and several measures implemented since late 2008 have gradually shown positive results.

Among the initiatives implemented by the Company, we can highlight the following: i) greater inspection efficiency in both low- and high-voltage, by means of fiscal metering, which consists in comparing the energy volume distributed by each converter with the volume actually billed to customers connected to same converter; ii) enhanced training of field teams; iii) update of public lamp-post files; and iv) fighting against auto-reconnection (when customers reconnect energy on their own after their service is disconnected by the Company, without informing CEMAR).

Accordingly, in 1Q10, CEMAR's energy losses declined by 4.3 p.p. compared with 1Q09, reaching 24.2% of required energy, which is lower than the 25.6% defined as regulatory target for the period between August 2009 and July 2010. Based on the methodology recently mandated by ANEEL, non-technical losses in the low-voltage market stood at 19.8%, below the 24.2% defined as target for the first year of current cycle, also between August 2009 and July 2010.





2.1.2 - ELECTRICITY MARKET – LIGHT

ENERGY SALES

Electricity consumption in Light's concession area (captive + free consumers) totaled 793.1 GWh in 1Q10, 9.5% up over 1Q09.

CAPTIVE MARKET

Total captive market consumption increased by 8.6% in 1Q10 compared with 1Q09, mainly fueled by the sales upturn in the residential segment, driven by the high temperatures in January and February, 1.4ºC and 1.0ºC above the historical average for these months.

Consumption in the residential segment, which accounted for 44.5% of the captive market in the quarter, grew 11.7% over 1Q09. The number of residential customers climbed 2.1%.

The captive industrial segment, which made up only 8.3% of the total captive market, consumed 3.9% more than in 1Q09, sustaining the trend observed in the fourth quarter 2009, which signals a recovery in the State's economic activity. The beverages, chemical and metal products industries posted the highest growth levels in the period.

Network Usage[1]

Billed energy transported to free consumers and concessionaires amounted to 192 GWh in 1Q10, 25.3% more than in 1Q09. Consumption by free customers came to 86 GWh, a 18.2% upturn compared with 1Q09, reflecting the resumption of economic activity with the higher consumption levels on the part free industrial consumers.

FREE MARKET (GWh)	1Q09	4Q09	1Q10	Chg.
Free	72	83	86	*18.2%*
Concessionaires (*)	81	109	107	*31.6%*
TOTAL	**154**	**192**	**192**	***25.3%***

(*) Network usage - Transportation for convessionaires that border Light's concession area.

Energy Balance

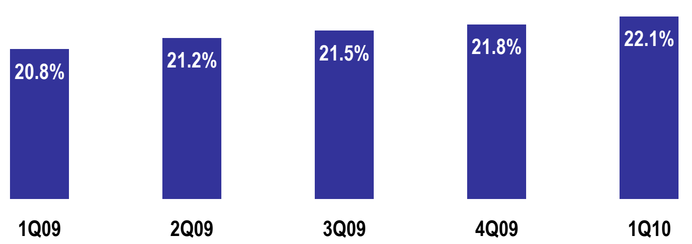
Light's required energy volume for own load (energy sales and losses) totaled 1,010 GWh in 1Q10, 8.4% more than in 1Q09, as shown in the table below:

ENERGY BALANCE (GWh)	1Q09	4Q09	1Q10	Chg.
Required Energy	931	933	1,010	*8.4%*
Sales	652	662	708	*8.6%*
Losses (*)	280	271	302	*8.1%*

(*) Do not include basic network losses.

Energy Losses

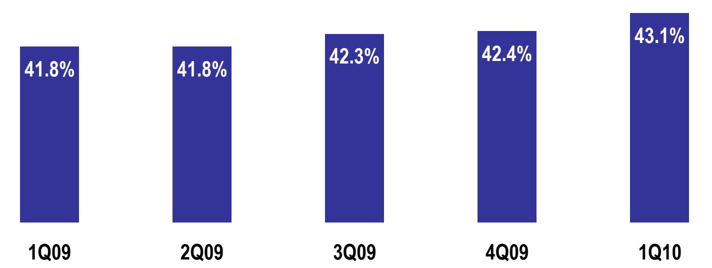
Energy Losses (*) (last 12 months)



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

[1] For reasons of comparison with the market ratified by ANEEL in the tariff review process, billed energy and demand by free consumers Valesul, CSN and CSA were excluded, in view of their scheduled migration to the Basic Network. Energy consumption by such clients totaled 55 GWh, while their demand amounted to 294 GW in 1Q10, against 61 GWh and 333 GWh, respectively, for 1Q09.

Non-technical Losses in Low-voltage Market (last 12 months)



Light SESA's total energy losses came to 981 GWh, or 22.06% of the grid load, during the 12-month period ended March 2010, reflecting a growth of 0.24 p.p. compared with the loss index in December 2009. The higher temperatures had a negative impact on the results during the period.

As of November 2009, non-technical losses began to be disclosed for billed energy in the low-voltage market, in compliance with the change mandated by ANEEL in its definitive tariff review approved last October. The change is in line with the concessionaire's operations since it is precisely the low-voltage market where non-technical losses are found. Following this methodology, non-technical losses represented 43.1% of the low-voltage market (15.4% of the grid load).

The period was characterized by high temperatures, specially during the months of January and February, when temperatures rose 1.4°C and 1.0°C, respectively, above the historical average and in the same two months in 2009. These conditions generate a strong performance in the billed market, as was the case in this quarter. They also lead to an unavoidable increase in irregular connections and instances of fraudulent consumption.

Loss-prevention efforts were affected during the quarter because of the outages affecting the distribution network. The reduction in loss-prevention activities was a result of the reassignment of teams usually focused on anti-theft efforts to duties related to maintaining operational quality and restoring electricity to areas affected by outages.

In relation to new technologies, 91 km of low-voltage protected network were added in 1Q10, compared with 33 km in the same period last year. The 2010 loss prevention plan in fully under way.

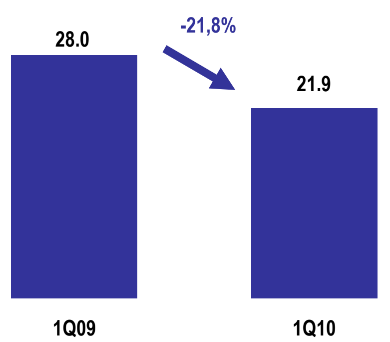
2.1.3 - SERVICE QUALITY

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

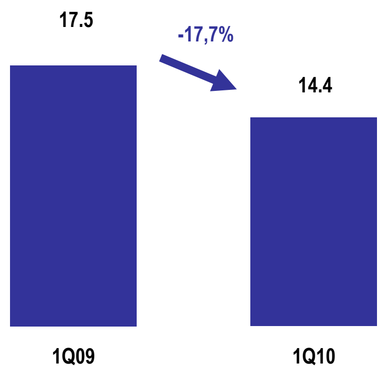
CEMAR

At the close of 1Q10, last-12-month DEC reached 21.9 hours, which, compared with the 28.0 hours shown at the close of 1Q09, represents a 21.8% decline. Regarding last-12-month FEC at the end of 1Q10, the index reached 14.4 times, a 17.7% decrease comparing with the 1Q09 figure. Such indices were positively affected by the lower rainfall in 1Q10 over 1Q09.

DEC (hours – last 12 months)



FEC (times – last 12 months)

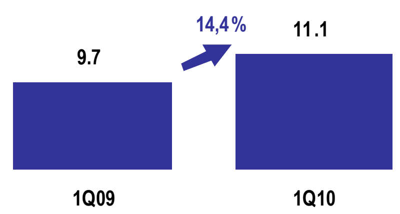


LIGHT

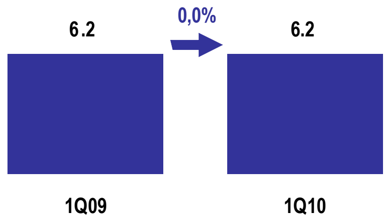
At the end of March, the equivalent length of interruption (DEC) indicator, expressed in hours, registered 11.1 hours, for the last 12 months. The equivalent frequency of interruption (FEC) indicator, expressed in occurrences, totaled 6.2 times, stable when compared to the same quarter from the previous year.

The quarter was characterized by adverse weather conditions, including 720 mm of rainfall, 80% more than in the same period in 2009, and higher-than-normal temperatures, which resulted in a strong load growth. Most of the service interruptions in the quarter occurred in areas served by underground networks, which are more complex and therefore take longer to repair, thereby increasing DEC.

DEC (hours – last 12 months)



FEC (times – last 12 months)



2.2 OPERATING PERFORMANCE – GENERATION

The information in this section reflects 13.03% of Light Energia's operations.

Electricity sold by Light Energia totaled 208 GWh in 1Q10, up by 26.7% . In the regulated contracting market (ACR), sales climbed by 0.5% over 1Q09, while the higher volume of energy sold in the spot market in 1Q10 was due to the increase in hydroelectric generation within the interconnected system, which resulted from improved hydrological conditions.

GENERATION - Light Energia (GWh)	1Q09	4Q09	1Q10	Chg.
Regulated Market Sales	136	143	136	*0.5%*
Free Market Sales	11	21	11	*0.0%*
Spot Sales (CCEE)	18	15	61	*242.3%*
Total	165	180	208	*26.7%*

2.3 OPERATING PERFORMANCE – ENERGY TRADING

The energy trading information in this section reflects 13.03% of Light ESCO's operations.

In 1Q10, Light ESCO recorded sales of 27 GWh, reflecting a growth of 84.8% over 1Q09. This upturn was chiefly due to greater energy availability for resale at the trading company, given the expansion of its contract portfolio.

In addition to direct sales, Light ESCO continued to provide consulting services and represent free clients before CCEE. These activities included operations of around 93 GWh.

Volume - GWh	1Q09	4Q09	1Q10	Chg.
Trading	15	32	27	*84.8%*
Broker	32	36	93	*193.4%*
Total	46	68	120	*159.3%*

3. Financial Performance

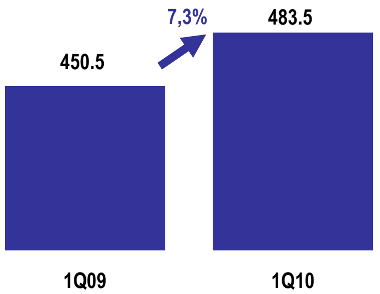
Information in this section reflects: i) 100% of CEMAR's operations, excluding 34.88% related to minority interests before net income, resulting in a 65.12% stake, ii) 13.03% of Light's operations and iii) 25.0% of Geramar's (previously known as Geranorte) operations.

The information herein presented is *pro forma*, still considering Light's figures that, as from 1Q10, started to be recognized in the financial statements solely under the Equity Method, in view of Equatorial's split-off process.

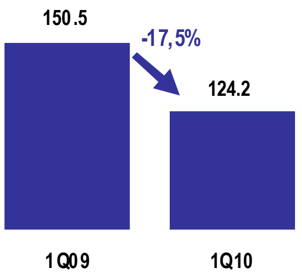
3.1 1 Financial Performance – Consolidated

INCOME STATEMENT - CONSOLIDATED (R$MM)	1Q09	4Q09	1Q10	Chg.
Gross Operating Revenues (GOR)	669.9	747.6	723.6	*8.0%*
Net Operating Revenues (NOR)	450.5	516.8	483.5	*7.3%*
Electric Energy Cost	(221.6)	(248.5)	(254.6)	*14.9%*
Operating Costs / Expenses	(78.4)	(96.7)	(104.7)	*33.6%*
EBITDA	**150.5**	**171.5**	**124.2**	*-17.5%*
Other Operating Revenues/Expenses	(7.6)	(0.7)	(2.0)	*N/A*
Service Income (EBIT)	107.2	140.5	90.2	*-15.9%*
Financial Result	1.5	(76.0)	(19.4)	*-1437.5%*
Operating Income	108.7	64.5	70.8	*-34.9%*
Equity Income	0.3	(2.4)	0.3	*0.0%*
Earnings Before Taxes (EBT)	109.0	62.1	71.1	*-34.8%*
Income Tax / Social Contribution	(21.1)	(61.9)	(8.8)	*-58.2%*
Profit Sharing	(4.1)	(11.5)	(3.4)	*-15.9%*
Minority Interests	(20.8)	10.9	(17.1)	*-17.6%*
Reversion of Interest on Equity	-	7.4	-	*N/A*
Net Income	**63.0**	**7.1**	**41.7**	*-33.8%*

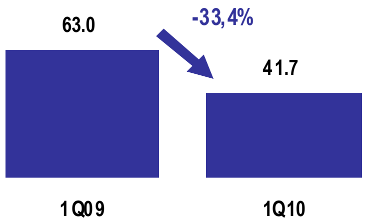
NOR (R$MM) - Quarterly



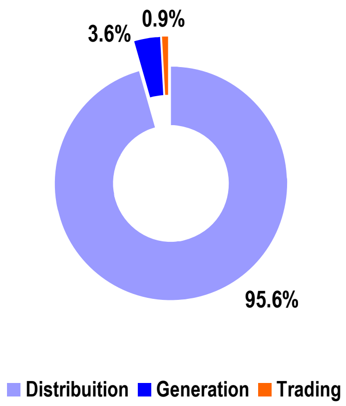
EBITDA (R$MM) - Quarterly



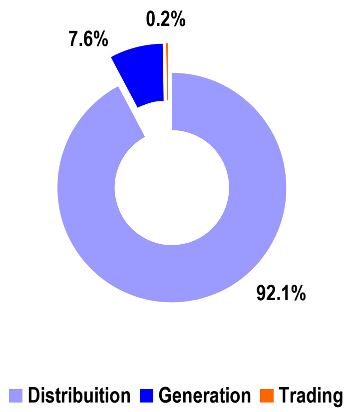
Net Income (R$MM) - Quarterly



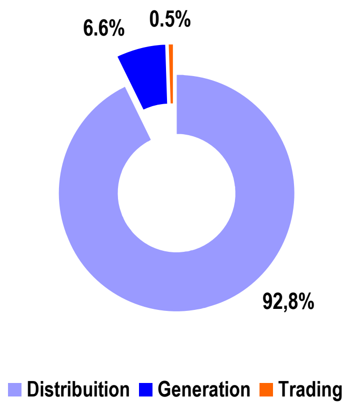
NOR per Segment* (%) – 1Q10

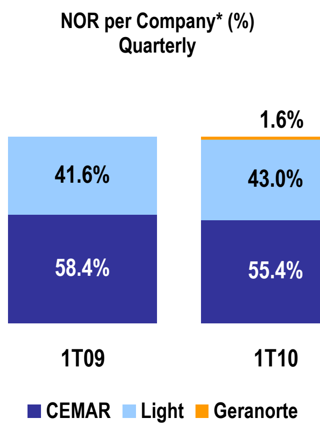


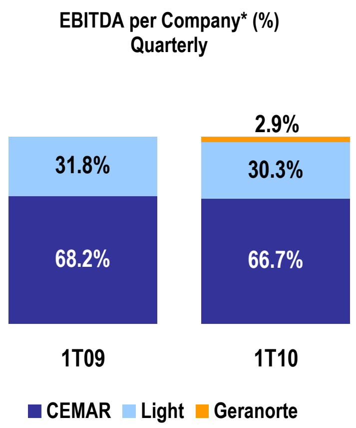
EBITDA per Segment* (%) – 1Q10

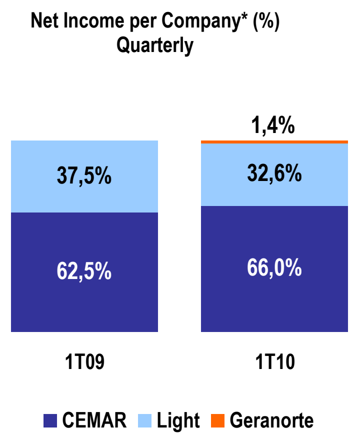


Net Income per Segment* (%) – 1Q10









(*) As from this quarter, only the operating companies are considered in these graphs.

3.1.1 - Operating Revenues

OPERATING REVENUE - CONSOLIDATED (R$ MM)	1Q09	4Q09	1Q10	Chg.
Gross Operating Revenue	**610.4**	**668.1**	**669.9**	***9.7%***
Residential	255.1	282.6	291.7	*14.4%*
Industrial	45.3	50.1	45.8	*1.1%*
Commercial	143.3	151.9	154.5	*7.8%*
Others	166.8	183.6	177.9	*6.7%*
Supply	**4.9**	**1.7**	**1.6**	***-68.0%***
Network Usage	**15.9**	**23.1**	**22.5**	***41.7%***
Other Revenues	**27.8**	**41.0**	**7.6**	***-72.8%***
Low Income	26.4	30.6	30.3	*14.8%*
Accrual (Amortization) of Regulatory Assets	(4.7)	(34.2)	(29.0)	*513.8%*
Other Operating Revenues	6.1	19.8	6.3	*3.0%*
Other Non-Recurring Operating Revenues	-	24.8	-	*N/A*
Gross Operating Revenue - Distribution	**659.0**	**734.0**	**701.6**	***6.5%***
Generation	10.7	11.2	19.5	*81.7%*
Trading	2.9	5.2	4.8	*63.4%*
LightCom	-	-	1.7	*N/A*
Eliminations	(2.8)	(2.8)	(4.0)	*39.8%*
Gross Operating Revenue - Consolidated	**669.9**	**747.6**	**723.6**	***8.0%***
ICMS	(129.8)	(140.4)	(146.3)	*12.8%*
PIS/Cofins	(50.8)	(58.6)	(58.2)	*14.5%*
Consumer Charges	(38.8)	(31.8)	(35.6)	*-8.3%*
Net Operating Revenue - Consolidated	**450.5**	**516.8**	**483.5**	*7.3%*

Consolidated net operating revenues (NOR) totaled R$483.5 million in 1Q10, 7.3% up on the R$450.5 million recorded in 1Q09. This account is mainly impacted by the distribution segment, which accounts for 95.6% of consolidated NOR, followed by generation (3.6%) and trading (0.9%). In company terms, CEMAR contributed with 55.4% of the total, Light contributed with 43.0%, while Geramar (previously known as Geranorte) contributed with the remaining 1.6%. (For further information on NOR evolution, refer to CEMAR's and Light's Financial Performance).

3.1.2 - Costs and Expenses

Consolidated operating costs and expenses came to R$393.4 million in 1Q10, 14.6% more than in 1Q09. This amount is comprised of non-manageable costs and expenses (purchase and transportation of energy, and sector charges), which stood at R$251.8 million and increased by 13.2%, while manageable costs and expenses climbed 36.6%.

Operating Costs/Expenses	1Q09	4Q09	1Q10	Chg.
Electricity Purchased for Resale	108.0	134.1	119.2	10.4%
PMSO	36.0	48.0	51.5	43.2%
Provisions and Other Operating Expenses	20.1	10.4	10.0	-50.0%
Depreciation	25.6	20.4	22.4	-12.6%
CEMAR	**189.6**	**212.8**	**203.1**	**7.1%**
Electricity Purchased for Resale	114.5	115.0	132.6	15.9%
PMSO	17.2	23.7	20.3	18.0%
Provisions	9.5	12.5	14.2	N/A
Depreciation	10.0	9.9	10.0	0.0%
Light S.A.	**151.1**	**161.1**	**177.2**	**17.2%**
CUST + Generation Costs	-	-	3.1	N/A
PMSO	-	-	0.6	N/A
Depreciation	-	-	0.8	N/A
Geramar (ex-Geranorte)	**-**	**-**	**4.5**	**N/A**
PMSO	-	0.3	0.4	N/A
Depreciation	-	-	0.0	N/A
Equatorial Soluções	**-**	**0.3**	**0.4**	**N/A**
PMSO	2.5	2.2	8.2	229.0%
Depreciation	0.0	0.0	0.0	N/A
Equatorial (holding)	**2.5**	**2.2**	**8.2**	**225.6%**
Equatorial Consolidado	**343.3**	**376.4**	**393.4**	**14.6%**

Distribution

In the distribution segment, manageable costs and expenses climbed 15.0%, totaling R$91.0 million. Of this total, R$68.8 million correspond to PMSO (expenses with personnel, material, outsourced services and others), up by 34.4% when comparing 1Q10 with 1Q09, mainly due to the strong growth in the number of consumers in CEMAR (refer to CEMAR's and Light's specific sections for details).

Total provisions (including provisions for doubtful accounts, losses, contingencies and other provisions) declined by 4.0% in 1Q10, with the provisions for doubtful accounts and losses accounting for 2.6% of gross operating revenues (GOR). During the quarter, the Company was affected by the non-recurring impact from the recognition by Light of the ANEEL notification term relative to the outages in November 2009 amounting to R$1.2 million.

Non-manageable costs and expenses climbed 13.2% in 1Q10, totaling R$251.4 million, reflecting the 10.4% growth in CEMAR and the 16.0% increase in Light SESA. It should be highlighted that such costs are fully passed on to tariffs upon their review/adjustment, and any variation in this account causes no economic impact on the Companies.

Distribution Segment - R$ MM	1Q09	4Q09	1Q10	Chg.
Personnel	15.5	14.5	20.7	33.1%
Material	2.5	3.0	2.6	6.8%
Third Party Services	30.2	41.2	40.1	32.7%
Others	3.0	8.3	5.4	80.1%
PMSO	**51.2**	**67.0**	**68.8**	**34.4%**
% Net Revenues	*11.6%*	*13.3%*	*14.8%*	*3.2 p.p.*
Provisions	21.0	19.8	20.2	-4.0%
PDA and Losses	18.5	14.9	13.0	-29.4%
% Gross Operating Revenue	2.8%	2.0%	1.9%	-0.9 p.p.
Provision for Contingencies and Other Provisi	2.5	4.9	7.1	181.0%
Other Operating Expenses/Revenues	6.9	1.6	2.0	-70.4%
MANAGEABLE COSTS AND EXPENSES	**79.1**	**88.4**	**91.0**	**15.0%**
% Net Revenues	*17.9%*	*17.5%*	*19.6%*	*1.7 p.p.*
Electricity Purchased (including CVA and Charg	215.5	241.1	239.4	11.1%
Other Costs	6.4	8.1	12.0	86.5%
NON-MANAGEABLE COSTS AND EXPENSES	**222.0**	**249.1**	**251.4**	**13.2%**
% Net Revenues	*50.3%*	*49.3%*	*54.2%*	*3.9 p.p.*
TOTAL	**301.1**	**337.5**	**342.4**	**13.7%**

GENERATION

Operating costs and expenses in the generation segment totaled R$8.9 million in 1Q10, mostly driven by the start-up of Geramar (previously known as Geranorte).

In 1Q10, Light Energia's costs and expenses amounted to R$4.4 million, up by 2.4% over 1Q09. We highlight the non-recurring expenses in the Other account relating to the provision of R$1.1 million arising from a legal settlement with the city of Barra do Piraí over the dredging of the Piraí River.

Light Energia (R$ million)	1Q09	4Q09	1Q10	Chg.
CUSD	1.6	0.7	0.5	-72.0%
Personnel	0.5	0.5	0.6	17.5%
Material and Third Party Services	0.4	0.5	0.5	11.8%
Depreciation	0.8	0.8	0.8	-1.6%
Others (includes provisions)	0.9	0.9	2.1	123.9%
TOTAL	**4.3**	**3.4**	**4.4**	**2.4%**

As from this quarter, we are including the breakdown of costs incurred by Geramar (previously known as Geranorte), whose plants started their commercial operation in January and February 2010. In 1Q10, the total costs incurred by the plants amounted to R$4.5 million, comprising costs related to transmission system use (CUST), generation costs (purchase of fuel, operation and maintenance of the plant, among others) and, to a lower extent, costs relating to personnel, material, outsourced services and others (PMSO).

Geramar (ex-Geranorte) (R$ million)	1Q09	4Q09	1Q10	Chg.
CUST + Generation Costs	-	-	3.1	N/A
PMSO	-	-	0.6	N/A
Depreciation	-	-	0.8	N/A
TOTAL	**-**	**-**	**4.5**	**N/A**

TRADING

In 1Q10, costs and expenses totaled R$4.0 million, almost twice the amount recorded during the same period last year. Such increase derived primarily from the sharp growth in the volume of resold energy and higher expenses incurred with material and outsourced services arising from the construction project of a client's substation and extension .

Light Esco (R$ million)	1Q09	4Q09	1Q10	Chg.
Energy Purchase	1.6	1.9	2.5	61.2%
Personnel	0.1	0.1	0.1	40.0%
Material and Third Party Services	0.3	1.1	1.4	352.2%
TOTAL	**2.0**	**3.0**	**4.0**	**103.3%**

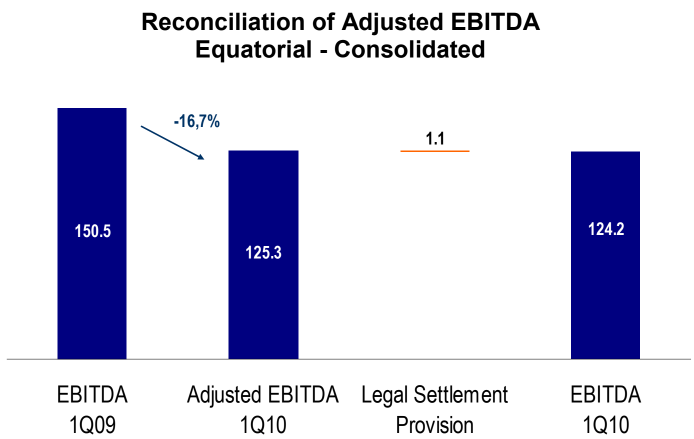
3.1.3 - EBITDA

Adjusted consolidated EBITDA fell by 16.7% in 1Q10 over 1Q09, reaching R$125.3 million. Such adjustment derives from the provision recognized by Light as a result of a legal settlement with the city of Barra do Piraí over the dredging of the Piraí River.

We remind that, as from this quarter, we are consolidating just 13.03% of Light's EBITDA. We are now using this percentage for previous quarters to allow for comparability between periods.

In the quarter, the EBITDA was positively affected by the market consumption growth both in CEMAR and Light. However, some other factors mitigated such growth:

- CEMAR's Tariff Review: The Company's Tariff Review process ended in August 2009 and its effects were not taken into account in the 1Q09 results.
- Low Income Grant: change in the accounting standards relating to the Low Income Grant as from 3Q09 (refer to the 3Q09 Earnings Release). If this change was not considered, 1Q10 EBITDA should have been approximately R$10.0 million higher.
- Recgonition of the extraordinary expense relating to the Company's Stock Option Plan exercising, which amounted to R$6.2 million in the 1Q10.
- Hike in CEMAR's operating costs, mainly due to the strong growth in the number of consumers, improvement in the quality of the service and a change in the accounting standards relating to personnel costs as defined in the Normative Law 396/2010.



Consolidated EBITDA (R$ million)	1Q09	4Q09	1Q10	Chg.
Service Income	107.2	140.5	90.2	*-15.9%*
Depreciation and Amortization	35.6	30.4	32.0	*-10.3%*
Other Operating Revenue/Expenses	7.6	0.7	2.0	*N/A*
EBITDA	150.5	171.5	124.2	*-17.4%*
REFIS' Fine Reduction - CEMAR	-	(24.8)	-	*N/A*
Legal Settlement Provision	-	-	1.1	*N/A*
Adjusted EBITDA	**150.5**	**146.7**	**125.3**	**-16.7%**

3.1.4 - Financial Result

Financial Result (R$ MM)	1Q09	4Q09	1Q10	Chg.
Financial income	15.9	9.2	11.0	-31.0%
Fine charged on energy sale	11.4	14.3	15.2	33.3%
Other financial revenues	12.5	5.2	6.8	-45.6%
Financial Revenue	**39.8**	**28.7**	**33.0**	**-17.2%**
Interest on loans and financing	(30.2)	(27.4)	(30.2)	0.0%
Monetary and foreign exchange variation	(5.0)	(3.4)	(9.7)	95.3%
Other financial expenses	(3.2)	(73.7)	(12.5)	295.7%
Financial Expenses	**(38.3)**	**(104.6)**	**(52.4)**	**36.7%**
Net Financial Result	**1.5**	**(75.9)**	**(19.4)**	**N/A**

In 1Q10, the consolidated financial result was an expense of R$19.4 million, against a positive result of R$1.5 million in 1Q09.

The main variations per company were:

- **CEMAR:** In 1Q10, the net financial result was an expense of R$6.5 million, against R$1.9 million in 1Q09. In the net financial result breakdown, the Company posted R$25.1 million in Financial Revenues (5.6% decrease over 1Q09) and R$31.6 million in Financial Expenses (10.9% increase over 1Q09).

  The higher financial expenses in 1Q10 were mainly driven by the IGP-M variation (which posted deflation in 1Q09), affecting the Monetary Variations account and more than offsetting the lower interest on loans and financing pegged to the interbank deposit rate (CDI).

- **Light:** The 1Q10 financial result was negative in R$12.8 million, compared with a loss of R$3.2 million in 1Q09. Such negative result was mainly due to: (i) increased monetary restatement relative to the Braslight deficit of R$3.0 million, stemming from the difference in the indexing agents between the periods of: -0.56% in 1Q09 and 1.90% in 1Q10; (ii) the payment of R$1.8 million in IOF financial operations tax in connection with the winding up of the offshore company LIR, which resulted in the settlement of US$93.2 million; (iii) R$0.8 million from the monetary restatement of installments pertaining to the REFIS tax repayment program, to which the company adhered in November 2009; and (iv) the R$0.4 million ANEEL fine for the violation of continuity indicators.

- **Geramar (previously known as Geranorte):** The company recognized R$2.3 million as net financial expenses arising from the bridge loans taken out during the construction of the plants. On March 30, the company's cash recorded an incoming flow of R$42.8 million (considering the 25% percentage for consolidation) stemming from the Amazônia Development Fund, maturing in 2025 and bearing a cost of long-term interest rate (TJLP) + 1.0% p.a., which were used to settle the effective bridge loans, therefore extending the company's debt profile and reducing its cost.

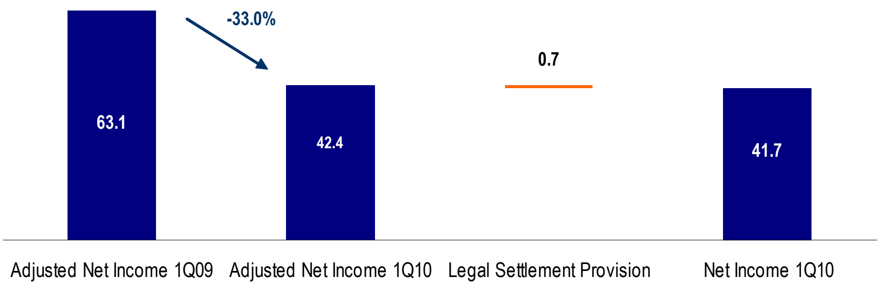
  In 2010, the company expects to raise more long-term funds, extending its debt profile and reducing its cost.

- **Equatorial (holding):** Positive result of R$2.0 million, basically arising from the utilization of the company's available cash.

3.1.5 – Net Income

In 1Q10, the Company posted adjusted net income of R$42.7 million, down by 32.3% compared with the net result booked in 1Q09. As mentioned in the EBITDA section, we highlight that the quarterly result was negatively affected by R$5.9 million arising from the amortization of the Low Income Subsidy asset. The 1Q10 consolidated net income was also negatively affected by R$6.2 million stemming from the recognition of costs incurred with the Company's Stock Options Plan.

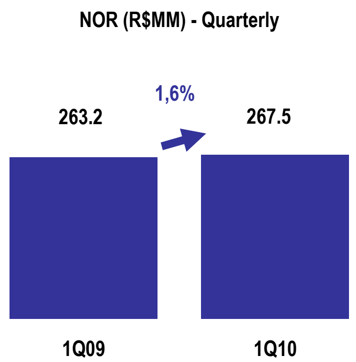
Reconciliation of Adjusted Net Income
Equatorial - Consolidated

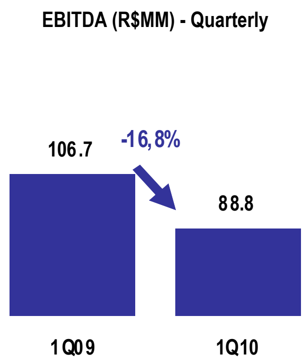


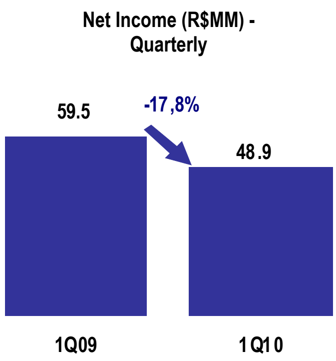
3.2 FINANCIAL PERFORMANCE - CEMAR

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

INCOME STATEMENT - CEMAR	1Q09	4Q09	1Q10	Chg.
Gross Operating Revenues (GOR)	366.8	445.8	390.2	6.4%
Net Operating Revenues (NOR)	263.2	320.8	267.5	1.6%
Electric Energy Cost	(108.0)	(134.1)	(119.2)	10.4%
Operating Costs / Expenses	(48.5)	(56.3)	(59.5)	22.9%
EBITDA	106.7	130.4	88.8	-16.8%
Other Operating Revenues/Expenses	(7.6)	(2.1)	(2.0)	-73.4%
Service Income (EBIT)	73.5	107.9	64.4	-12.4%
Financial Results	(1.9)	(72.6)	(6.4)	240.4%
Operating Results	71.6	35.3	58.0	-19.1%
Income Tax / Social Contribution	(10.1)	(59.0)	(6.4)	-36.3%
Profit Sharing	(2.0)	(7.6)	(2.7)	33.5%
Net Income (LL)	59.5	(31.2)	48.9	-17.9%







3.2.1 - OPERATING REVENUES

OPERATING REVENUE - CEMAR	1Q09	4Q09	1Q10	Chg.
Energy Sales (MWh)*	**816,756**	**985,396**	**959,921**	**17.5%**
Number of Clients**	**1,572,631**	**1,687,937**	**1,730,925**	**10.1%**
KWh per Client	**519.4**	**583.8**	**554.6**	**6.8%**
Gross Operating Revenue (R$ MM)	**336.6**	**402.7**	**383.6**	**14.0%**
Residential	161.4	194.4	187.1	15.9%
Industrial	32.0	36.8	34.1	6.6%
Commercial	78.8	89.7	89.0	12.9%
Other Classes	64.4	81.8	73.4	14.0%
Supply (R$ MM)	**4.9**	**1.7**	**1.6**	**-67.3%**
Other Revenues (R$ MM)	**25.3**	**41.3**	**5.2**	**-79.4%**
Low Income	26.4	30.6	30.3	14.8%
Accrual (Amortization) of Regulatory Assets	(4.6)	(34.3)	(29.0)	-530.4%
CVA	2.6	(17.1)	(12.3)	-573.1%
Network Usage	0.1	-	-	-100.0%
PLPT - IRT	-	(1.7)	(1.6)	N/A
RTD	(7.3)	(15.5)	(15.1)	-106.8%
Other Operating Revenues	3.5	20.2	3.9	11.4%
Other Non-Recurring Operating Revenues	-	24.8	-	N/A
Deductions from Operating Revenues (R$ MM)	**(103.7)**	**(125.0)**	**(122.7)**	**18.3%**
Net Operating Revenue (R$ MM)	**263.2**	**320.8**	**267.5**	**1.6%**
Regulatory Assets***	**118.7**	**91.2**	**59.9**	**-49.5%**

* Does not consider own consumption and supply to CEPISA
** Excludes own consumption facilities
*** Net Balance of Regulatory Assets and Liabilities

In 1Q10, gross revenues posted growth of 14.0%, largely driven by the upturn in energy sales of 17.5% in the quarter and also impacted by the Tariff Review process ended in August 2009, compared with 1Q09. Net operating revenues totaled R$267.5 million in the quarter, 1.6% over 1Q09.

It is worth highlighting that, in 1Q10, the CVA line, which is a component of Gross Revenues, was negatively affected by R$10.0 million as a result of the amortization of the Low Income Subsidy regulatory asset, as this asset was recognized in 3Q09 results, as mentioned then, when it was ratified as Financial Component of CEMAR's Periodic Tariff Review.

3.2.2 - Costs and Expenses

In 1Q10, manageable and non-manageable costs and expenses, excluding depreciation and amortization, totaled R$180.7 million, corresponding to 67.6% of net revenues, up by 5.2 p.p. over 1Q09, which stood at 62.4%.

Manageable Operating Costs and Expenses

In 1Q10, the Company's manageable costs and expenses, represented by personnel, material, outsourced services and others (PMSO), excluding the provision for doubtful accounts, contingencies, as well as CVA amortization and other costs, totaled R$51.6 million, an increase of 5.6 p.p. compared with 1Q09, as a percentage of net revenues.

Personnel expenses totaled R$14.9 million in 1Q10, increasing 58.8% from the 1Q09 figure. This upturn derives not only from the collective agreement signed in November 2009, when a salary increase of 4.18% was granted, but also from a change in the accounting standards relating to personnel costs arising from the Normative Law 396/2010.

Material expenses totaled R$2.0 million in 1Q10, same level of 1Q09. The main costs included in this account are: i) purchase of material for maintenance and operations, of R$1.2 million; and ii) purchase of fuel and lubricants to vehicles intended for support, repair and maintenance of the distribution network, totaling R$0.6 million.

Outsourced services expenses moved up by 31.3% in 1Q10 against 1Q09, totaling R$30.6 million in the quarter, driven by the significant increase in the number of clients (10.1%) and quality improvement. The main services leading to such increase were: i) R$1.4 million increase in stand-by services, with technician and electrician teams; ii) outsourced customer services, up by R$0.8 million in view of the opening of new agencies in the Company's concession area; and iii) call center, telecom and data transmission services, up by R$1.0 million.

In 1Q10, the provision for doubtful accounts (PDA) and losses came to R$5.8 million, or 1.5% of gross operating revenues (GOR), 1.4 p.p. lower than the 1Q09 result, reflecting the improvement by the Company in its collection services.

CEMAR reached the level of 1,315 clients for each employee in 1Q10, up by 8.9% over 1Q09. The PMSO/client ratio moved up by 30.1%, representing a cost of R$29.8 per client.

Distribution Segment - R$ MM	1Q09	4Q09	1Q10	Chg.
Personnel	9.4	9.0	14.9	58.5%
Material	2.0	2.4	2.0	0.0%
Third Party Services	23.3	30.8	30.6	31.3%
Others	1.4	5.8	4.1	192.9%
PMSO	**36.1**	**48.0**	**51.6**	**42.9%**
% Net Revenues	**13.7%**	**15.0%**	**19.3%**	**5.6 p.p.**
Provisions	12.5	8.3	8.0	-36.0%
PDA and Losses	10.7	6.9	5.8	-45.8%
% Gross Operating Revenue	2.9%	1.5%	1.5%	-1.4 p.p.
Provision for Contingencies and Other Provisions	1.8	1.4	2.2	22.2%
Other Operating Expenses/Revenues	7.6	2.1	2.0	-73.7%
MANAGEABLE COSTS AND EXPENSES	**56.2**	**58.4**	**61.6**	**9.6%**
% Net Revenues	**21.4%**	**18.2%**	**23.0%**	**1.6 p.p.**
Electricity Purchased	88.7	105.2	97.7	10.1%
Transmission and Distribution Network Usage Charges	19.0	28.1	20.7	8.9%
CVA Amortization	-0.3	0.0	0.0	-100.0%
Other Costs	0.6	0.7	0.7	16.7%
NON-MANAGEABLE COSTS AND EXPENSES	**108.0**	**134.0**	**119.1**	**10.3%**
% Net Revenues	**41.0%**	**41.8%**	**44.5%**	**3.5 p.p.**
TOTAL	**164.2**	**192.4**	**180.7**	**10.0%**
TOTAL (% Net Revenues.)	**62.4%**	**60.0%**	**67.6%**	**5.2 p.p.**

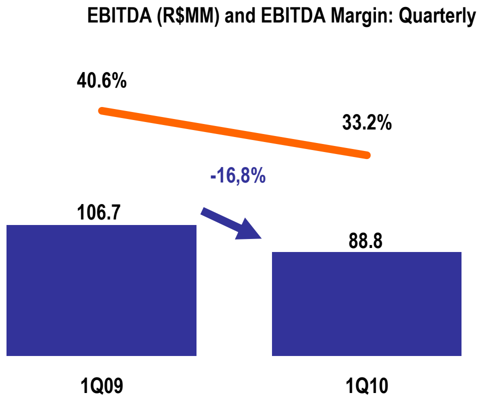
Non-manageable Operating Costs and Expenses

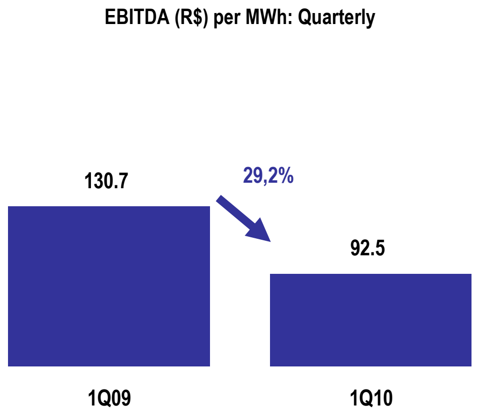
The Company's non-manageable operating costs and expenses totaled R$119.1 million in 1Q10, up by 10.3% over the R$108.0 million recorded in 1Q09. The quarter's upturn derives chiefly from the higher volume of purchased energy to meet the growth in captive market consumption. It is worth noting that such costs relate to Parcel A of the energy tariff. Therefore, their increase arising from price change is passed on to the Company by means of the annual tariff adjustment index (IRT), not representing a financial loss to the Company.

3.2.3 - EBITDA

In 1Q10, EBITDA totaled R$88.8 million, down by 16.8% compared with 1Q09 EBITDA of R$106.7 million. This result is negatively affected by the R$10.0 million amortization of the Low Income Subsidy. As mentioned in the 3Q09 earnings release, every August we will recognize revenues arising from the realization of the Low Income regulatory asset, while in the remaining quarters we will recognize an expense because of the amortization of this asset.

EBITDA (R$ MM)	1Q09	4Q09	1Q10	Chg.
Service Income	73.5	107.9	64.4	-12.4%
Depreciation and Amortization	25.6	20.4	22.4	-12.5%
Other Operating Revenues/Expenses	7.6	2.1	2.0	-73.7%
EBITDA	**106.7**	**130.4**	**88.8**	**-16.8%**
RTD Adjustment	-	-	-	N/A
Regulatory Losses Adjustment	-	-	-	N/A
REFIS' Fine Reduction	-	(24.8)	-	N/A
Adjusted EBITDA	**106.7**	**105.6**	**88.8**	**-16.8%**





3.2.4 - Financial Result

In 1Q10, the net financial result was an expense of R$6.5 million, against R$1.9 million in 1Q09. In the net financial result breakdown, the Company posted R$25.1 million in Financial Revenues (5.6% decrease over 1Q09) and R$31.6 million in Financial Expenses (10.9% increase over 1Q09).

The higher financial expenses in 1Q10 were mainly driven by the IGP-M variation (which posted deflation in 1Q09), affecting the Monetary Variations account and more than offsetting the lower interest on loans and financing pegged to the interbank deposit rate (CDI).

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

Financial Result (R$ MM)	1Q09	4Q09	1Q10	Var.
Financial income	6.5	5.3	6.7	3.1%
Fine charged on energy sale	9.2	12.3	12.6	37.0%
RTD and CVA Adjustments	2.8	0.6	0.4	-85.7%
Other financial revenues	8.1	(1.0)	5.4	-33.3%
Financial Revenue	**26.6**	**17.2**	**25.1**	**-5.6%**
Interest on loans and financing	(23.4)	(21.7)	(20.5)	12.4%
Monetary and foreign exchange variation	(3.1)	(2.1)	(6.9)	-122.6%
Other financial expenses	(2.0)	(66.0)	(4.2)	-110.0%
Financial Expenses	**(28.5)**	**(89.8)**	**(31.6)**	**-10.9%**
Net Financial Result	**(1.9)**	**(72.6)**	**(6.5)**	**-242.1%**

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3.2.5 - Income Tax and Social Contribution

In CEMAR, income tax and social contribution payable is positively impacted by the following items: i) 75% income tax reduction benefit on installed capacity expansion granted by SUDENE (Northeast Region Development Authority) in December 2005 and expanded in 2007 to include the upgrade of all installed capacity, effective through 2016; ii) tax benefit related to accelerated depreciation, granted by SUDENE, whereby investments in the expansion and modernization of the distribution network can be entirely booked as a tax-deductible expense between 2006 and 2013; and iii) offsetting of tax loss carryforwards. It is worth mentioning that the first and second items refer only to Income Tax, while the third item refers both to Income Tax and Social Contribution.

Breakdown of Income Tax and Social Contribution Effective Rates

Income Tax / Social Contribution (R$MM)	1Q09	4Q09	1Q10
EBT	**71.6**	**35.3**	**58.0**
(+) REFIS Impact	-	34.0	-
Recurring EBIT (1)	**71.6**	**69.3**	**58.0**
Income Tax / Social Contribution Expenses	(10.2)	(20.8)	(6.4)
(-) Deferred Tax Assets	5.4	14.6	(0.3)
= Tax Payable	**(4.7)**	**(6.2)**	**(6.7)**
(+) Fiscal Credits		4.6	1.6
= Tax - Cash Basis (2)	**(4.7)**	**(1.6)**	**(5.1)**
Effective Tax Rate = (2) / (1)	**6.6%**	**2.3%**	**8.8%**

In 1Q10, expenses related to income tax and social contribution totaled R$6.4 million. If we consider the utilization of deferred tax assets and tax credits, CEMAR paid R$5.1 million in taxes, which corresponds to an effective rate of 8.8%.

3.2.6 - Net Income

In 1Q10, CEMAR posted net income of R$48.9 million, 17.0% less than the amount booked in 1Q09. As mentioned in the EBITDA and Operating Revenues sections, the company's income was also affected by the amortization of the Low Income Subsidy asset.

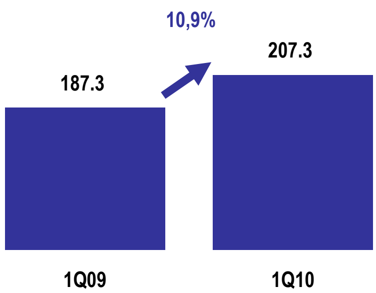
In 1Q10, net income per share was R$0.30

3.3 FINANCIAL PERFORMANCE - LIGHT

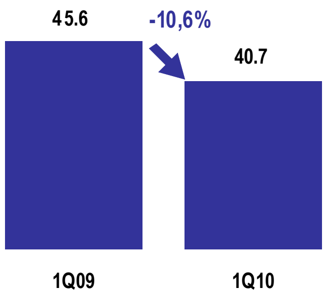
The information in this section reflects 13.03% of consolidated Light's operations.

INCOME STATEMENT - CONSOLIDATED (R$MM)	1Q09	4Q09	1Q10	Chg.
Gross Operating Revenues (GOR)	303.0	301.5	324.3	*7.0%*
Net Operating Revenues (NOR)	187.3	195.8	207.7	*10.9%*
Electric Energy Cost	(113.6)	(114.4)	(132.3)	*16.4%*
Operating Costs / Expenses	(28.1)	(37.0)	(34.8)	*23.6%*
EBITDA	**45.6**	**44.4**	**40.7**	*-10.6%*
Other Operating Revenues/Expenses	0.7	0.5	(0.0)	*N/A*
Service Income (EBIT)	36.3	35.0	30.7	*-15.4%*
Financial Result	(3.2)	2.3	(12.7)	*294.4%*
Operating Income	33.1	37.3	18.0	*-45.6%*
Income Tax / Social Contribution	(10.2)	(4.5)	(2.0)	*-80.8%*
Profit Sharing	(0.9)	(0.5)	(0.3)	*-66.7%*
Lucro Líquido (LL)	**21.9**	**32.3**	**15.7**	*-28.3%*

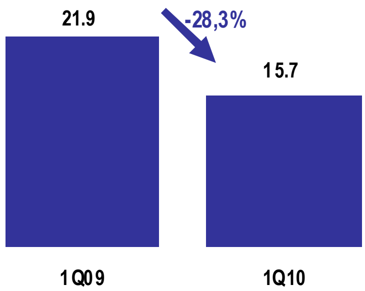
NOR (R$MM) - Quarterly



EBITDA (R$MM) - Quarterly



Net Income (R$MM) - Quarterly



3.3.1 - OPERATING REVENUES

In 1Q10, net operating revenues (NOR) totaled R$207.7 million, 10.9% higher than in 1Q09, mainly impacted by the gross revenues arising from the performance of the trading and distribution segments, which grew 6.3% and 63.4%, respectively.

Net revenues from distribution in 1Q10 rose basically as a result of the growth in energy consumption in the free and capital markets, of 18.1% and 8.6%, respectively. It is worth noting that 1Q09 net revenues included Parcel A (RTE) billing, of R$7.8 million.

The 4.4% increase in NOR from generation derives from the adjustment of energy sales contracts in the ACR market and the rise in spot market sales during the quarter.

In the trading segment, the 63.4% NOR increase derives from the growth in electricity sales revenues in the trading activity.

OPERATING REVENUE - Light - Consolidated (R$ MM)	1Q09	4Q09	1Q10	Chg.
Gross Operating Revenue	**273.8**	**265.4**	**286.4**	***4.6%***
Residential	93.6	88.2	104.6	*11.7%*
Industrial	13.3	13.3	11.8	*-11.7%*
Commercial	64.5	62.2	65.5	*1.6%*
Others	102.4	101.8	104.5	*2.1%*
Network Usage	**15.8**	**23.1**	**22.5**	***42.8%***
Other Revenues	**2.6**	**(0.6)**	**1.6**	***-38.8%***
Gross Operating Revenue - Distribution	**292.2**	**288.0**	**310.5**	*6.3%*
Generation	10.7	11.2	11.2	*4.4%*
Trading	2.9	5.2	4.8	*63.4%*
LightCom	-	-	1.7	*N/A*
Eliminations	(2.8)	(2.8)	(4.0)	*39.8%*
Gross Operating Revenue - Consolidated	**303.0**	**301.5**	**324.3**	*7.0%*
ICMS	(74.0)	(71.6)	(79.6)	*7.7%*
PIS/Cofins	(16.7)	(16.6)	(18.6)	*11.0%*
Consumer Charges	(25.0)	(17.6)	(18.3)	*-26.8%*
Net Operating Revenue - Consolidated	**187.3**	**195.8**	**207.7**	*10.9%*

3.3.2 – Costs and Expenses

In 1Q10, operating costs and expenses grew by 16.3% over the same quarter 2009, driven mainly by costs incurred by the distribution segment, which increased by 18.0%.

Light SESA - R$ MM	1Q09	4Q09	1Q10	Chg.
Personnel	6.2	5.5	5.8	-5.9%
Material	0.5	0.6	0.7	28.2%
Third Party Services	6.9	10.4	9.5	36.4%
Others	1.6	2.6	1.4	-14.6%
PMSO	**15.2**	**19.0**	**17.3**	**13.6%**
% Net Revenues	*8.5%*	*10.3%*	*8.8%*	*0.3 p.p.*
Provisions	8.5	11.6	12.2	42.4%
PDA and Losses	7.8	8.1	7.2	-8.0%
% Gross Operating Revenue	2.7%	2.8%	2.3%	-0.4 p.p.
Provision for Contingencies and Other Prov	0.7	3.5	5.0	603.7%
Other Operating Expenses/Revenues	(0.7)	(0.6)	0.0	-103.8%
MANAGEABLE COSTS AND EXPENSES	**23.1**	**30.0**	**29.5**	**27.8%**
% Net Revenues	*12.9%*	*16.3%*	*15.0%*	*2.1 p.p.*
Electricity Purchased (including CVA and Cha	107.9	107.7	120.9	12.1%
Other Costs	6.1	7.3	11.3	84.4%
NON-MANAGEABLE COSTS AND EXPENSES	**114.0**	**115.1**	**132.2**	**16.0%**
% Net Revenues	*63.9%*	*62.4%*	*67.4%*	*3.5 p.p.*
TOTAL	**137.0**	**145.0**	**161.7**	**18.0%**

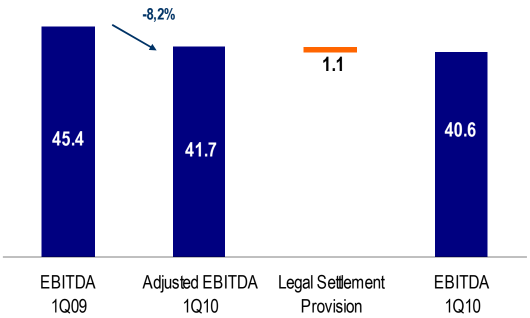
In Light SESA (distribution segment), manageable operating costs and expenses, including personnel, material, outsourced services, provisions, depreciation and others, totaled R$29.5 million, representing an increase of 27.8% between periods. Costs and expenses for personnel, material, outsourced services and others (PMSO) climbed by 13.6%, primarily due to the rise in the outsourced services line. This was in turn largely due to electricity supply interruptions during the quarter, which led to increased customer service costs, such as: call center, emergency services, and maintenance and repair of the electricity network.

For details about Light Energia's and Light ESCO's costs and expenses, refer to Financial Performance – Consolidated

3.3.3 - EBITDA

Light's consolidated EBITDA totaled R$40.6 million in 1Q10. Excluding the non-recurring impact from the recognition of the R$1.1 million provision arising from the legal settlement with the city of Barra do Piraí over dredging of the Piraí River, Light's EBITDA would go down to 8.2%, mainly reflecting the higher costs mentioned in the previous section relating to the increased need to serve customers in the period.

ADJUSTED EBITDA
LIGHT - CONSOLIDATED



3.3.4 - Financial Result

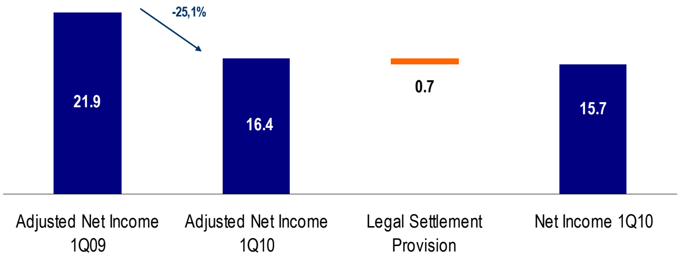
Financial Result (R$ MM)	1Q09	4Q09	1Q10	Chg.
Financial income	2.3	2.1	2.1	-5.7%
Fine charged on energy sale	2.2	1.9	2.6	17.8%
Other financial revenues	1.6	5.6	1.1	-32.5%
Financial Revenue	**6.0**	**9.7**	**5.8**	**-4.1%**
Interest on loans and financing	(6.8)	(5.7)	(7.4)	9.4%
Monetary and foreign exchange variation	(1.8)	(1.4)	(2.8)	56.1%
Other financial expenses	(0.7)	(0.3)	(8.3)	1126.9%
Financial Expenses	**(9.3)**	**(7.4)**	**(18.5)**	**100.4%**
Net Financial Result	**(3.2)**	**2.3**	**(12.8)**	**296.4%**

The 1Q10 financial result was negative, registering a loss of R$12.8 million, compared with a loss of R$3.2 million in 1Q09. Such negative result was mainly due to: (i) increased monetary restatement relative to the Braslight deficit of R$3.0 million, stemming from the difference in the indexing agents between the periods of: -0.56% in 1Q09 and 1.90% in 1Q10; (ii) the payment of R$1.8 million in IOF financial operations tax in connection with the winding up of the offshore company LIR, which resulted in the settlement of US$93.2 million; (iii) R$0.8 million from the monetary restatement of installments pertaining to the REFIS tax repayment program, to which the company adhered in November 2009; and (iv) the R$0.4 million ANEEL fine for the violation of continuity indicators

3.3.5 – Net Income

Light posted net income of R$15.7 million in 1Q10 which, adjusting for the effects of the provision for the legal settlement with the city of Barra do Piraí, is down by 25.1% over 1Q09.

ADJUSTED NET INCOME
LIGHT - CONSOLIDATED



4. Debt

Equatorial closed the first quarter with consolidated gross debt, including charges, of R$1,655.4 million. We note that, as from this quarter, on a *pro forma* basis, we started to consolidate just 13.03% of Light's figures, against 25.0% consolidated previously.

In March 2010, only 1.4% of Equatorial's gross debt, corresponding to R$23.2 million, was denominated in foreign currency (mostly U.S. dollars), R$9.4 million of which from CEMAR and R$13.8 million from Light (considering the 13.03% consolidated by Equatorial).

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

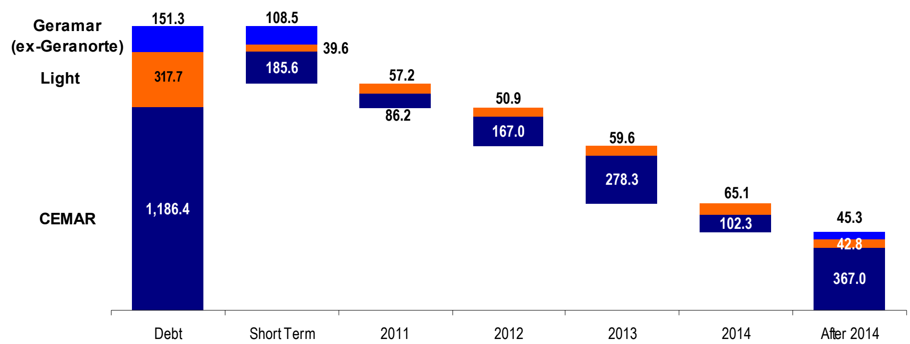
Light's exchange exposure in March 2010 represented 4.3% of its total debt, and the company hedges its future cash flows for the next 24 months through swap agreements with first-tier financial institutions. Considering swap operations currently in effect, foreign currency debt represents 2.5% of this total.

Gross Debt (100% CEMAR + 13.03% Light + 25% Geramar)[2]

	Index	Average Cost (p.a.)	Average Final Date (month/year)	Average Period (years)	Part. (%)
FOREIGN CURRENCY	**CEMAR**	**4.6%**		**11.4**	**0.6%**
	Libor	1.7%	mar-21	11.2	0.2%
	Fixed (US$)	6.6%	jun-21	11.5	0.3%
	Light	**5.0%**		**9.2**	**0.8%**
	Libor	1.2%	fev-19	8.8	0.7%
	US Treasury	0.3%	abr-24	14.0	-0.5%
	Fixed (US$)	5.9%	mar-24	13.9	0.6%
	UmBNDES(***)	14.7%	mar-10	0.0	0.0%
	TOTAL	**4.8%**		**10.1**	**1.4%**
DOMESTIC CURRENCY	**CEMAR**	**8.4%**		**6.9**	**71.1%**
	IGP-M	5.9%	dez-23	14.0	8.9%
	TJLP	9.8%	abr-13	3.0	5.1%
	Fixed (R$)	8.6%	jan-19	9.0	15.6%
	RGR	6.5%	ago-17	7.5	12.5%
	FINEL(**)	10.1%	dez-15	5.9	2.9%
	CDI	9.5%	fev-14	4.0	25.4%
	SELIC	9.0%	jul-10	0.4	0.7%
	Light	**11.4%**		**4.5**	**18.4%**
	Fixed (R$)	5.0%	dez-17	7.0	0.0%
	TJLP	9.6%	nov-15	5.0	4.2%
	CDI	12.0%	set-14	4.4	14.2%
	Geramar (ex-Geranorte)	**11.3%**		**4.7**	**9.1%**
	CDI	13.0%	abr-10	0.3	71.7%
	TJLP	7.0%	dez-25	16.0	28.3%
	TOTAL	**9.2%**		**6.3**	**98.6%**
	TOTAL	**9.1%**		**6.3**	**100.0%**

Expiration	CEMAR	Light	Geranorte	Consolidated	% of Total
Short Term	**185.6**	**39.6**	**108.5**	**333.8**	**20.2%**
Long Term	**1,000.8**	**278.1**	**42.8**	**1,321.7**	**79.8%**
2011	86.2	57.2	-	143.4	8.7%
2012	167.0	50.9	-	217.9	13.2%
2013	278.3	59.6	-	337.9	20.4%
2014	102.3	65.1	-	167.4	10.1%
After 2014	367.0	45.3	42.8	455.1	27.5%
Gross Debt	**1,186.4**	**317.7**	**151.3**	**1,655.4**	**100.0%**
Cash	382.0	119.3	44.7	546.0	
Cash - Holdings				93.2	
Cash - Equatorial Soluções				4.0	
Net Reg. Assets	59.9	-2.1		57.8	
Net Debt	**744.5**	**200.6**	**106.6**	**954.6**	

Schedule of Gross Debt Maturities
(R$ million)

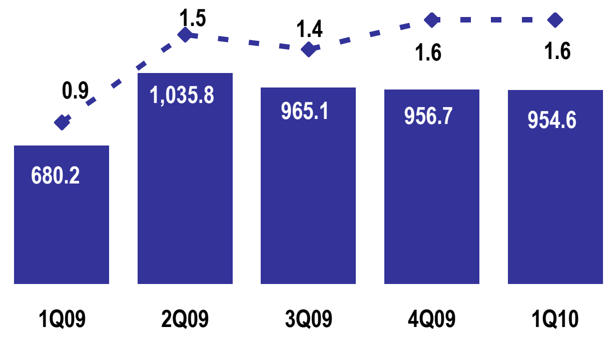


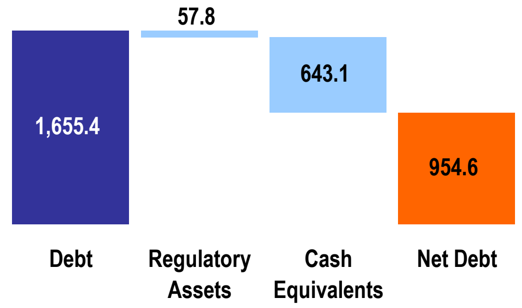
Net debt, including cash and cash equivalents and net regulatory assets, totaled R$954.6 million in 1Q10, almost stable over 4Q09, maintaining a net debt/EBITDA (last 12 months) ratio of 1.6x.

Net Debt (R$MM)(*) and Net Debt/EBITDA (last 12 months)
Consolidated (100% CEMAR + 13.03% Light + 25% Geramar)

Reconciliation of Net Debt (R$MM)
Consolidated (100% CEMAR + 13.03% Light + 25% Geramar)

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





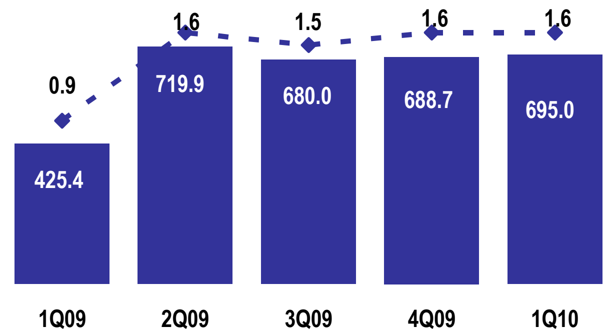
(*) Excluding the debt with Braslight

Bellow, we present a table that shows the net debt of Equatorial in 1Q10 with and without RME, in order to demonstrate how the values would be if the spin off of the Company, which resulted in the creation of Redentor, had happened before the closing of the first quarter.

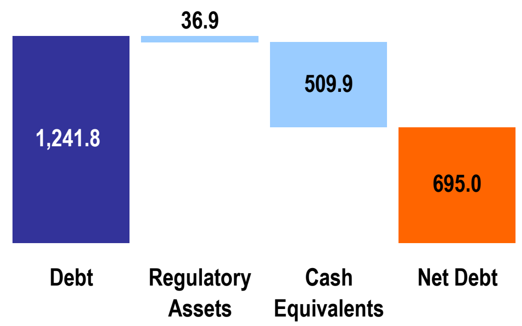
	Equatorial (without RME)	RME	Consolidated
Debt	**1,337.7**	**317.7**	**1,655.4**
Cash	426.7	119.3	546.0
Cash - Holdings	92.8	0.4	93.2
Cash - Equatorial Soluções	4.0	-	4.0
Net Reg. Assets	59.9	(2.1)	57.8
Net Debt	**754.4**	**200.2**	**954.6**

Total consolidated net debt, adjusted for Equatorial's interests in CEMAR (65.12%), Light (13.03%) and Geramar (previously known as Geranorte) (25%), came to R$695.0 million in March 2010, 1.6 times consolidated 12-month EBITDA.

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



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



(*) Excluding the debt with Braslight

5. Investments

The information related to the Investments made in the period reflects 100% of CEMAR's figures, 13.03% of Light's and 25% of Geramar's (previously known as Geranorte). The information herein presented is *pro forma*, still considering Light's figures, which started to be recognized, as from 1Q10, in the financial statements solely under the Equity Method.

CAPEX (R$MM)	1Q09	4Q09	1Q10	Chg.
CEMAR				
Own (*)	43.3	63.6	36.7	*-15.1%*
PLPT	35.8	69.2	33.1	*-7.7%*
Total	**79.1**	**132.8**	**69.8**	***-11.7%***
Light				
Distribution	9.4	19.6	12.6	*34.7%*
Generation	0.6	4.0	2.1	*267.4%*
Energy Trading	0.1	0.2	0.0	*0.0%*
Administration	0.3	3.7	0.3	*0.0%*
Total	**10.4**	**27.5**	**15.0**	***44.3%***
Geramar				
Generation	7.9	13.5	6.3	*-20.1%*
TOTAL EQUATORIAL	**97.3**	**173.8**	**91.1**	**-6.4%**

(*) Including the indirect PLPT investments

5.1 - CEMAR

CEMAR's investments, excluding direct investments related to the PLPT, totaled R$36.7 million in 1Q10, representing a 15.1% decrease over 1Q09. Of this total, R$13.2 million were allocated to the distribution network expansion in the state of Maranhão, R$18.1 million to maintenance of existing network and the remaining R$5.3 million are subdivided into equipment, systems and others.

Investments in PLPT (Light for All Program)

At the close of 1Q10, 235,116 clients were connected to CEMAR's distribution network through the PLPT, directly benefiting over 1.2 million inhabitants in the state of Maranhão. The PLPT is already present in 211 (97%) of Maranhão's 217 municipalities, contributing to the development of areas isolated from the urban centers and generating wealth in these localities. In 1Q10, direct investments in the program, which include expenses with material, freight and outsourced services, totaled R$33.1 million, 7.7% down over 1Q09.

5.2 – LIGHT

In 1Q10, Light's investments came to R$15.0 million, 44.3% more than in 1Q09. In the distribution segment, the major investment projects were allocated to the development of distribution networks in a total of R$12.6 million. These investments comprise new connections, capacity increases, repairs and quality improvement (structural optimization and preventive maintenance).

Generation investments totaled R$2.1 million, mainly in the maintenance of the existing generation complex.

Generation Projects

The first quarter of 2010 was marked by the following events related to projects for expanding Light's generating capacity:

- Construction of PCH Paracambi, which began in November 2009, is well under way, with the signing of a BNDES financing contract expected early in the second half of the year.
- Construction of New Feeder 1, part of the PCH Lajes water channeling system, is under way and scheduled for completion in August 2010.
- The Basic Engineering Project and Environmental Studies (EIA/RIMA) of the Itaocara Hydroelectric Project were completed in February 2010, permitting their subsequent analysis and approval by ANEEL and the application for environmental licenses, conditions that must be met before construction can begin;
- The Company completed the acquisition of two wind energy plants with a total installed capacity of 31 MW located in Aracati/CE. These projects are currently in the development stage, the goal being to have them ready in time for participation in the 2010 Reserve Energy Auction, which should be held before the end of the first half of 2010.

In addition to these projects, the Company is considering participating in other generation undertakings, which together ensure the increase of installed generation capacity.

6. Capital Markets

Equatorial Energia's shares closed 1Q10 at R$15.64, 13.6% down over the closing of 4Q09 (R$18.10).

Daily traded volume averaged R$4.9 million in the 60 trading sessions ended March 31, 2010. The Company's shares are listed in the Bovespa's *Novo Mercado* trading segment and in the IEE, ITAG and IGC indices.

7. Equatorial's Partial Split-off

As disclosed in a Material Fact dated December 30, 2009, Equatorial's controlling shareholder, FIP PCP and CEMIG signed a Share Purchase and Sale Agreement and Other Covenants, with Equatorial in the capacity of intervening consenting party, aiming at the sale of the indirect stake held by FIP PCP in Light.

The Agreement provided that FIP PCP would approve Equatorial's partial split-off, segregating its stake in RME from the other assets held by the Company, including its stakes in Cemar, Equatorial Soluções and Geramar (previously known as Geranorte). Said transaction was approved in the Annual and Extraordinary General Meeting held on April 29, 2010 and was carried out by means of the transfer of the stake held by the Company in RME to a new company called Redentor Energia S.A.

Redentor's capital consists solely of common shares. Each shareholder of Equatorial received one share in Redentor for each share held in the Company. There will be no changes or elimination of rights for the shares issued by Redentor in relation to the shares issued by Equatorial, as the shares issued by Redentor allotted to the shareholders of Equatorial as a result of the Partial Spin-off will be entitled to the same rights and advantages granted to the shares issued by the Company.

The common shares issued by the Company trading in the market will be traded "*cum rights*" to the Partial Spin-off, until the conclusion of the process of listing and admission of trading of Redentor shares at the *Novo Mercado* segment. Through this date, the shares issued by Equatorial shall only be traded in a stock exchange together with the corresponding shares issued by Redentor, under ticker EQTL3, the isolated trading in a stock exchange being prohibited for shares issued by Redentor or Equatorial.

As from the admission of Redentor shares to trading in the *Novo Mercado* segment of BM&FBovespa, the shares issued by Equatorial and the shares issued by Redentor will start to be traded independently. This event will be disclosed to the market on a timely manner.

The agreement also establishes the listing of Redentor shares on the *Novo Mercado* segment, then FIP PCP will sell its entire direct and/or indirect interest in Redentor to a company in which CEMIG holds an interest of not less than 20% percent.

Acquisition Price

The price to be paid for Redentor shares will correspond to R$785 million for its total indirect stake in Light. The price will be adjusted by CDI as from December 1, 2009 until the conclusion of the purchase and sale, and can also be adjusted to proportionally reflect any dividends paid or declared by Light during the same period, as applicable. Considering March 31, 2010 figures, the price adjusted by CDI stands in approximately R$806 million (or almost R$30.3 per Light's share).

Public Offering by Transfer of Control

In the event of materialization of the transaction, with the effective transfer of Redentor's control, the acquiring party or Redentor, pursuant to the schedules established in law, will arrange for registration with the CVM a public offering for acquisition of shares by transfer of Redentor's control.

- Further information on the ongoing transaction can be obtained by accessing the Material Facts announced by the Company on December 30, 2009, and April 14 and 29, 2010.

8. Recent Events

Changes in CEMAR's and Equatorial's Top Management

In April, Mr. Carlos Piani formalized his resignation to the position of Equatorial's and CEMAR's Chief Executive Officer, and he was elected Chairman of the Board of both companies. In CEMAR, Mr. Augusto Miranda assumed the Chief Executive Officer position, previously Vice-President of Operations. In Equatorial, Mr. Firmino Sampaio assumed the Chief Executive Officer position, previously Chairman of the Board.

Equatorial's Spin-off

On April 29, the Company's General Meeting approved the proposal for Equatorial's partial spin-off, resulting in the creation of Redentor Energia, a holding with an indirect interest of 13.03% in Light S.A., through RME. For further details, refer to section 7 – Equatorial's Partial Spin-off.
Redentor Energia is under constitution e will be further listed in the BM&FBovespa's Novo Mercado segment. We expect the listing process to take up to 90 days until it is concluded.

9. New Projects

Equatorial continues to seek investment opportunities in the distribution and generation segments, in line with its corporate strategy of playing a leading role in the consolidation of electricity distributors in Brazil and Latin America and in supplying the country's future generation needs.

10. Services Provided by Independent Auditors

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

The following information was not reviewed by the independent auditors: i) non-financial information relating to Light and CEMAR (*Programa Luz para Todos [PLPT]* - Light for All Program); ii) *pro forma* financial information and its comparison with the results presented in the period; and iii) Management's expectations regarding the future performance of the Companies.

11. Disclosure Calendar

Conference Call in English	Conference Call in Portuguese
Tuesday, May 18, 2010	Tuesday, May 18, 2010
12:00 pm (Brasília time)	2:00 pm (Brasília time)
11:00 am (New York time)	1:00 pm (New York time)
Telephone: +1 (412) 858-4600	Telephone: +0 XX (11) 2188-0155
Replay: +1 (412) 317-0088	Replay: +0 XX (11) 2188-0188
Code: Equatorial	Code: Equatorial

- Participants should connect approximately 10 minutes before the start of the call.
- **Slides and Webcast**: The presentation slides will be available for viewing and download on the Investor Relations section of our website http://www.equatorialenergia.com.br/ri as of the date of the calls. The calls will be transmitted live on the internet on the same site, remaining available after the events.
- **Replay**: The call replays will be available from May 18 to 25, 2010. To access, please dial the above-mentioned numbers or visit our website.

Contacts

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Additional Information on Light and CEMAR

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

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

DISCLAIMER

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

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

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

Accounting criteria adopted:
The information contained herein is presented in consolidated figures, pursuant to Brazilian Corporate Law, based on revised financial information. The consolidated financial information represents 100% of CEMAR's results, excluding 34.86% related to minority interests, 13.03% of Light's results and 25% of Geramar's (previously known as Geranorte) results.

The consolidated operating information represents 100% of CEMAR's, 13.03% of Light's and 25% of Geramar's (previously known as Geranorte) results.

To assure comparability between periods, the financial information for 1Q09 is presented on a *pro forma* basis, considering the same interest held by Equatorial in RME and by RME in Light at the close of 1Q10.

Equatorial's *pro forma* results for 1Q09 are based on Light's *pro forma* results for the same period, which were adjusted to reflect the changes introduced by Law 11638/07, pursuant to CVM Resolution 565/08, together with profit sharing, which is no longer recorded as personnel costs/expenses and is now recognized after the Income Tax line.

Annex 1 – Consolidated Income Statement (R$ MM)

- In order to facilitate quarterly and annual comparisons, the 1Q09 figures are *pro forma*, assuming that Equatorial held the same interest in RME and that RME held the same interest in Light as they do currently.

- Equatorial's *pro forma* results for 1Q09 are based on Light's *pro forma* results for the same period, which were adjusted to reflect the changes introduced by Law 11638/07, pursuant to CVM Resolution 565/08, together with profit sharing, which is no longer recorded as personnel costs/expenses and is now recognized after the Income Tax line.

INCOME STATEMENT (R$ MM)	1Q09	4Q09	1Q10
GROSS OPERATING REVENUES	**669.9**	**747.6**	**723.6**
Electricity Sales to Final Consumer	632.2	664.5	679.5
Electricity Supply	15.9	13.6	14.2
Other Revenues	21.8	69.4	30.0
DEDUCTIONS FROM OPERATING REVENUES	**(219.4)**	**(230.8)**	**(240.1)**
NET OPERATING REVENUES	**450.5**	**516.8**	**483.5**
ELECTRICITY COSTS	**(221.6)**	**(248.5)**	**(254.6)**
Electricity Purchased for Resale	(202.3)	(219.7)	(232.8)
Transmission and Distribution Network Usage Charges	(18.9)	(28.1)	(21.1)
Other non-manageable expenses	(0.3)	(0.7)	(0.7)
OPERATING COSTS/EXPENSES	**(78.4)**	**(96.7)**	**(104.7)**
Personnel	(18.0)	(26.7)	(26.2)
Material	(2.6)	(4.0)	(3.0)
Services	(32.2)	(48.7)	(36.3)
Provisions	(21.0)	(18.7)	(19.3)
Others	(4.6)	1.3	(20.0)
EBITDA	**150.5**	**171.5**	**124.2**
Other Operating Revenue/Expenses	(7.6)	(0.7)	(2.0)
Depreciation and Amortization	(35.6)	(30.4)	(32.0)
SERVICE INCOME	**107.2**	**140.5**	**90.2**
EQUITY INCOME	**0.3**	**(2.4)**	**0.3**
Goodwill Amortization	0.3	(2.4)	0.3
FINANCIAL INCOME	**1.5**	**(76.0)**	**(19.4)**
Financial Revenue	39.8	28.7	33.0
Financial Expenses	(38.3)	(104.6)	(52.4)
RESULT BEFORE INCOME TAX	**109.0**	**62.1**	**71.1**
Social Contribution	(6.0)	(10.6)	(13.3)
Income Tax	(17.5)	(37.3)	(10.9)
Deferred Taxes	(11.3)	(20.9)	4.8
SUDENE Incentive	13.7	6.9	10.6
PROFIT SHARING	**(4.1)**	**(11.5)**	**(3.4)**
MINORITY INTERESTS	**(20.8)**	**10.9**	**(17.1)**
INTEREST ON EQUITY REVERSAL	**-**	**7.4**	**-**
NET INCOME	**63.0**	**7.1**	**41.7**

ANNEX 2 – INCOME STATEMENT PER COMPANY (R$ MM)

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

INCOME STATEMENT PER COMPANY (R$MM)	Equatorial Holding	Equatorial Soluções 100%	Geramar 25%	CEMAR 100%	RME 13.03%	Eliminações	Equatorial Consolidated
GROSS OPERATING REVENUES	**0.3**	**0.5**	**8.3**	**390.2**	**324.3**	**-**	**723.6**
Electricity Sales to Final Consumer	-	-	8.3	384.7	286.5	-	679.5
Electricity Supply	-	-	-	1.6	12.6	-	14.2
Emergency Capacity Charge	-	-	-	(0.0)	-	-	(0.0)
Other Revenues	0.3	0.5	-	3.9	25.2	-	30.0
DEDUCTIONS FROM OPERATING REVENUES	**(0.0)**	**(0.0)**	**(0.8)**	**(122.7)**	**(116.5)**	**-**	**(240.1)**
NET OPERATING REVENUES	**0.3**	**0.4**	**7.5**	**267.5**	**207.8**	**-**	**483.5**
ELECTRICITY COSTS	**-**	**-**	**(3.1)**	**(119.2)**	**(132.3)**	**-**	**(254.6)**
Electricity Purchased for Resale	-	-	(2.8)	(97.7)	(132.3)	-	(232.8)
Transmission and Distribution Network Usage Charges	-	-	(0.3)	(20.7)	-	-	(21.1)
Other non-manageable expenses				(0.7)			(0.7)
OPERATING COSTS/EXPENSES	**(8.2)**	**(0.4)**	**(0.6)**	**(59.5)**	**(36.0)**	**-**	**(104.7)**
Personnel	(6.8)	(0.3)	(0.1)	(14.9)	(4.2)	-	(26.2)
Material	(0.0)	-	(0.1)	(2.0)	(0.9)	-	(3.0)
Services	(0.8)	(0.1)	(0.0)	(30.6)	(4.8)	-	(36.3)
Provisions	-	-	-	(8.0)	(11.3)	-	(19.3)
Others	(0.6)	(0.0)	(0.5)	(4.1)	(14.9)	-	(20.0)
EBITDA	**(7.9)**	**0.0**	**3.8**	**88.8**	**39.5**	**-**	**124.2**
Other Operating Revenue/Expenses	-	-	-	(2.0)	-	-	(2.0)
Depreciation and Amortization	(0.0)	(0.0)	(0.8)	(22.4)	(8.8)	-	(32.0)
SERVICE INCOME	**(7.9)**	**0.0**	**3.0**	**64.4**	**30.7**	**-**	**90.2**
EQUITY INCOME	**46.0**	**-**	**-**	**-**	**1.2**	**(46.9)**	**0.3**
Equity Income	46.9	-	-	-	-	(46.9)	-
Goodwill Amortization	(0.9)	-	-	-	1.2	-	0.3
FINANCIAL INCOME	**2.0**	**0.1**	**(2.3)**	**(6.4)**	**(12.8)**	**-**	**(19.4)**
Financial Revenue	2.0	0.1	0.0	25.1	5.8	-	33.0
Financial Expenses	(0.0)	(0.0)	(2.3)	(31.5)	(18.5)	-	(52.4)
RESULT BEFORE INCOME TAX	**40.0**	**0.1**	**0.7**	**58.0**	**19.1**	**(46.9)**	**71.1**
Social Contribution	(0.1)	(0.0)	(0.0)	(6.8)	(6.4)	-	(13.3)
Income Tax	(0.2)	(0.0)	(0.1)	(10.6)	-	-	(10.9)
Deferred Taxes	-	-	-	0.3	4.5	-	4.8
SUDENE Incentive	-	-	-	10.6	-	-	10.6
PROFIT SHARING	**(0.5)**	**-**	**-**	**(2.7)**	**(0.3)**	**-**	**(3.4)**
MINORITY INTERESTS	**-**	**-**	**-**	**-**	**-**	**(17.1)**	**(17.1)**
NET INCOME	**39.3**	**0.1**	**0.6**	**48.9**	**16.8**	**(63.9)**	**41.7**

ANNEX 3 – BALANCE SHEET (R$ MM)

ASSETS (R$ MM)	1T09	2T09	3T09	4T09	1T10
CURRENT	**1,274.7**	**1,011.4**	**1,297.7**	**1,396.5**	**1,463.7**
Cash and Cash Equivalents	516.8	266.8	455.7	548.8	643.1
Consumers and Resellers	474.9	470.6	483.5	506.0	526.1
Inventory	14.5	14.2	13.7	7.4	9.2
Taxes Recoverable	116.2	125.9	131.1	103.9	121.8
Low Income	19.5	20.4	22.2	25.1	22.5
Regulatory Assets	67.7	37.9	114.0	118.6	52.3
Other Accounts Receivable	65.2	75.7	77.5	86.7	88.7
LONG TERM ASSETS	**649.8**	**709.3**	**646.9**	**584.3**	**599.2**
Consumers and Resellers	83.1	93.5	105.5	107.0	106.1
Taxes Recoverable	96.9	101.8	105.0	124.5	233.4
Deferred Taxes - Income Tax / Social Contribution	350.1	384.9	380.4	320.6	217.1
Other Accounts Receivable	119.7	129.1	56.0	32.1	42.6
FIXED ASSETS	**1,963.3**	**2,044.9**	**2,205.2**	**2,175.2**	**2,225.4**
Investments	2.7	2.7	2.8	3.8	2.7
Deferred	3.7	3.7	3.5	3.5	3.3
Goodwill	249.5	247.8	329.7	251.1	322.2
Fixed Assets	2,393.6	2,506.0	2,659.0	2,769.8	2,799.8
(-) Special Obligations	(686.3)	(715.4)	(789.9)	(852.9)	(902.7)
TOTAL ASSETS	**3,887.8**	**3,765.6**	**4,149.8**	**4,155.9**	**4,288.3**

LIABILITIES AND SHAREHOLDERS' EQUITY (R$ M	1T09	2T09	3T09	4T09	1T10
CURRENT	**884.2**	**653.1**	**770.8**	**851.8**	**837.1**
Suppliers	208.5	201.0	242.6	256.6	187.7
Salaries	0.9	0.7	0.9	1.2	1.3
Dividends / Interest on Equity	249.6	12.5	12.4	70.5	70.5
Taxes and Social Contribution	55.7	66.8	87.4	71.0	68.0
Loans and Financing	113.5	183.7	235.2	249.5	266.0
Debentures	11.9	19.7	13.8	20.4	67.8
Public Lighting	19.6	18.8	19.8	22.4	15.5
Provision for Contingencies	7.0	5.7	3.2	3.3	2.5
Regulatory Liabilities	24.5	18.2	16.5	22.0	31.0
Others	193.0	126.0	139.0	134.9	126.7
LONG TERM LIABILITIES	**1,692.6**	**1,698.1**	**1,866.3**	**1,868.1**	**1,934.0**
Taxes and Social Contribution	174.6	182.5	193.7	268.9	265.9
Debentures	387.0	385.1	421.3	419.2	363.6
Loans and Financing	833.8	841.8	884.5	932.7	958.2
Provision for Contingencies	131.9	128.3	126.3	81.7	92.8
Negative Goodwill	4.0	3.1	80.4	-	75.0
Others	161.3	157.3	160.1	165.7	178.5
MINORITY INTERESTS	**226.3**	**261.1**	**285.6**	**254.5**	**271.7**
SHAREHOLDERS EQUITY	**1,084.8**	**1,153.3**	**1,227.0**	**1,181.5**	**1,245.6**
Capital Stock	906.9	907.3	907.5	907.5	926.0
Profit Reserves	113.9	114.6	115.3	274.1	280.3
Retained Earnings/Accumulated Deficit	64.0	131.4	204.3	-	39.3
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**3,887.8**	**3,765.6**	**4,149.8**	**4,155.9**	**4,288.3**

ANNEX 4 – INDEBTEDNESS

Considering 100% of CEMAR and 13.03% of Light (excluding the debt with Braslight) + 25% of Geramar (previously known as Geranorte)

LOANS AND FINANCING LINES (R$ MM)	1Q09				1Q10			
	S. T. - Charges	S. T. - Principal	L. T.	Total	S. T. - Charges	S. T. - Principal	L. T.	Total
FOREIGN CURRENCY	**1.3**	**3.8**	**28.0**	**33.1**	**0.7**	**2.6**	**19.9**	**23.2**
National Treasury	1.3	2.7	27.8	**31.7**	0.7	2.4	19.9	**23.0**
Others	0.0	1.1	0.3	**1.3**	0.0	0.2	0.0	**0.2**
DOMESTIC CURRENCY	**17.8**	**78.4**	**789.5**	**885.7**	**9.6**	**253.1**	**938.2**	**1,201.0**
Eletrobrás	3.7	28.0	309.7	**341.4**	0.0	45.4	368.1	**413.5**
Financial Institutions	14.1	46.0	456.4	**516.5**	9.6	202.5	549.6	**761.8**
Debt with Pension Fund	0.0	4.5	23.4	**27.9**	0.0	5.1	20.5	**25.7**
SUB TOTAL - LOANS AND FINANCING	**19.0**	**82.2**	**817.6**	**918.8**	**10.3**	**255.7**	**958.2**	**1,224.2**
Debentures	3.0	18.5	387.3	**408.8**	3.4	64.4	363.6	**431.4**
DEBT TOTAL	**22.1**	**100.6**	**1,204.9**	**1,327.6**	**13.7**	**320.1**	**1,321.8**	**1,655.6**

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

Considering 65.12% of CEMAR + 13.03% of Light (excluding the debt with Braslight) + 25% of Geramar (previously known as Geranorte)

LOANS AND FINANCING LINES (R$ MM)	1Q09				1Q10			
	S. T. - Charges	S. T. - Principal	L. T.	Total	S. T. - Charges	S. T. - Principal	L. T.	Total
FOREIGN CURRENCY	**1.1**	**3.7**	**23.7**	**28.5**	**0.6**	**2.3**	**17.0**	**19.9**
National Treasury	1.1	2.6	23.4	**27.2**	0.6	2.1	17.0	**19.7**
Others	0.0	1.1	0.3	**1.3**	0.0	0.2	0.0	**0.2**
DOMESTIC CURRENCY	**12.9**	**55.1**	**555.3**	**623.3**	**7.8**	**209.8**	**666.7**	**884.4**
Eletrobrás	2.4	18.5	201.8	**222.7**	0.0	29.6	239.8	**269.4**
Financial Institutions	10.5	33.7	338.2	**382.4**	7.8	176.9	413.5	**598.2**
Debt with Pension Fund	0.0	2.9	15.2	**18.1**	0.0	3.3	13.4	**16.7**
SUB TOTAL - LOANS AND FINANCING	**14.1**	**58.8**	**579.0**	**651.8**	**8.4**	**212.2**	**683.7**	**904.3**
Debentures	3.0	14.1	294.1	**311.2**	3.4	45.0	289.0	**337.5**
DEBT TOTAL	**17.1**	**72.9**	**873.0**	**963.0**	**11.8**	**257.2**	**972.7**	**1,241.8**

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

ANNEX 5 – CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW (R$MM)	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10
Cash and Cash Equivalents - Initial Balance	591.8	614.7	516.8	266.8	455.7	548.8
CF from Operating Activities						
Net Income	76.9	63.0	71.2	65.9	7.1	41.7
(+) Non Cash Expenses	39.8	35.4	34.7	33.8	32.8	31.7
Changes in Assets	(93.7)	546.7	(46.2)	(35.0)	57.0	12.0
Changes in Liabilities	80.1	(914.6)	(41.4)	193.0	(68.5)	32.1
(=) Cash Flow from Operating Activities	**103.1**	**(269.6)**	**18.3**	**257.6**	**28.3**	**117.6**
CF from Investments						
Fixed Assets	(223.3)	393.6	(149.1)	(188.0)	(141.1)	(62.0)
Others	(7.3)	116.7	3.8	(80.6)	75.3	(69.7)
(=) Cash Flow from Investments	**(230.6)**	**510.3**	**(145.3)**	**(268.6)**	**(65.9)**	**(131.7)**
CF from Financing						
Loans and Financing	*47.5*	*(239.6)*	*84.0*	124.6	67.0	33.8
Dividends	*(0.0)*	*(0.0)*	*(237.1)*	(0.1)	-	-
Capital Increase	2.6	*(80.3)*	*1.1*	0.9	0.6	24.7
Subsidies	100.3	*(18.7)*	*29.1*	74.5	63.1	49.8
(=) Cash Flow from Financing	**150.5**	**(338.6)**	**(122.9)**	**199.8**	**130.6**	**108.3**
(=) Quarterly Cash Flow	**22.9**	**(97.9)**	**(249.9)**	**188.9**	**93.1**	**94.3**
Cash and Cash Equivalents - Final Balance	614.7	516.8	266.8	455.7	548.8	643.1

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Independent accountants' special review report

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

1. We have performed a special review of the Quarterly Information of Equatorial Energia S.A., the Company's and its subsidiaries' consolidated quarterly information of the quarter ended March 31 2010, comprising the consolidated balance sheets, statements of income, changes in shareholders' equity and cash flows, the notes to the quarterly information and the earnings release, which are the responsibility of its management.

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

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

4. As reported in Note 3, during 2009, the CVM approved various Pronouncements, Interpretations and Guidelines issued by the Accounting Pronouncements Committee - CPC effective for 2010, which altered the accounting practices adopted in Brazil. As provided in CVM Decision 603/09, Management from the Company and its subsidiaries, opted to present the Quarterly Financial Information (ITR) applying the accounting practices adopted in Brazil until December 31, 2009, that is, they did not apply the rules that are effective for 2010. As required by CVM Decision 603/09, the Company published in Note 3 to the Quarterly Financial Information, a description of the main alterations that could have an impact on the financial statements at the end of the financial year, and explanations as to the reasons that prevented the presentation of estimates of the possible effects of such on the shareholders' equity and results.

São Luis, May 14, 2010

KPMG Auditores Independentes
CRC SP-014428/O-6 S-MA

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

Equatorial Energia S.A.

(Publicly-held Company)

Balance sheets

March 31, 2010 and December 31, 2009

(In thousands of Reais)

		Parent company		Consolidated	
Assets	**Note**	**2010**	**2009**	**2010**	**2009**
Current assets					
Cash and cash equivalent	5	17	31	58,605	30,045
Marketable securities	5	92,748	78,770	464,808	617,932
Consumers and resellers	6	(4)	-	386,913	918,623
Low income consumers	7	-	-	22,490	26,940
Services requested	11	-	-	20,827	51,255
Allowance for doubtful accounts	6	-	-	(45,078)	(249,575)
Recoverable taxes	8	472	130	50,082	156,928
Deferred income tax and social contribution	9	-	-	5,444	63,747
Prepaid expenses		6	16	2,648	1,497
Inventories		-	-	5,845	9,112
Regulatory assets	10	-	-	52,317	149,447
Dividends receivable		37,992	37,992	-	-
Other accounts receivable		-	-	3,866	24,339
		131,231	116,939	1,028,767	1,800,290
Non-current assets					
Long-term assets					
Consumers and resellers	6	-	-	69,319	142,685
Recoverable taxes	8	11,253	13,078	119,972	129,429
Deferred income tax and social contribution	9	-	-	217,134	413,960
Prepaid expenses		-	-	-	415
Regulatory assets	10	-	-	-	9,030
Judicial deposits		2	2	2	32,767
Others accounts receivable		-	-	8,927	11,140
		11,255	13,080	415,354	739,426
Results from discontinued operations	33	373,552	-	373,552	-
Property, plant and equipment	13	298	298	1,317,835	2,433,821
Investments	11	538,204	864,997	(2,888)	2,209
Intangible assets	14	242,774	243,661	295,498	364,120
Deferred assets	15	432	469	1,861	3,454
Total		1,297,746	1,239,444	3,429,979	5,343,320

		Parent company		Consolidated	
Liabilities	**Note**	**2010**	**2009**	**2010**	**2009**
Current liabilities					
Accounts payable to suppliers	16	461	149	116,087	324,115
Payroll		64	44	923	1,598
Payroll charges		96	81	6,480	17,966
Loans and financing	17	-	-	238,636	273,112
Debentures	18	-	-	55,508	31,917
Regulatory taxes	19	-	-	4,949	30,648
Taxes payable	20	1,242	1,088	48,744	105,090
Dividends and interest on shareholders' equity	22	49,848	49,848	70,468	122,211
Provision for contingences	21	-	-	2,500	3,316
Public lighting tariff		-	-	15,507	28,555
Regulatory liabilities	10	-	-	14,902	26,768
Researches and development and Energy Efficiency Program	23	-	-	22,019	74,632
Profit sharing		394	6,679	3,787	20,586
Other accounts payable	24	45	12	18,837	55,893
		52,150	57,901	619,347	1,116,407
Non-current liabilities					
Loans and financing	17	-	-	829,736	1,053,190
Debentures	18	-	-	213,840	558,740
Taxes payable	20	-	-	226,621	305,238
Provision for contingences	21	2	2	2,614	154,005
Researches and development and Energy Efficiency Program	23	-	-	16,624	16,624
Regulatory liabilities	10	-	-	-	3,698
Other accounts payable	24	-	-	3,938	278,520
Negative goodwill	11	-	-	-	76,162
		2	2	1,293,373	2,446,177
Minority interest		-	-	271,666	599,195
Shareholder's equity	25				
Capital		925,996	907,485	925,996	907,485
Capital reserves		11,223	5,003	11,223	5,003
Profit reserves		269,053	269,053	269,052	-
Accumulated profits		39,322	-	39,322	269,053
		1,245,594	1,181,541	1,245,593	1,181,541
Total		1,297,746	1,239,444	3,429,979	5,343,320

See the accompanying notes to the quarterly information.

Equatorial Energia S.A.

(Publicly-held Company)

Statements of changes in shareholders' equity

Period ended March 31, 2010 and 2009

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

	Note	Parent company 2010	Parent company 2009	Consolidated 2010	Consolidated 2009
Revenues	**26**	335	-	399,314	948,233
Energy electric sales		-	-	393,012	883,754
Energy electric supply		-	-	1,574	25,950
Other revenues		335	-	4,728	38,530
Deductions		(48)	-	(123,574)	(325,669)
Value-Added Tax - ICMS on electricity sales		-	-	(66,689)	(197,696)
Social contribution on billings - COFINS and Social Integration Program – PIS		(31)	-	(38,837)	(66,098)
Consumer charges		-	-	(12,644)	(57,204)
Quota in Global Reversal Reserve - RGR		-	-	(4,458)	(4,206)
Services Tax - ISS		(17)	-	(187)	(151)
Emergency capacity charges		-	-	7	-
Others		-	-	(766)	(314)
Net revenues		287	-	275,740	622,564
Cost of sales and/or services rendered		-	-	(157,325)	(396,081)
Cost of electric energy	**27**	-	-	(121,572)	(325,664)
Electric energy purchased for resale		-	-	(100,503)	(306,714)
Charge for the transmission and distribution system use		-	-	(21,070)	(18,950)
Operating cost	**27**	-	-	(35,753)	(70,410)
Personal		-	-	(4,754)	(12,114)
Material		-	-	(1,425)	(2,250)
Third party service		-	-	(8,786)	(15,311)
Depreciation and amortization		-	-	(19,757)	(38,951)
Leasing and rent		-	-	(32)	(26)
Others		-	-	(999)	(1,759)
Cost from third party service	**27**	-	-	-	(7)
Personal		-	-	-	(1)
Third party service		-	-	-	(6)
Gross profit		287	-	118,415	226,483
Selling expenses		-		(15,928)	(17,673)
General and administrative expenses		(787)	(1,331)	(17,529)	(14,506)
Management remuneration		(6,800)	(529)	(7,833)	(5,751)
Allowance for doubtful accounts and credit losses		-	-	(5,823)	(25,669)
Provision (reversal) for contingencies		-	-	(1,337)	(3,185)
Depreciation and amortization		(37)	(37)	(3,409)	(5,813)
Others operating income (expenses)		(603)	(630)	(7,032)	(13,320)
Service operating result		(7,940)	(2,527)	59,524	140,567
Financial income (expenses)	**27**	1,983	6,550	(6,655)	(1,513)
Financial income		1,983	7,062	13,734	28,449
Fine charged on electric energy sale		-	-	12,617	13,438
Monetary and foreign exchange variation		-	-	804	8,172
Interest on loans and financing		-	-	(28,783)	(38,808)
Interest on shareholders' equity		-	(11,865)	-	-
Others		-	11,353	(5,027)	(12,765)
Equity in income	**27**	31,597	62,234	(888)	272
Operating income/expenses		25,353	66,257	(66,434)	(87,157)
Operating income		25,640	66,257	51,981	139,326
Income before income and social contribution taxes		25,640	66,257	51,981	139,326
Provision of income tax and social contribution tax		(254)	(784)	(6,873)	(30,446)
Social contribution tax		(69)	(209)	(6,871)	(7,004)
Income tax		(185)	(575)	(10,879)	(20,509)
Tax subsidy from SUDENE		-	-	10,562	13,660
Deferred income before income tax and social contribution		-	-	315	(16,594)
Results from discontinued operations (Spin off)		14,386	-	14,386	-
Income before profit sharing		39,772	65,473	59,494	108,880
Profit sharing		(450)	(1,150)	(3,126)	(4,957)
Income before minority interest		39,322	64,323	56,368	103,923
Minority interest		-	-	(17,046)	(40,903)
Net income for the period		39,322	64,323	39,322	63,020
Income per share (lot of thousand)		0.36	0.61	0.36	0.60
Number of shares		108,480,828	105,638,030	108,480,828	105,638,030

See the accompanying notes to the quarterly information.

Equatorial Energia S.A.

(Publicly-held Company)

Statements of changes in shareholders' equity

March 31, 2010 and December 31, 2009

(In thousands of Reais)

			Profit reserves			
	Capital	**Capital reserves**	**Legal**	**Investment and expansion reserve**	**Retained earnings**	**Total**
Balances at December 31, 2008	987,649	2,611	28,563	82,303	-	1,101,126
Grantee stock options	-	2,392	-	-	-	2,392
Capital increase	2,139	-	-	-	-	2,139
Capital decrease	(82,303)	-	-	-	-	(82,303)
Net income for the year	-	-	-	-	208,991	208,991
Distributions:						
Legal reserve	-	-	10,450	-	(10,450)	-
Retained earnings reserve	-	-	-	147,737	(147,737)	-
Dividends	-	-	-	-	(43,392)	(43,392)
Interest on shareholders' equity	-	-	-	-	(7,412)	(7,412)
Balances at December 31, 2009	907,485	5,003	39,013	230,040	-	1,181,541
Grantee stock options	-	6,220	-	-	-	6,220
Capital increase	18,511	-	-	-	-	18,511
Net income for the period	-	-	-	-	39,322	39,322
Balances at March 31, 2010	925,996	11,223	39,013	230,040	39,322	1,245,594

See the accompanying notes to the quarterly information.

Equatorial Energia S.A.

(Publicly-held Company)

Statements of cash flows - Indirect method

Period ended March 31, 2010 and 2009

(In thousands of Reais)

	Parent company		Consolidated	
	2010	**2009**	**2010**	**2009**
Cash flows from operating activities				
Net income for the period	39,322	64,323	39,322	63,020
Expenses (income) which not affect the cash and cash equivalent				
Depreciation and amortization	37	37	23,167	44,764
Equity in income	(32,485)	-	-	-
Stock Options	6,220	-	6,220	-
Investments	359,278	(62,141)	1,988	(1,256)
Investment RME spin off process	(373,552)		-	-
Monetary/exchange variation	-	-	-	3,177
	-	-	-	8,786
Credits from income and social contribution taxes	-	-	-	16,593
Minority interest	-	-	17,059	40,903
Amortization of goodwill	888	888	888	(272)
Allowance for doubtful accounts	-	-	-	25,669
Provision for contingencies	-	-	-	3,185
	(292)	3,107	88,644	204,569
Changes in assets and liabilities				
(Increase) decrease in accounts receivable	4	-	605,076	(27,673)
(Increase) decrease in inventories	-	-	3,267	(3,997)
(Increase) decrease in recoverable taxes	1,484	(743)	116,302	20,400
(Increase) decrease in other accounts receivable	9	(772)	(127,164)	(11,166)
Increase (decrease) in suppliers	312	109	(208,029)	(31,016)
Increase (decrease) in taxes payable	154	(778)	(134,963)	(14,752)
Decrease in other accounts payable and provisions	(6,219)	(1,838)	(1,017,370)	(42,619)
	(4,256)	(4,022)	(762,881)	(110,823)
Net cash provided (used) by operating activities	(4,548)	(915)	(674,237)	93,746
Cash flows from investment activities				
Purchases of property, plant and equipment	(37)	(37)	1,092,819	(124,666)
Intangible assets	-	(888)	67,735	2,866
Others	38	37	1,591	94
Net cash provided (used) in investment activities	1	(888)	1,162,145	(121,706)
Cash flows from financing activities				
Capital integralization	18,511	1,545	18,511	1,545
Capital reserve	-	70	-	70
Dividends/ Interest on shareholders' equity paid	-	-	(51,744)	-
Increase (Amortization) in loans and financing	-	-	(579,239)	16,599
Net cash provided (used) in financing activities	18,511	1,615	(612,472)	18,214
Cash and cash equivalents provided (used) in the period	13,964	(188)	(124,564)	(9,746)
Increase in cash and cash equivalents				
At beginning of period	78,801	187,258	647,977	614,655
At end of period	92,765	187,070	523,413	604,909
Increase (decrease) in cash and cash equivalents	13,964	(188)	(124,564)	(9,746)

See the accompanying notes to the quarterly information.

Equatorial Energia S.A

(Publicly-held Company)

Notes to the quarterly information

Period ended March 31, 2010 and 2009

(In thousands of Reais, unless when specified)

1 Operations

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

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

Equatorial holds investments, as presented below:

Companhia Energética do Maranhão ("CEMAR"): a private stock corporation, whose main activity is the distribution of Electric energy. CEMAR's concession area is the State of Maranhão, attending, at December 31, 2009, more than 1.7 million clients and covering an area in excess of 333 thousand Km². The concession contract for the distribution of electricity, number 060, agreed between the Company, the National Electric Energy Agency - ANEEL and CEMAR, is effective until August 10, 2030, and can be extended for a further 30 years. At March 31, 2010, the Company held an investment interest of 65.11% (65.12% at December 31, 2009) in CEMAR.

Rio Minas Energia Participações S.A. ("RME"): On February 12, 2008, the Extraordinary General Meeting of Equatorial approved the incorporation of PCP Energia Participações S.A., a company that holds an indirect interest of 13.03% in Light S.A., through RME - Rio Minas Energia Participações S.A., in which it held a 25% investment interest and which, through the shareholders' agreement, shared the control of the aforementioned company. The incorporation resulted in the investments in the energy sector being concentrated in Equatorial, making it the only vehicle to expand its investment in the electric energy market, through new investments and acquisitions. On this way, the Company used to hold 25% in RME (Rio Minas Energia Participações S.A.), which held, at December 29, 2009, 52.13% in Light S.A.

Equatorial Energia S.A

(Publicly-held Company)

Notes to the quarterly information

(In thousands of Reais, unless when specified)

On December 31, 2009, the spinoff of RME into three parts was approved, according to the terms of the proposal for the justification of the spin off, followed by the incorporation of the parts spun off from the Company to CEMIG, AGC and Luce Empreendimentos e Participações S.A. Consequently, capital decreased from R$709,310 to R$177,327, and is now represented by 177,327,393 common, nominative shares, with no par value, all held by Equatorial Energia S.A. Consequently, Equatorial Energia is now the only shareholder of the company with 100% of the shares representing 13.03% of the indirect investment in Light S.A. Light's activities involve the sale, distribution and generation of electricity in 31 municipalities in the State of Rio de Janeiro, covering an area of 10,970 Km2, which is equivalent to 25% of the area of the State, and comprising 10 million inhabitants. With approximately 4.0 million clients, energy sales by Light S.A. represent more than 70% of all of the electricity consumed in the state of Rio de Janeiro.

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

Equatorial Soluções S.A.: Equatorial Soluções is a private company, headquartered in São Luís, Maranhão, which has the corporate objective of: a) provide service in electricity business, telecommunications and data transmission; b) collection of electricity bills in the name and on behalf of third parties and c) technical services for operation, maintenance and planning of electrical installations of third parties. The parent company, Equatorial Energia S.A., holds an investment interest of 100% in this Company.

The subsidiaries CEMAR, Equatorial Soluções and the joint subsidiary Geramar (previously Geranorte), shall hereafter be referred to in the notes as the "Subsidiaries", when mentioned together.

2 Presentation of quarterly information

The individual and consolidated quarterly information were prepared in accordance with accounting practices adopted in Brazil, which include Brazilian Corporate Legislation, the Pronouncements, Guidelines and Interpretations issued by the Accounting Pronouncements Committee - CPC, the norms issued by the Securities Commission - CVM and the norms established by the National Electrical Energy Agency (ANEEL) according to the Accounting Manual for Public Electrical Energy Services, which have complied with the accounting concepts introduced by Laws 11,638/07 and 11,941/09.

As disclosed in the Relevant Fact published on December 30, 2009, the parent company of Equatorial, FIP PCP and CEMIG signed a Contract for the Purchase and Sale of Shares and Other Covenants, with Equatorial acting as the intervening and consenting party, aimed at the sale of the indirect investment of FIP PCP in Light, through the subsidiary company Rio Minas Energia Participações S.A. ("RME"). As a result, this discontinued asset, which was consolidated until December 31, 2009 is no longer consolidated as from January 01, 2010 and is reported as an investment – discounted operations, in the Quarterly Financial Information – subsidiary and consolidated. A summary of the assets that had been consolidated until December 31, 2009, are presented below:

Equatorial Energia S.A

(Publicly-held Company)

Notes to the quarterly information

(In thousands of Reais, unless when specified)

	Consolidated balance at 12/12/09
Assets	
Current assets	843,755
Cash and cash equivalent and Marketable securities	207,468
Consumers and resellers	340,591
Inventories	3,592
Recoverable taxes	110,694
Services requested	32,976
Low income consumers	3,826
Regulatory assets	64,530
Prepaid expenses	595
Income tax and social contribution – IR/CSLL	58,303
Other accounts receivable	21,180
Non-current assets	1,480,850
Consumers and resellers	74,450
Recoverable taxes	10,192
Regulatory assets	9,030
Other prepaid expenses	415
Income tax and social contribution – IR/CSLL	195,019
Judicial deposits	32,765
Other accounts receivable	2,181
Permanent	
Investments	5,097
Deferred assets	1,528
Intangible assets	70,402
Property, plant and equipment	1,079,771
Total assets	2,324,604

(In thousands of Reais, unless when specified)

	Consolidated balance at 12/12/09
Liabilities	
Current liabilities	496,400
Accounts payable to suppliers	141,051
Payroll	835
Debt charge	4,667
Dividends	51,744
Taxes	71,295
Loans and Financing	44,621
Debentures	24,103
Payroll charges	12,259
Regulatory liabilities	9,945
Public lighting tariff	40,548
Efficiency	57,494
Private Pension Entity	23,761
Others	14,077
Non-current liabilities	1,469,039
Taxes	75,896
Debentures	291,440
Loans	251,551
Contingences	151,118
Regulatory liabilities	3,698
Private Pension Entity	215,347
Others	135,289
Minority interest	344,701
Shareholder's equity	359,166
Capital	177,327
Profit reserves	97,143
Accumulated profits or losses	84,695
Total liabilities and shareholder's equity	2,324,604

New Pronouncements, interpretations and guidelines issued and not adopted

As a result of the process to converge the accounting practices adopted in Brazil with international financial reports standards (IFRS) various pronouncements, interpretations and guidelines were issued by the Accounting Pronouncements Committee during 2009, and approved by the Securities Commission (CVM) with mandatory application for the financial year ending December, 2010 and for the financial statements for 2009, to be published together with the financial statements for 2010 for comparison purposes.

As provided in CVM Decision 603/2009, of November 10, 2009, the Company decided to adopt the accounting practices in force until December 31, 2009, for purposes of preparing its quarterly financial information.

Management is in the process of evaluating the potential effects of the instructions issued by these pronouncements, interpretations and guidelines, on its financial information for the periods ending March 31, 2010 and 2009, to be presented for comparison purposes for the quarter ended March 31, 2010, and on the subsequent periods.

Presented below are the pronouncements, issued in 2009, which Company management understand could have significant effects on its financial statements.

Technical Interpretation ICPC 01 – Concession Contract, this establishes the general principles for recognizing and measuring obligations and the respective rights from concession contracts. According to ICPC 01, the remuneration received or receivable by the concessionaire has to be registered at fair value, corresponding to the rights to financial assets and/or intangible assets. Currently, it is not possible to estimate the effects arising from applying this norm (ICPC 01), given that the concepts introduced are still being studied for later application, but certain significant adjustments are anticipated as a result of the reclassifications of fixed assets as intangible and/or financial assets, recognition of construction income and treatment of the liabilities tied to the concession.

CPC 24 – Subsequent Events and ICPC 08 – Registering a Proposal for Dividend Payment. Management is required to propose the distribution of results at the end of each year. This distribution can be altered by the shareholders. According to CPC 24 that part of the proposed dividends not declared in excess of the minimum statutory dividend and interest on own capital has to be maintained and registered to shareholders' equity and will not be recognized as a liability at the end of the period. The effect on the financial statements for the year ending December 31, 2009, will be a decrease to current liabilities and an increase to shareholders´ equity, for the amount R$1,169, equivalent to the amount in excess of the minimum statutory limit.

CPC 43 – Establishes the criteria for the initial adoption of CPCs 15 and 40 and specifies that the exceptions in relation to the international standards are limited to maintaining equity interest in the individual financial statements, for those that have investments valued using the equity method and maintaining any deferred assets registered to December 31, 2008, until fully amortized. Currently, in Brazil, regulatory asset and liabilities are registered, such that when the regulatory entity establishes criteria for allocating income or expense to subsequent periods, a regulatory asset or liability is recognized. These regulatory assets and liabilities represent a difference in GAAP between the accounting principles adopted in Brazil and IFRS. IASB is preparing an interpretation that could change the treatment of regulatory assets and liabilities in IFRS.

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

Authorization to conclude this quarterly financial information was given by the Company Directors on May 14, 2010.

3 Summary of significant accounting practices

a. *Statement of income*

Income and expenses are recognized on the accrual basis. Revenue from services rendered is recognized in the statement of income in proportion to the stage of completion of the service. Revenue is not recognized if there are significant uncertainties as to its realization.

b. Accounting estimates

In compliance with CVM Decision 539, of March 14, 2008, the preparation of financial statements in accordance with accounting practices adopted in Brazil requires that the Company's Management uses its judgment in determining and recording accounting estimates. Assets and liabilities subject to these estimates and assumptions include the residual value of property, plant and equipment, intangible, the allowance for decrease in the recoverable value of assets; the allowance for doubtful accounts, allowance for inventory devaluation, deferred tax assets; the provision for contingencies, the valuation of financial instruments, assets and liabilities related to employees' benefits. The settlement of transactions involving these estimates may result in a different amount due to the lack of precision inherent to the process of their determination. The Company and its subsidiary and joint ventures reviews the estimates and assumptions at least quarterly.

c. Financial instruments

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

Non-derivative financial instruments are recognized initially at their fair values plus any transaction costs directly attributable to the instruments that are not recognized at their fair values through results. Subsequent to the initial recognition, the non derivative financial instruments are measured as described below (see Note 31).

- **Instruments held to maturity**

  These are non-derivative financial assets with fixed or calculable payments with defined maturity and for which the Company has the intention and the ability to hold its debt instruments until maturity. These instruments are classified as held to maturity. Investments held to maturity are stated at amortized cost, using the effective interest rate method, less possible decreases in their recoverable value.

- **Instruments available for sale**

  The Company's investments in equity instruments and certain assets related to debt instruments are classified as available for sale. After their initial recognition, they are valued at their fair value and their fluctuations, except decreases in their recoverable value, and the differences in foreign currency of these instruments, are recognized directly in shareholders' equity, net of tax effects. When an investment ceases to be recognized, the accumulated gain or loss in shareholders' equity is transferred to income.

- **Financial instruments at fair value through income**

  An instrument is classified at its fair value through income if it is held for trading, i.e. designated as such upon initial recognition. Financial instruments are designated at their fair value through income if the Company manages these investments and takes purchase and sales decisions based on their fair value in accordance with the investment strategy and risk management documented by the Company. After initial recognition, attributable transaction costs are recognized in the income when they have been incurred. Financial instruments at fair value through income are stated at fair value, and their fluctuations are recognized in the income.

- **Loans and receivable**

  Loans and receivable should be stated at the amortized cost through the use of the effective interest rate method, less possible decreases in the recoverable value. These correspond to non-derivative financial assets with fixed or determined payments which are not traded on the active market.

d. Foreign currency

The Company's Management has determined that its functional currency is the Brazilian Real in accordance with the rules established in CPC 02 - Effects of the Changes in Exchange Rates and Translation of Financial Statements, approved by the CVM Resolution 534.

Transactions in foreign currency, i.e. all transactions that are not carried out in the functional currency, are translated at the exchange rate on the dates of each transaction. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate on the closing date. The gains and losses from the changes in the exchange rates on the monetary assets and liabilities are recognized in the statement of income.

e. *Current and noncurrent assets*

- **Marketable securities**

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

- **Consumers and resellers**

  Trade accounts receivable are recorded at the amount billed, adjusted at present value when applicable, revenue from energy supplied but not billed, use of the network, services rendered, arrears payments and others, up to the end of the period, accounted for on the accrual basis (see Note 6).

- **Allowance for doubtful accounts**

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

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

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

- **Low income customers**

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

- **Investments**

  Represented by the interest in the subsidiary and joint ventures, valued using the equity method (see Note 12).

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

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

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

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

Pursuant to Accounting Instruction 6.3.23 of the Accounting Manual for the Public Electric Energy Service, the amount corresponding to Concession Obligations is stated as a reduction of property, plant and equipment. These obligations include amounts received from consumers for the works required to meet power supply requests, and funds received from the Government, from the state of Maranhão and from other sources, as specific financing for electricity Generation, Transmission and Distribution projects, including funds from the Light For All Program - Programa Luz Para Todos (see Note 14).

- **Intangible assets**

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

Intangibles also include the goodwill or negative goodwill registered from the purchase of the subsidiary and joint ventures - CEMAR, Equatorial Soluções and Geramar (previously Geranorte) - derived from the difference between the acquisition price and the book value of company acquired, in accordance with CVM Instruction 247, of March 27, 1996, less accumulated amortization.

- **Decrease in recoverable value**

The recoverable value of property, plant and equipment; intangible assets and deferred assets is tested at least annually if there are indications of loss in value. The recoverable value of intangible assets with an indefinite useful life is tested annually, regardless of whether there are indications of loss in value or not.

f. Current and noncurrent liabilities

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

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

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

- **Provision for contingencies**

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

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

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

g. *Provisions*

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

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

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

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

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

i. *Retirement and pension plan*

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

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

j. Remuneration plan based on shares

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

4 Consolidated financial statements

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

When applicable the following consolidation procedures were also adopted:

- Full recognition of the assets, liabilities, income and expenses for the period for CEMAR, in which it holds an investment interest of 65.11%, for Equatorial Soluções in 100%, and for Geramar (previously Geranorte) for the amount of 25%, corresponding to the percentages interest in those Companies, respectively;
- Elimination of interests in the shareholders' equity of the subsidiary and joint ventures;
- Elimination of equity income;
- Elimination of the balances of assets and liabilities among consolidated companies;
- Elimination of the revenues and expenses arisen from inter-company transactions; and
- Separate statement of minority interest in the liabilities and income statement.

(In thousands of Reais, unless when specified)

Presented below is the statement of the variation in the results of the parent company and on consolidation.

	2010	2009
Net profit of the Parent Company at March 31	39,322	64,323
Payment based on shares - Light (registered as credit directly to the indirect subsidiary's shareholders' equity Light S.A.).	-	(1,300)
Payment based on shares – CEMAR (registered as credit directly to the subsidiary's shareholders' equity CEMAR).	-	(3)
Consolidated net profit at March 31	39,322	63,020

a. *Discontinuity of investments*

As was disclosed in a Material Fact dated on December 30, 2009, the controlling shareholder of Equatorial, FIP PCP and CEMIG entered into a Share Purchase and Sale Agreement and Other Covenants, with Equatorial as the intervening and consenting party. In order to sale the indirect stake held by FIP PCP in Light S.A., through the subsidiary company Rio Minas Energia Participações S.A. ("RME"). Consequently, this discontinued asset is no longer consolidated as from January 01, 2010. The Company continued to adopt the procedure to recognize the Equity income of the subsidiary in accordance with item 20.1.3 of Official - Circular CVM/SNC/SEP 01/2007.

5 Cash and cash equivalents

The marketable securities refer to the operations undertaken with financial institutions, remunerated under normal market terms and rates, and are available to be used in the operations undertaken by the Company and its subsidiary and joint ventures, that is, they are financial assets available for trading, registered at fair values with effect on the results. At March 31, 2010, the operations involving Committed Debentures (fixed income securities remunerated at a % of CDI or with pre-fixed rates), reported significant results, for the amount of R$ 78,035.

(In thousands of Reais, unless when specified)

a. Composition of cash and cash equivalents:

	Parent Company		Consolidated	
Cash and cash equivalent:	**03/31/2010**	**12/31/2009**	**03/31/2010**	**12/31/2009**
Cash and banks	17	31	58,605	30,045
Marketable securities	92,748	78,770	464,808	617,932
Total	92,765	78,801	523,413	647,977

The short term marketable securities are readily convertible into known cash values, and are subject to an insignificant risk of a change in value, and are redeemable in less than 90 days.

b. Composition of marketable securities:

Institution	**Investment type**	**03/31/2010**	**12/31/2009**
Bradesco	CDB	9,715	9,513
Bradesco	Committed debentures	15,541	16,003
Pactual	CDB	4,998	4,896
Itaú	Committed debentures	36,214	35,468
Itaú	CDB	-	
Votorantim	Committed debentures	26,280	12,890
Total		92,748	78,770

(In thousands of Reais, unless when specified)

6 Consumers and resellers

	Consolidated	
	03/31/2010	**12/31/2009**
Current		
Billed power supply	236,456	653,856
Unbilled power supply	38,687	112,754
Installment payment of debts	88,550	119,681
Subtotal	363,693	886,291
Sales within the CCEE ambit (Note 26)	840	843
Supply and charges for the use of the electricity network	-	13,743
Credits recoverable on the tariff	-	1,628
PERCEE	120	119
Concessionaries	196	205
Services rendered	647	627
Checks in collection	1,372	1,355
Others	20,045	13,812
Subtotal	23,220	32,332
	386,913	918,623
(-) Allowance for doubtful debts	(45,078)	(249,575)
	341,835	669,048

(In thousands of Reais, unless when specified)

	Consolidated	
	03/31/2010	**12/31/2009**
Non-current		
Sales within the CCEE ambit (Note 26)	8,010	8,010
Installment payment of debts (1)	61,309	134,675
Checks in collection	3,638	3,638
Subtotal	72,957	146,323
(-) Allowance for doubtful debts	(3,638)	(3,638)
	69,319	142,685

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

a. *Allowance for doubtful debts*

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

Consumers with relevant debts

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

For other cases:

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

(In thousands of Reais, unless when specified)

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

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

	03/31/2010			
Consolidated	**Undue**	**Overdue 90 days or less**	**Overdue more than 90 days**	**Total**
Residential	43,264	53,538	16,875	113,677
Industrial	11,449	5,519	3,761	20,729
Commercial	26,362	12,437	4,857	43,656
Rural	3,427	2,805	2,541	8,773
Public sector	9,624	8,491	3,479	21,594
Public lighting	6,451	6,688	1,391	14,530
Public service	7,629	3,863	2,005	13,497
Billed power supply and installment payment (current and noncurrent)	108,206	93,341	34,909	236,456

	12/31/2009			
Consolidated	**Undue**	**Overdue 90 days or less**	**Overdue more than 90 days**	**Total**
Residential	86,411	95,844	196,483	378,738
Industrial	18,279	10,211	47,483	75,973
Commercial	59,108	26,138	54,321	139,567
Rural	4,520	2,803	2,327	9,650

(In thousands of Reais, unless when specified)

	12/31/2009			
Consolidated	**Undue**	**Overdue 90 days or less**	**Overdue more than 90 days**	**Total**
Public sector	14,458	14,333	28,326	57,117
Public lighting	7,314	5,371	8,995	21,680
Public service	74,920	5,272	3,746	83,938
Billed power supply and installment payment (current and noncurrent)	265,010	159,972	341,681	766,663

(*) These tables do not contain the CEMAR's installments payment total amount of R$ 153,527 at March 31, 2010 (R$145,196 at December 31, 2009).

b. Electric Energy Trade Chamber - CCEE

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

The amounts referring to trading at the Electric Energy Trade Chamber - CCEE were recorded based on information disclosed by CCEE.

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

(In thousands of Reais, unless when specified)

7 Low income customers

On July 1st, 2003, ANEEL issued Resolution 320, which provided additional procedures for approval of the economic subsidy for consumers in the Low Income residential subclass.

The program “Viva Luz”, created by Maranhão’s State Gorvenment, was launched in November 2009, for the purpose of benefiting residential consumers that register monthly consumption of up to 50 kWh, through exemption from paying electricity bills, via transfers from the government to CEMAR.

As result of these procedures, as of March 31, 2010 the Company had R$19,949 of Low Income and R$2,542 of “Viva Luz” (R$20,424 and R$2,691 as of December 31, 2009 respectively).

8 Recoverable taxes

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

	Parent Company		Consolidated	
	03/31/2010	**12/31/2009**	**03/31/2010**	**12/31/2009**
Current				
Recoverable income tax and social contribution (4)	-	-	336	25,861
IRRF (Withholding income tax)	-	-	486	6,043
ICMS (value-added tax on sales and services) (2)	-	-	37,248	66,238
PIS (Social Integration Program) and COFINS (Social Contribution on Revenues) (3)	-	-	34	1,737
Prepaid income tax and social contribution (1)	-	-	3,435	45,348
Recoverable income tax	-	-	5,720	1,275
Others*	472	130	2,823	10,426
Total	472	130	50,082	156,928

(In thousands of Reais, unless when specified)

	Parent Company		Consolidated	
	03/31/2010	12/31/2009	03/31/2010	12/31/2009
Non-current				
ICMS (value-added tax on sales and services) (2)	-	-	39.766	51.377
PIS (Social Integration Program) and COFINS (Social Contribution on Revenues) (3)	-	-	68.371	62.417
IRRF	2.284	2.393	2.284	2.393
Recoverable income tax	8.969	10.685	8.969	10.685
Others		-	582	2.557
	11.253	13.078	119.972	129.429

* The amount of R$2,823 recorded to Other, in current assets on consolidation, includes R$548 which refers to the REFIS payment, which is in the process of being recognized by the Federal Revenue Services (RFB).

(1) In Subsidiary CEMAR, the Corporate Income Tax (IRPJ) and Social Contribution on Net Profit (CSLL) refer to the amounts paid on a monthly basis, based on estimates or suspension trial balances, under article 2 of Law 9,430, December 27, 1996 and refers to tax credits to be offset deriving from financial investments and governmental agencies.

(2) Subsidiary CEMAR pursuant to Complementary Law 102, July 11, 2000, the Subsidiary have recorded ICMS recoverable on the purchase of fixed assets, not subject to the effects of present value adjustments.

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

(In thousands of Reais, unless when specified)

9 Deferred income tax and social contribution

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

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

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

Breakdown of the income tax and social contribution credits

	Consolidated	
	03/31/2010	**12/31/2009**
Assets - Current and non-current		
Negative bases for income tax and social contribution	217,134	335,055
IRPJ and CSL temporary differences	5,444	5,444
Allowance for doubtful debts	-	68,716
Provision for profit share	-	2,229
Provision for labor claims	-	13,911
Provision for tax contingencies	-	15,257
Provision for civil contingencies	-	21,822
Impacts of first time adoption Law 11,638	-	4,832
Other provisions	-	10,441
TOTAL	222,578	477,707
(-) Provision for recovery	-	-
Total	222,578	477,707
Current	5,444	63,747
Non-current	217,134	413,960

(In thousands of Reais, unless when specified)

Recovery expectation

The Company, based on management's instruction, analyzed tax loss carryforwards, accumulated in fiscal years from 1990 to 2005, by taking into account the Corporate Income Tax Returns (DIPJ) and the Taxable Income Assessment Book (LALUR), which was submitted o the analysis of a tax expert. As a result, as of June 30, 2009, an additional credit of R$ 27,415 as additional deferred tax asset was recorded in the balance sheet. The estimate of recovery of these tax credits is in line with the limits of the Company's estimated results.

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

Realize expectation	**2010**	**2011**	**2012**	**2013**	**2014**	**2015 to 2018**	**Total**
Deferred taxes	57,411	17,245	18,309	16,011	21,404	88,561	218,941

The aforementioned technical studies correspond to Management's best estimates of the Company's future growth and the market in which it operates. A new technical viability study for 2010 has been prepared by the Company, which will be submitted for approval by the Board of Directors on March 25, 2010.

Reconciliation of income tax and social contribution expenses

The reconciliation of expense calculated by applying the tax rates to the result of the Parent Company and the Consolidated of Corporate Income Tax (IRPJ) and Social Contribution on Net Profit (CSLL) expense debited in net income is stated, on the quarterlies of 2010 and 2009 as follows:

(In thousands of Reais, unless when specified)

	Parent Company		Consolidated	
	03/31/2010	**03/31/2009**	**03/31/2010**	**03/31/2009**
Profit before Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL)	40,026	66,257	66,367	139,325
(-) Profit sharing	(450)	(1,150)	(3,126)	(40,903)
(=) Profit before Corporate Income Tax (IRPJ) and Social	39,576	65,107	63,241	98,422
Taxes rates	34%	34%	34%	34%
Corporate Income Tax and Social Contribution Tax on Net Profit calculated at statutory rates	(13,456)	(22,136)	(21,502)	(33,463)
Effects of corporate income tax and social contribution on net income on the permanent additions and exclusions	-	-	1,038	(779)
Effect of corporate income tax and social contribution on net income on the equity income of external subsidiary	13,202	21,352	(8,725)	(9,015)
Difference between calculation bases - IRPJ and CSLL	-	-	113	6
Off shore Company Income (Light)	-	-	-	-
Reversal of IRPJ and CSLL provision – Deferred	-	-	-	-
Compensation of tax loss - 30% - not recognized to results	-	-	(1,807)	-
Deferred tax credits not recognized 371/002 - Light S.A	-	-	7,212	(853)
Tax Incentives	-	-	10,563	13,660
Write-off of tax loss – assessment fiscal	-	-	(4,642)	-
Others	-	-	-	-
Subtotal	(254)	(784)	(17,750)	(30,446)
Current IRPJ and CSLL	(254)	(784)	(17,750)	(13,852)
Deferred IRPJ and CSLL	-	-	315	(16,593)
	(254)	(784)	(17,435)	(30,445)

- **Incentive for accelerated depreciation**

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

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

- **Incentive for Income Tax reduction**

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

  The CVM, through decision 555, approved Technical Pronouncement CPC 07, which refers to government grants and assistance, and determined the book recognition of grants given in the form of reduction or exemption of taxation on income. In the subsidiary CEMAR, total income to March 31, 2010 is R$ 10,562 which refers to the tax incentive SUDENE (R$13,660 as of March 31, 2009) to form the tax incentive reserve. Law 11,638/07 eliminated Capital Reserves and Donations for Investments and created the Tax Incentive Reserve, whereby the general shareholders meeting can, after being proposed by the management bodies, allocate to the tax incentive reserve the part of net profit that arises from government subsidies or grants for investments, which can be excluded from the calculation base for compulsory dividends.

(In thousands of Reais, unless when specified)

10 Regulatory assets and liabilities

	Consolidated – Assets			
	Current		Non-current	
	03/31/2010	12/31/2009	03/31/2010	12/31/2009
Details - Compensation Account for Variations				
Energy Development Account - CDE	477	507	-	67
Fuel Consumption Account - CCC	7,752	8,657	-	4,715
Cost of acquisition electric energy	73	39,681	-	971
Charge from System Service - ESS	3,792	9,200	-	-
Transport of Energy by the Basic network	2,364	4,465	-	3,038
PROINFA	1,893	8,784	-	158
Deferred Tariff Re-composition - RTD	18,271	33,352	-	-
Lights for All Program - PLPT	1,959	3,576	-	-
Transport of Energy by Itaipu	-	246	-	81
Low income estimate	12,139	22,159	-	-
Financial exposition	2,855	5,211	-	-
Financial Adjustment- final review	-	922	-	-
Involuntary exposure	-	11,417	-	-
Review 2008 - Financial components	-	457	-	-
Other regulatory assets	742	813	-	-
Total CVA Assets	52,317	149,447	-	9,030

	Consolidated – Liabilities			
	Current		Non-current	
	03/31/2010	12/31/2009	03/31/2010	12/31/2009
Details - Compensation Account for Variations				
Fuel Consumption Account - CCC	-	648	-	-
Energy Development Account - CDE	-	170	-	-
Cost of acquisition electric energy	10,560	9,371	-	
Charge from System Service - ESS	430	425	-	3,698
PROINFA	-	-	-	-
Transport of Energy by the Basic network	238	405	-	-
Transfer found of over contraction of electric energy (art.38 do Dec.5,163/04)	-	1,546	-	-

(In thousands of Reais, unless when specified)

	Consolidated – Liabilities			
	Current		Non-current	
	03/31/2010	**12/31/2009**	**03/31/2010**	**12/31/2009**
Excess contracting of energy	-	-	-	-
Frontier Adjustment RB	-	306	-	-
Frontier Adjustment Installment	311	567	-	-
Financial exposition	983	1,711	-	-
Adjustment application of loss level - 1st Cycle	2,327	4,248	-	-
Portion 'A'	-	4,653	-	-
Financial adjustment generating TUSD	-	2,530	-	-
CVA in progress	-	92	-	-
Others	53	96	-	-
Total CVA Liabilities	14,902	26,768	-	3,698

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

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

b. *Deferred Tariff Re-composition - RTD*

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

In August 2008, ANEEL decided to delay recovery, from CEMAR, of the third installment of the deferment, for the amount of R$60,447. The periodic tariff review for 2009 resulted in a financial component being granted for the amount of R$59,010 which referred to this last installment, to be amortized over the next twelve months. At December 31, 2009, CEMAR had calculate a Regulatory Asset for the total amount of R$18,271, recorded on current assets (R$33,352 recorded on current assets, at December 31, 2009).

c. *Involuntary exposure to PLD*

As of January 2008, the energy purchased through agreements was insufficient to meet market demand and CEMAR was required to purchase energy in the SPOT market, short-term market, based on the Difference Settlement Price (PLD). Such exposure was due to the unsuccessful Auctions A-1 in 2006 and 2007, Adjustment Auction in 2007 and reduction of PROINFA quotas by ANEEL in December 2007 (after the conduction of purchase auctions).

ANEEL approved, as a result of such involuntary exposure, through Normative Resolution 305, of March 18, 2008, the recognition of energy purchase in the SPOT market through an agreement. In such context, the variation of SPOT prices is captured by the method of compensation of variation in the costs of Portion A (CVA), resulting in a regulatory asset, which minimizes the impact of exposure to PLD on the Company's result. In August 2009, the amount of R$9,220 was granted by ANEEL by means of the periodic tariff adjustment in 2009, taking into account the volume of PLD exposure to which the company was subject in 2008.

At March 31, 2010, CEMAR recorded an unamortized balance of involuntary exposure to PLD of R$2,855, recorded on current assets (R$5,211 at December 31, 2009, recorded on current assets).

d. *Financial exposure*

Upon CEMAR's tariff adjustment, ANEEL approved CCEARs' net and negative financial exposure in the financial statements for 2008. This amount is based on Article 28 of Decree nº 5,163, of July 30, 2004, which provides for that any potential differences in prices in the short-term market of the Electric Energy Commercialization Chamber (CCEE) will be transferred by the distribution agents to consumers.

e. Light for All Program ("Programa Luz para Todos")

The expansion of the distribution system and increase in the dispersion level of consumers, due to the inclusion of new assets and increase in the number of consumption units served by the Light for All Program, resulted in the increase in costs from commercial and operational and network maintenance activities and in the level of non-funded investments. The deficit caused by the growth of PLPT is verified pursuant to Resolution nº 294/2007 and considered in the adjustment or tariff adjustment processes as financial components. In August 2009, the amount of R$ 6,327 was granted by ANEEL in the period tariff adjustment of 2009, taking into account the volume of such deficit.

As of March 31, 2010, CEMAR presented an unamortized balance of such regulatory asset of R$1,959, recorded on current assets (as of December 31, 2009 R$3,576 recorded on current assets).

f. Low income estimate

As of the periodic tariff adjustment of 2009, ANEEL started to take into account an estimate of revenue supplementation in the amount of CDE incentive to cover the discounts granted to Low Income residential consumers, pursuant to Regulatory Resolution nº 89, of October 25, 2004. The value granted was R$ 39,206 to CEMAR for the period from August 2009 to July 2010. The next estimate will be repassed in August 2010.

g. Adjustment for Application of the loss target for the 1st cycle

On June 23, 2009, ANEEL received a request, through Official Document 316/2009-TCU/SEFID, to express its understanding regarding the procedures adopted by the Regulator to define technical and non technical losses at the subsidiary CEMAR, between 2005 and 2008.

The reply presented by this Agency to TCU, through Official Document 128/2009-AIN/ANEEL, dated July 13, 2009, reported the methodologies and procedures adopted within the first cycle of tariff reviews for electric energy distributors and stated that a detailed analysis would be provided within the second tariff review of CEMAR.

(In thousands of Reais, unless when specified)

Thus, this issue was analyzed within ANEEL/SRE, which verified that, in order to reach the regulatory goal of 4 p.p, the first step in the reduction to non technical losses should have been applied in the tariff review of 2005, for the test year, however, this was not the case. Consequently, to correct this error, the tariff adjustments from 2006 to 2008 were recalculated by ANEEL/SRE in order to consider a higher loss reduction in the years subsequent to the review, to enable the regulatory target defined to be achieved. This correction resulted in a financial component of R$ 7,516, which was considered in the periodic tariff review of 2009 in the subsidiary CEMAR.

11 Investments

The main data about investments in subsidiaries is as follows:

	Parent Company		Consolidated	
	03/31/2010	**12/31/2009**	**03/31/2010**	**12/31/2009**
Shareholder's equity equivalents:				
CEMAR	506,940	475,250	-	-
RME (*)	-	359,165	-	-
GERAMAR(**)	34,128	33,505	-	-
Equatorial Soluções	245	186	-	-
Subtotal	541,313	868,106	-	-
Others		-	(2,888)	2,209
Negative goodwill	(3,109)	(3,109)	-	(76,162)
Subtotal	(3,109)	(3,109)	(2,888)	(73,953)
Total	538,204	864,997	(2,888)	(73,953)

(*) RME – discontinued operations (see Note 5)
(**) GERAMAR (previously Geranorte)

(In thousands of Reais, unless when specified)

a. *Information about subsidiary and joint ventures*

	CEMAR	RME (**)	Geramar (*)	Equatorial Soluções
Balance at 12/31/2009				
Interest (%)	65.12%	25.00%	25.00%	100.00%
Capital	310,278	709,310	88,020	1
Shareholder’s equity	729,744	1,436,684	134,020	186
Net income for the year	198,263	338,780	-	186
Balance at 03/31/2010				
Interest (%)	65.11%	100.00%	25.00%	100.00%
Capital	310,278	177,327	134,020	1
Shareholder’s equity	778,605	373,552	136,512	246
Net income for the year	48,861	14,387	2,492	59

(*) GERAMAR (previously Geranorte)
(**) RME – discontinued operations (see Note 4)

b. *Movement of investments in subsidiary and joint ventures*

	CEMAR	RME (**)	Geramar (*)	Equatorial Soluções	Total
Balance at 12/31/2008	383,800	286,816	33,505	-	704,121
New acquisitions	129,272	84,695	-	186	214,153
Equity in the income of subsidiary and joint ventures	(37,730)	(12,346)	-	-	(50,076)
Dividends	(92)	-	-	-	(92)
Capital loss	383,800	286,816	33,505	-	704,121
Balance at 12/31/2009	475,250	359,165	33,505	186	868,106
Equity in the income of subsidiary and joint ventures	31,802	14,387	623	59	46,870
Dividends					
Capital loss	(112)	-	-	-	(112)
Balance at 03/31/2010	506,940	373,552	34,128	245	914,864

(In thousands of Reais, unless when specified)

(*) GERAMAR (previously Geranorte)
(**) RME – discontinued operations (see Note 4)

12 Related parties

The main asset and liability balances at March 31, 2010 and December 31, 2009, and the transactions that affected the results for the year, from related party transactions, refer to transactions between the Company and its subsidiary and joint ventures and its related parties, between shareholders, and related parties, key professionals from management and other related parties, in accordance with CVM Decision 560, of December 11, 2008, which approved Technical Pronouncement CPC 05 - Disclosure of Related Parties.

			03/31/2010			12/31/2009		
Companies	**Ref**	**Transaction nature**	**Assets**	**Liabilities**	**Income statement**	**Assets**	**Liabilities**	**Income statement**
ELETROBRÁS	(a)	Loans	-	413,068	5,913	-	411,138	20,391
		Dividends	-	19,454	-	-	33,007	-
FASCEMAR	(b)	Loans	-	25,658	840	-	26,071	2,919
		Private pension	-	-	432	-	-	1,630
LIGHT	(c)	Electric energy purchased	-	952	2,196	-	1,107	9,273
		Distribution system use	-	1	2	-	1	9
CHESF	(d)	Electric energy purchased	-	7,848	18,042	-	9,140	77,314
		Distribution system use	-	816	1,839	-	790	6,779
ELETRONORTE	(e)	Electric energy purchased	-	3,993	9,103	-	4,648	39,068
		Distribution system use	-	2,986	6,733	-	2,885	24,179
FURNAS	(f)	Electric energy purchased	-	12,611	28,926	-	13,554	114,781
		Distribution system use	-	981	2.209	-	963	7,822
CEMIG	(g)	Electric energy purchased	-	2,305	5,224	-	2,581	21,629
		Distribution system use	-	310	700	-	305	2,290
CEPISA	(h)	Distribution system use	-	8,254	3,458	205	8,852	16,618

(a) The amounts with ELETROBRÁS refer to the dividends payable and loan contracts. The loan contracts with ELETROBRÁS arise from the financing lines specifically for the Electrical Sector and the terms agreed are the same as those practiced with other Brazilian electrical energy distributors (see Note18).

(b) The amounts with FASCEMAR refer to borrowings and contributions between CEMAR and FASCEMAR. The loan contracts are described in note 17 and the terms of the pension plan between CEMAR and FASCEMAR are presented in Note 28.

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

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

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

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

(In thousands of Reais, unless when specified)

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

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

Equatorial Energia S.A., the parent company of CEMAR, acts as the Company's guarantor for the financing contracts listed below:

Institution	Amount	% of surety	Start	End	Amount liberated	Balance 1st Quarterly 10
Banco do Nordeste do Brasil - BNB	136,076	100	11/23/2005	02/28/2017	136,076	111,885
Financiadora de Estudos e Projetos - FINEP	2,637	100	06/13/2006	06/30/2013	2,359	1,840
Agência Especial de Financiamento Industrial - FINAME (40/00221-7)	46	100	04/20/2006	05/15/2013	46	12
Agência Especial de Financiamento Industrial - FINAME (40/00222-5)	388	100	07/07/2006	05/15/2013	388	102
Agência Especial de Financiamento Industrial - FINAME (Simplified)	776	100	03/25/2010	10/15/2019	776	776
Banco de Desenvolvimento do Nordeste - BNDES (106607040004100)	28,481	100	04/10/2007	02/15/2010	28,481	15,045
Banco do Nordeste do Brasil - BNB (193.2007.4165.2386)	9,652	100	12/06/2007	12/06/2012	9,652	6,680
Banco do Nordeste do Brasil - BNB (193.2008.2808.3018)	144,939	100	12/05/2009	02/05/2021	135,800	137,755
Banco do Nordeste do Brasil - BNB (193.2009.930.3304)	7,800	100	09/02/2009	09/02/2010	7,800	3,940
International Finance Corporation - IFC *	135,056	50	02/01/2008	01/15/2016	135,056	127,042
Banco de Desenvolvimento do Nordeste - BNDES (10/473589-0)	79,663	100	03/11/2008	07/15/2013	79,651	67,320
3rd Public Debenture Issue	267,300	100	03/01/2007	03/01/2013	267,300	269,348
Total	812,814				803,385	741,745

(*) Exposure Limit of US$ 40,000,000.00

(In thousands of Reais, unless when specified)

13 Property, plant and equipment

The fixed assets, by activity, are represented below:

	Consolidated			
	03/31/2010			12/31/2009
	Costs	Accumulated depreciation	Net value	Net value
Activities				
Generation	138,624	(641)	137,683	257,280
Transmission	-	-	-	2,259
Distribution	2,430,316	(736,545)	1,693,771	2,450,036
Administration	58,118	(3,611)	5,692	27,862
Selling	9,303	(17,495)	40,623	44,734
In service	2,636,061	(758,292)	1,877,769	2,782,171
Generation	-	-	-	30,360
Distribution	334,983	-	334,983	468,258
Administration	7,002	-	7,002	21,402
Selling	830	-	830	6,427
In progress	342,815	-	342,815	526,447
Total	2,978,876	(758,292)	2,200,584	3,308,618
Special Obligations linked to the concession (c)	(902,749)	-	(902,749)	(874,797)
Total – Net	2,076,127	(758,292)	1,317,835	2,433,821

(In thousands of Reais, unless when specified)

The changes in consolidated fixed assets are represented below:

	Balance at 12/31/2009	Additions	Write-offs	Transfer: Capitalization	Transfer: Inventories	Exclusions (*)	Balance at 03/31/2010
In Service							
Generation	370,616	6,282	-	-	-	(238,575)	138,323
Transmission	4,325	-	-	-	-	(4,325)	-
Distribution	3,925,439	-	(652)	67,157	-	(1,561,629)	2,430,315
Selling	15,608	-	-	780	-	(7,084)	9,304
Administration	121,079	18	-	15	-	(62,696)	58,416
Subtotal	4,437,067	6,300	(652)	67,952	-	(1,874,309)	2,636,358
(-) Depreciation							
Generation	(113,336)	(3)	-	-	-	112,698	(641)
Transmission	(2,066)	-	-	-	-	2,066	-
Distribution	(1,475,401)	(25,409)	636	-	-	763,631	(736,543)
Selling	(7,405)	(447)	-	-	282	3,958	(3,612)
Administration	(56,389)	(748)	-	-	(282)	39,924	(17,495)
Subtotal	(1,654,597)	(26,607)	636	-	-	922,277	(758,291)
Total in service	2,782,470	(20,307)	(16)	67,952	-	(952,032)	1,878,067
In progress							
Generation	32,124	-	(83)	-	-	(32,041)	-
Transmission	-	-	-	-	-	-	-
Distribution	403,621	31,072	(5,619)-	(67,157)	37,930	(120,219)	279,628
Selling	1,611	633	-	(780)	11	(645)	830
Administration	26,275	986	(7)	(15)	(11)	(20,523)	6,705
Stock of investments	62,517	30,767	-	-	(37,930)	-	55,354
Subtotal	526,148	63,458	(5,709)	(67,952)	-	(173,428)	342,517
Total	3,308,618	43,151	(5,725)	-	-	(1,125,460)	2,220,584

(*) Exclusions of fixed assets from the indirect subsidiary Light S.A. given the discontinuity of the investment in Rio Minas Energia Participações S.A. –RME (see Note 4).

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

ANEEL Resolution 20, of February 03, 1999, regulates the detachment of the assets of Public Electricity Service concessions, granting prior authorization for the detachment of assets which have no use for the Concession and are to be sold, and determines that the proceeds from the sale shall be deposited in a dedicated bank account for investment in the concession.

In Subsidiary CEMAR, on March 31, 2010, the balance of disposal of goods and rights is R$522 (R$522 at December 31, 2009).

Fixed assets in progress

In Subsidiary CEMAR, the balance of fixed assets in progress refers to work in progress, materials in storage, purchase in progress and prepayment of suppliers, in the amounts of R$285,806, R$53,669, R$0 and R$1,687 respectively (R$290,202, R$54,145, R$6,625 and R$1,748 on December 31, 2009, respectively). Of the total materials in storage, the amount of R$41,755 (R$40,323 on December 31, 2009), represents material held in storage to meet the requirements of the "Programa Luz para Todos", of Subsidiary CEMAR, and mainly refers to poles, transformers, cables, meters, power converters, among other items to be used for works in progress. A provision for losses was made, by the Subsidiary CEMAR, for items that were not in use for a period of time longer than 180 days, amounting to R$3,358 on March 31, 2009 (R$2,759 at December 31, 2009). The balance of fixed assets in progress for distribution is net of this provision.

(In thousands of Reais, unless when specified)

Depreciation rates

The main annual depreciation rates, according to MCSPE - Equity Control Manual of the Electric Energy Sector, as amended by ANEEL Resolution 367, of June 2, 2009, are as follows:

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

Obligation related to concession

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

(In thousands of Reais, unless when specified)

The contributions from consumers refer to funds received to execute the services required to meet electricity supply requests. The donations and subsidies are mainly the amounts provided by ELETROBRÁS to finance the "Programa Luz para Todos", amounting toR$810,453 (R$736,193 on December 31, 2009), net of taxes. Government participation refers to federal funds received to execute electrical projects linked to the Public Electricity Service. Because of their nature, these accounts are not financial obligations and therefore should not be included as liabilities for the purposes of determining the financial indicators.

Stated as offsets to fixed assets, obligations related to the concession mainly refer to funds received from consumers to implement ventures necessary to meet electricity supply orders. These obligations are directly related to the public electricity service concession. According to SFF/ANEEL Circular 1,314/2007, issued on June 27, 2007, they shall be amortized as from the 2nd Periodic Tariff Review (August 28, 2008) at a rate to be specified by ANEEL corresponding to the average rate of the assets in service.

14 Intangible assets

a. Goodwill based on expected future profitability

	Parent Company		Consolidated	
	0331//2010	**12/31/2009** Reclassified	**03/31/2010**	**12/31/2009** Reclassified
Goodwill based on expected future profitability				
Goodwill on the purchase of CEMAR	291,810	291,810	291,810	291,810
Goodwill on the purchase of GERAMAR*	11,500	11,500	11,500	11,500
Accumulated amortization	(60,536)	(59,648)	(60,536)	(59,649)
	242,774	243,661	242,774	243,661
Other intangible (b)	-	-	52,724	120,459
Total	242,774	243,661	295,498	364,120

* GERAMAR (previously Geranorte)

The historic cost of goodwill refers to the acquisitions of CEMAR, on June 30, 2000 and Geramar (previously Geranorte) on October 01, 2008.

(In thousands of Reais, unless when specified)

b. Other intangible

By activity, the other intangible is constituted as follow:

	Consolidated			
	03/31/2010			12/31/2009
Intangible activity	**Costs**	**Accumulated amortization**	**Net value**	**Net value**
Distribution	32,038	(9,769)	22,269	27,902
Generation	-	-	-	33
Administration	29,951	(18,972)	10,980	17,389
Sales	8,922	(4,467)	4,454	17,291
In service	70,911	(33,208)	37,703	62,615
Distribution	-	-	-	8,645
Generation	6,132	-	6,132	28,932
Administration	8,556	-	8,556	19,655
Sales	333	-	333	612
In progress	15,021	-	15,021	57,844
Total intangible, net	389,242	(33,208)	52,724	120,459

The intangible asset in the subsidiary CEMAR comprises software, rights of way (not depreciated), and others. Software is amortized at the rate of 20% per annum.

15 Deferred charges

Deferred charges, on March 31, 2010, consist of R$432 (R$469 on December 31, 2009) which refer to the parent company's restructuring costs and R$1,430 (R$1,457 on December 31, 2009) of joint venture GERAMAR (previously Geranorte) arising from pre-operational expenses.

(In thousands of Reais, unless when specified)

	Parent Company		Consolidated	
	03/31/2010	12/31/2009	03/31/2010	12/31/2009
Deferred charges				
Financial charges	-	-	528	1,002
Organization/administration/others	-	-	595	122
Tax charges	-	-	119	119
Insurance	-	-	531	531
Technical consulting	-	-	70	70
Travel and accommodation	-	-	18	18
Pre-operational income	-	-	(405)	(405)
Restructuring costs	432	469	405	1,997
Total	432	469	1,861	3,454

16 Accounts payable to suppliers

	Parent Company		Consolidated	
	03/31/2010	12/31/2009	03/31/2010	12/31/2009
Current				
Foreign currency - Transfer founds Itaipú	-	-	-	22,709
UTE Norte Fluminense	-	-	-	16,922
Charges for the use of the electricity network **(c)**	-	-	16,895	29,499
Sales within the CCEE ambit	-	-	-	5,453
Charges of system services	-	-	-	1,821
Free energy - Compensation of generators **(a)**	-	-	261	13,807
Energy auctions **(b)**	-	-	46,109	81,393
Others	461	149	3,460	16,242
	461	149	66,725	187,845
Material and services	-	-	49,362	136,269
Total	461	149	116,087	324,115

(a) Free Energy - Reimbursement Payable to Generation Companies

ANEEL approved, in the meeting of the Board of Executive Officers held on December 15, 2009, the method and procedures for calculation of balances of Free Energy and Revenue Loss of generation and distribution companies after the conclusion of collection of the Extraordinary Tariff Recomposition (RTE) in energy supply tariffs. However, Resolution nº 387, of December 15, 2009, published on January 12, 2010, concluded the process for calculation of final balances of Revenue Loss and Free Energy and defined the reimbursement amount payable to agents, as calculated by the companies, which will be approved by the Agency.

(b) Energy supply and connection charges in CEMAR

In December 2005, the original electric energy supply agreements entered into by and between CEMAR, ELETRONORTE and CEPISA have been terminated, which represented a purchase of 932,112 MWh of energy. However, pursuant to Decree Law nº 5,163, of July 30, 2004, which in part of the new legislation that governs the electric energy sector, CEMAR negotiated new agreements for the Purchase of Electric Energy in the Regulated Environment.

(c) Power network use charges in CEMAR

In 1999, electric energy distribution companies have entered into the Agreements for Use of the Transmission System (CUST) with 15 energy transmission companies and the National System Operator (NOS), the agency created to plan and operate the Brazilian electric energy system, whereby the distribution companies are required to pay for the use of the transmission assets due to the interconnection of the entire Brazilian electric energy transmission system.

(In thousands of Reais, unless when specified)

17 Loans and financing

	Consolidated							
	03/31/2010					12/31/2009		
	Current		Non-current			Current	Non-current	
	Principal and charges	Funding costs to apportion (*)	Principal and charges	Funding costs to apportion (*)	Total	Principal and charges	Principal and charges	Total
Foreign currency								
National Treasury	916	-	8,516	-	9,432	4,282	29,789	34,071
Financial Institutions	-	-	-	-	-	472	-	472
	916	-	8,516	-	9,432	4,754	29,789	34,543
Local currency								
Eletrobrás	45,306	-	368,013	-	413,319	51,102	360,870	411,972
IFC	23,153	(265)	103,889	(1,347)	125,430	26,360	112,931	139,291
BNB	27,193	(263)	233,066	(1,840)	258,156	28,622	236,444	265,066
BNDES	28,270	(3)	54,095	(7)	82,355	49,494	177,586	227,080
FINEP	570	(5)	1,269	(11)	1,823	566	1,400	1,966
FINAME	98	-	792	-	890	98	40	138
Bradesco	-	-	-	-	-	2,095	112,500	114,595
ABN Amro	-	-	-	-	-	20,650	-	20,650
Itaú BBA	7,623	-	-	-	7,623	5,021	-	5,021
Itaú	47,437	-	-	-	47,437	37,000	-	37,000
Votorantim	3,000	-	-	-	3,000	41,292	-	41,292
BASA	-	-	42,774	-	42,774	-	-	-
Financial Institutions	50,474	-	1	-	50,475	1,092	525	1,617
	233,124	(536)	803,899	(3,205)	1,033,282	263,392	1,002,296	1,265,688
Loans - debt with FASCEMAR	5,132	-	20,526	-	25,658	4,966	21,105	26,071
Total	239,172	(536)	832,941	(3,205)	1,068,372	273,112	1,053,190	1,326,302
Total net	238,636		829,736			273,112	1,053,190	

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

(In thousands of Reais, unless when specified)

Institution	Contractual rates (%) p.a.	Transaction costs incurred	Balance of transaction costs to appropriate	Maturity	Value of debt 03/31/2010	Value of debt 12/31/2009
BNB Head Office	10%	207	74	12/06/2012	6,680	7,199
BNB II	10%	2,174	1,964	02/05/2021	137,755	135,443
FINEP	TJLP + 2%	31	15	06/30/2013	1,840	1,966
BNDES II	TJLP + 3.6%	15	9	07/15/2013	67,320	72,359
IFC	90.9% of CDI + 1.5%	2,100	1,547	01/15/2016	127,042	139,291
Total		4,527	3,609		340,637	356,258
Current			538		-	-
Non-current			3,071		-	-

a. *Covenants*

The subsidiary CEMAR has borrowings and financing (BNDES, IFC and 3rd debenture issue, CCB Bradesco, ABN Amro and BNDES-Finen) which require that certain indebtedness indicators and interest coverage be maintained. During the period ended March 31, 2010 CEMAR fulfilled all of the indicators required under contract.

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

The installments that refer to the principal sums for borrowings, financing and debentures (see Note 18) fall due as follows:

(In thousands of Reais, unless when specified)

	Consolidated					
	03/31/2010			12/31/2009		
	Local currency	Foreign currency	Total	Local currency	Foreign currency	Total
2010	178,035	718	178,753	172,896	4,278	177,174
Total short-term	178,035	718	178,753	172,896	4,278	177,174
2010	-	-	-	-	-	-
2011	85,774	718	86,492	141,581	3,807	145,388
2012	167,918	528	168,446	158,931	2,815	161,746
2013	280,011	339	280,350	163,821	1,824	165,645
2014	103,582	169	103,751	142,439	885	143,324
2015	99,267	-	99,267	122,663	-	122,663
over 2015	258,807	6,761	265,568	296,750	20,459	317,209
Total long-term	995,359	8,515	1,003,874	1,026,185	29,790	1,055,975
Total	1,173,394	9,233	1,182,627	1,199,081	34,068	1,233,149

c. *Statement of debts (does not include the funding costs to amortize)*

Consolidated					
Financing	**Date of sign**	**Currency**	**Financial charges**	**03/31/2010**	**12/31/2009**
TN - Par Bond	04/29/1996	*US$*	6.0000%	-	17,161
TN - Escrow - Par Bond	04/29/1996	*US$*	U$ Treasury	-	(8,765)
TN - Discount Bond	04/29/1996	*US$*	Libor + 13/16	-	11,861
TN - Escrow - Discount Bond	04/29/1996	*US$*	U$ Treasury	-	(6,149)
TN – Flirb	04/29/1996	*US$*	Libor + 13/16	-	-
TN - C. Bond	04/29/1996	*US$*	8.0000%	-	6,591
TN - Debit. Conv.	04/29/1996	*US$*	Libor + 7/8	-	4,047
TN - New Money	04/29/1996	*US$*	Libor + 7/8	-	-
TN – Bib	04/26/1996	*US$*	6.0000%	-	213
BNDES – Import	03/27/1998	*Umbndes*	Basket BNDES + 4%	-	112
Societe Generale II	07/20/2000	*US$*	Libor + 0.65%	-	-
KFW III , IV, e V - Tranche A/B/C	11/03/2000	*US$*	Libor + 0.65%	-	360
TN - Par Bond	04/15/1994	*US$*	US$ + 6% p .a	4,096	3,943
TN - Discount Bond	04/15/1994	*US$*	US$ + (Libor/Sem + 13/16% p. a.)	2,800	2,727

(In thousands of Reais, unless when specified)

Consolidated					
Financing	**Date of sign**	**Currency**	**Financial charges**	**03/31/2010**	**12/31/2009**
TN – Flirb	04/15/1994	*US$*	US$ + (Libor/Sem + 13/16% p. a.)	-	-
TN - C. Bond	04/15/1994	*US$*	US$ + 8% p .a	1,581	1,514
TN - Debit. Conv.	04/15/1994	*US$*	US$ + (Libor/Sem + 7/8% p. a.)	955	930
TN - New Money	04/15/1994	*US$*	US$ + (Libor/Sem+ 7/8% p.a.)	-	-
Foreign currency				9,432	34,545
ELETROBRÁS	Various	UFIR	5% p.a.	-	952
BNDES - FINEM	11/05/2007	TJLP	TJLP + 4.3% p.a.	-	98,535
CCB Bradesco	10/18/2007	CDI	CDI + 0.85%	-	114,595
Working capital - ABN Amro	08/27/2008	CDI	CDI + 0.95%	-	20,650
Various bank sureties				-	47
BNDES Proesco	12/12/2008	TJLP	TJLP + 2.5% p.a.	-	453
BNDES II	03/11/2008	TJLP	TJLP + 3.6% p.a.	67,320	72,369
ELETROBRÁS	04/27/2004	RGR, FINEL and IGP-M	Various	413,187	411,082
BNDES – FINEN	04/10/2007	TJLP	TJLP + 4.8% p.a.	15,045	55,732
BNB	11/23/2005	FNE	9.78% a. a.	111,884	116,515
FASCEMAR	04/20/2001	CDI	102%CDI	25,658	26,071
FINEP	06/13/2006	TJLP	TJLP + 2% p.a.	1,839	1,982
FINAME	04/20/2006	TJLP	TJLP + 9.5% p. a.	890	138
BNB - new head office	12/06/2007	FNE	9.78% p. a.	6,680	7,287
BNB – GIRO				3,940	5,909
BNB II				137,755	137,458
IFC	02/01/2008	CDI	90.9% of CDI + 1.5% p.a.	127,042	140,903
Itau BBA	09/01/2009	CDI		7,623	5,021
Itau	Various	CDI		47,437	37,000
Votorantin	Various	CDI		3,000	41,292
Financial institutions				50,475	117
Local currency				1,019,775	1,294,108
SWAP				-	1,390
Total (excluding funding costs to amortize)				1.029.207	1.330.043
Current				239,173	273,648
Non-current				790,034	1,056,395

d. Universal rural power supply program

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

Since the start of the Program in 2004, CEMAR has invested R$ 978,378 (R$ 766,543 until December 31, 2008) in the Universalization Program.

“Programa Luz para Todos”- “Light for All”

Presidential Decree 4,873 dated November 11, 2003, introduced the “Programa Luz para Todos” within the Universalization Plan, which aims to provide electricity, until 2010, to the sections of the Brazilian rural population which do not have access to this public service yet.

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

In August 2008, CEMAR signed with ELETROBRÁS, the contract ECF nº. 236/2008 - 4th Series, which referred to the 4th stage of the program, which forecasts attending more than 67,136 consumers. The total value of the contract is up to R$338,597, with the amount of R$101,579 liberated at the time of signing the contract. At April, 2009, the subsidiary CEMAR received the second liberating, in the amount of R$67,719 and at September, 2009 the third liberating, in the amount of R$67,719 and at December, 2009 the forth liberating in the amount of R$67,719, totaling the amount of R$304,738 in releases until March 31, 2010. On March 31, 2010, the effective rate to this operation was 6% per annum (6% per annum at December 31, 2009).

(In thousands of Reais, unless when specified)

The origins of ELETROBRAS funds are as follows:

- An amount equivalent to up to 13.33% of the total cost of the works in progress, estimated at R$987,685, not including labor, transportation and management expenses, will be obtained through funds from the Global Reversal Reserve - RGR, which corresponds to a loan of in the amount of R$ 160,565; and

- O An amount equivalent to up to 86.67% of the total cost of the respective works, not including labor expenses, transportation and management, will be obtained through funds from the Energy Development Account (CDE), which corresponds to an extension of credit amounting to R$1,043,974, as an economic subsidy, in accordance with Law 10,762, dated November 11, 2003.

  Since the start of the program CEMAR has received R$100,778 under the ECF-027/2004 agreement, with R$13,437 coming from RGR funds and R$87,341 from CDE funds; R$176,341, under the ECFS-140/2006 agreement, with R$23,505 from RGR funds and R$152,836 from CDE funds; R$279,031, which refers to contract ECFS-176/2007, with R$37,193 arising from funds from RGR and R$241,838 from CDE; and R$304,738, refer to contract ECFS-236/2008, with R$40,632 derived from RGR funds and R$264,106 from CDE; and R$92,937, under the ECFS-281/2009 agreement, with R$12,389 from RGR funds and R$80,549 from CDE funds.

18 Debentures

	Consolidated							
	03/31/2010					12/31/2009		
	Current		Non-current			Current	Non-current	
	Principal and charges	Funding costs to apportion	Principal and charges	Funding costs to apportion	Total	Principal and charges	Principal and charges	Total
Debentures	55,508	-	213,840	-	269,348	31,917	558,740	590,657

(In thousands of Reais, unless when specified)

Third debenture issue - CEMAR

On March 28, 2007 the public distribution ended of the 3rd issuance of CEMAR's non-convertible debentures. The funds obtained in the amount of R$267,300 were initially allocated to prepay existing debts that had more onerous terms for the subsidiary, and the remaining funds were allocated to implement CEMAR's investment program. On March 31, 2010 the effective rate for this operation was 9.47% of CDI (10.45% per annum on December 31, 2009). On March 31, 2010, debentures in the long term amounted to R$213,840, and the respective maturity dates are scheduled as described below:

Maturity dates	Amount
2012	53,460
2013	160,380
Total	213,840

19 Regulatory taxes

	Consolidated	
	03/31/2010	12/31/2009
Quota in Fuel Consumption Account - CCC	2,591	1,724
Energy Development Account - CDE	629	4,865
Quota in Global Reversion Reserve – RGR	1,486	2,826
Program of incentive to alternative sources of electric energy - PROINFA	-	2,698
Capacity and emergency purchase charges	-	18,292
Inspection Fee – ANEEL	243	243
	4,949	30,648

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

(In thousands of Reais, unless when specified)

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

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

Program of Incentive to Alternative Sources of Electric Energy (PROINFA) - Created by Law n° 10,438/2002, the purpose of PROINFA is to encourage the growth of participation of alternative renewable sources, such as small hydroelectric power plants (PCHs), wind plants and thermoelectric plants. The costs incurred with the program, which energy is contracted by Eletrobrás, is borne by all end consumers (free and captive) of the National Interconnected System (SIN), except low-income consumers with monthly consumption equivalent to or lower than 80 kilowatts-hour (kWh).

Emergency Capacity Charge and Energy Purchase Charge (ECE and EAE) - Corresponds to operating tax and administrative costs incurred by the Comercializadora Brasileira de Energia Emergencial - CBEE in connection with the contracting of generation or power capacity, divided among the end consumers of electric energy served by the National Interconnected System, proportionally to the individual consumption verified.

20 Taxes payable

	Parent Company		**Consolidated**	
	03/31/2010	**12/31/2009**	**03/31/2010**	**12/31/2009**
Current				
IRRF	-	2	-	4
Deferred income and social taxes	-	-	6,787	-
ICMS	-	-	19,765	19,763

(In thousands of Reais, unless when specified)

	Parent Company		Consolidated	
	03/31/2010	12/31/2009	03/31/2010	12/31/2009
Current				
Installment Payment - Law 11,941/09	-	-	-	5,421
PIS/COFINS	-	-	6,839	21,233
REFIS/PAES	-	-	1,128	1,129
Income and social taxes - Unrealized foreign income	-	-	-	47,209
Provision for income and social taxes	331	77	7,583	567
Withholding income tax - Interest on shareholders' equity	960	960	960	960
Social charges and others	3	42	4,470	4,507
Other	(52)	7	1,212	4,297
Total	1,242	1,088	48,744	105,090

	Parent Company		Consolidated	
Non-current	03/31/2010	12/31/2009	03/31/2010	12/31/2010
Deferred income and social taxes	-	-	71,866	80,775
Installment Payment - Law 11,941/09	-	-		75,896
REFIS/PAES	-	-	83,536	83,536
PIS and COFINS	-	-	70,512	64,337
Others	-	-	707	694
Total	-	-	226,621	305,238

Payment in installment of taxes - REFIS Law 11,941/09

Special Installment Payment Program - PAES (REFIS II) - The outstanding balances of PAES Federal Revenue and PAES Social Security are paid in installments due to the inclusion in the new REFIS - Law 11,941/09.

The primary benefits from the inclusion in the new REFIS were the reduction of interest and fine in the amount of R$ 24,756, the possibility to pay the outstanding installment of interest and fine by using tax losses, in addition to the own disbursement of cash in installments. The original amount included in REFIS was R$ 72,521. Taking into account that 34,028 will be offset against tax losses, the actual installment payment will result in future cash disbursements of R$ 38,493.

(In thousands of Reais, unless when specified)

The aforesaid debt in the amount of R$ 38,793 will be paid in 180 installment. The inclusion in the program resulted in a gain in the amount of R$ 29,394.

Accordingly, as of March 31, 2010 liabilities relating to tax (REFIS - Law 11,941/2009) increased as set forth below:

	Amount
Income and social taxes	38,260
PIS and COFINS	234
Others	34,028
Total	72,522

The aforesaid inclusion resulted in the amount of R$72,522 in CEMAR's results, respectively recorded in the following accounts.

	Amount
Financial expenses	(58,784)
Income and social taxes	(38,260)
Others operating income	24,756
Others operating expenses	(234)
Total	(72,522)

Pursuant to the rules applicable to the new payment in installments, the debit balance will be paid in 180 months. The consolidation of such debts is pending conclusion by the Federal Revenue Service (RFB).

21 Provision for contingencies

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

(In thousands of Reais, unless when specified)

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

	Consolidated					
	03/31/2010			12/31/2009		
Nature of dispute	**Value**	**Judicial deposit**	**Net provision**	**Value**	**Judicial deposit**	**Net Provision**
Civil and tax	28,238	9,882	18,356	133,927	25,918	108,009
Labor	8,479	24,698	(16,217)	49,554	24,547	25,007
Regulatory	2,975	-	2,975	2,938	-	2,938
Others	-	-	-	21,781	414	21,367
	39,692	34,580	5,114	208,200	50,879	157,321
Current	14,595	12,095	2,500	15,203	11,887	3,316
Non-current	25,099	22,485	2,614	192,997	38,992	154,005

Labor claims

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

Civil and tax

The most significant individual contingency provision (R$16,094) recorded refers to two demands, one that refers to a claim for settlement of accounts and the other for indemnity, both arising from the agreement to charge the Public Illumination Tariff - TIP, which were filed by the municipal of as São Luís against CEMAR. The first claim filed demanded payment of the amount arising from not transferring the amounts collected for investment in the public illumination park for the city and the decision for the second claim demanded an indemnity payment as a result of CEMAR not providing, over the years, the calculations for correcting the TIP value, in order to meet the monthly cost for the public illumination service. These claims were judged against CEMAR, and the latter is in the process of settling the sentences passed.

CEMAR filed two claims to annul the judgments with the Appeal Courts in Maranhão. In September 2009, the Court, confirming the injunction that had been granted previously, and gave a favorable sentence in the lower courts for the recessionary claim filed against the decision given for the indemnity claim filed by the Municipal for São Luis. After this decision, the Municipal filed a Special Appeal with the Supreme Court, which has still not been admitted. The other recessionary claim, filed against the decision given in the claim for settling accounts, has not altered significantly during the previous three months. Consequently, the financial statements of CEMAR include a provision of R$30,490 (R$30,629 on December 31, 2009).

In addition to the losses provisioned for above, there are other civil contingencies monitored by Management, based on the assessment of Equatorial and Company’s legal department and external advisors, for which the chance of loss is rated as possible and remote, amounting to R$49,050 and R$15,875, respectively (R$47,338 and R$15,241 respectively, on December 31, 2009) therefore no provision for these losses has been recorded.

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

(In thousands of Reais, unless when specified)

Regulatory claims

In the period from September 22, 2009 to October 03, 2009, ANEEL/SFE carried out the Quality inspection (Technical/Commercial). The Inspection resulted in TN nº 015/2009-SFE/ANEEL and AI nº 108/2009-SFE/ANEEL, which established the payment of a fine in the amount of R$1,797. The value of the fine was provisioned in December 2009.

In addition, due to the inspection process conducted in the period from June 23, 2008 to June 27, 2008, which evaluated the quality of the service provided to customers, in particular with respect to the installation of electronic meters, ANEEL/SFE issued the Notification Instrument 093/2008 and the Assessment Notice no 078/2009, the latter establishing the payment of a fine in the amount of R$1,120. The value of the fine was provisioned in December 2009.

22 Dividends and interest on shareholder’s equity (Parent Company)

On March 29, 2010, the Ordinary General Meeting approved the proposal to distribute the minimum compulsory dividends together with interest on own capital, equivalent to 25% of adjusted net profit, after considering the legal reserve of R$10,449, for the total amount of R$50,804.

The balances comprise the following:

	2009
Net income for the year	208,991
(-) Prior year adjustments	-
(-) Legal reserve	(10,449)
Adjusted net income	198,541
Minimum obligated dividends - 25.00%	49,635
Complementary dividends - 0.59% (46% in 2008)	1,169
Interest on shareholders’ equity	7,412
Proposed dividends	43,392
Investment and expansion reserve	147,737

(In thousands of Reais, unless when specified)

Balances on January 1st,2008	148,719
Investment and expansion reserve and dividends	
Declared	202,016
Withholding income tax – IRRF	(1,577)
Paid	(148,717)
Balances on December 31, 2008	200,441
Investment and expansion reserve and dividends	
Declared	50,804
Withholding income tax – IRRF	(960)
Paid	(200,436)
Balances on December 31, 2009	49,849

23 Researches and development and Energy Efficiency Program

	Parent Company		Consolidated	
	03/31/2010	**12/31/2009**	**03/31/2010**	**12/31/2009**
Current				
Energy efficiency program - PEE	-	-	25,590	61,740
Researches and development - P&D	-	-	11,610	28,039
Energy research company - EPE	-	-	481	485
Science and technology development national found	-	-	962	992
Total	-	-	38,643	91,256
Current	-	-	22,019	74,632
Non-current	-	-	16,624	16,624

(In thousands of Reais, unless when specified)

24 Other accounts payable

	Parent Company		Consolidated	
	03/31/2010	12/31/2009	03/31/2010	12/31/2009
Current				
Financial compensation for water resources use	-	-	-	1,073
Other debts - Return to consumers	-	-	2,609	5,143
Escrow	-	-	7,418	8,100
Private pension entity	-	-	8,069	31,463
Others	45	12	741	10,114
Total	45	12	18,837	55,893
Non-current				
Public asset use - UBP	-	-	-	28,913
Reversal reserve	-	-	-	17,483
Private pension entity	-	-	-	215,347
Others	-	-	3,938	16,777
Total	-	-	3,938	278,520

25 Shareholders' equity

a. *Capital*

On March 31, 2010 capital represents R$925,996 (R$907,485 on December 31, 2009). composition, by class of share and main shareholders, is presented below:

Shareholders	Common	%
PCP Latin America Power S/A	58,671,559	54.08%
Squadra Investimentos	5,725,240	5.28%
Minorities	44,084,029	40.64%
Total	108,480,828	100.00%

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

Change in Equatorial equity interest

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

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

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

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

On August 28, 2009, a total of 21,400 ordinary shares were subscribed by the beneficiaries of the Company's third share purchase option program. Consequently, the Company's capital increased to 105,880,505 ordinary shares, with no par value.

On December 1, 2009, 2,525 common shares were subscribed due to the beneficiaries of the Company's Third Stock Option Plan. Accordingly, the Company's capital stock was divided into 105,883,030 registered common shares, without par value.

On January 4, 2010, a total of 2,098,244 ordinary shares were subscribed by the beneficiaries of the Third Program for the Company's Shares Purchase Options As a result, the Company's capital was represented by 107,981,274 ordinary shares, all nominative, with no par value.

On March 4, 2010, a total of 499,554 ordinary shares were subscribed by the beneficiaries of the Third Program for the Company's Shares Purchase Options As a result, the Company's capital was represented by 108,480,828 ordinary shares, all nominative, with no par value.

Change in ownership interest of subsidiary CEMAR

On February 1, 2010, 37,150 common shares of CEMAR's capital stock were issued, corresponding to 3,715,086,108 common shares prior to the reverse split of shares approved by the Extraordinary General Meeting held on April 17, 2008 (Note 24 b), due to the beneficiaries of the Company's Stock Option Plan. Accordingly, the Company's capital stock was divided into 164,146,749 shares, of which 161,281,789 are common, 1,239,231 are Class A preferred shares without voting rights and 1,625,729 are Class B preferred shares without voting rights, all registered and without par value.

b. Capital reserve

In compliance with CVM Decision 562, of December 17, 2008, which approved Technical Pronouncement CPC 10, the Company has recorded as Capital reserve the total amount of R$11,223, being the amount of R$6,220 recorded on 2010 (R$2,392 in 2009), which referred to the options granted recognized.

c. Profit reserve - Legal reserve

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

Of the total income reported for 2009, R$10.450 was allocated to constitute the legal reserve, and based on the Management Board Meeting, held on March 26, 2010 for the purpose of increasing capital, to be approved in the Extraordinary General Meeting.

d. Reserve for investment and expansion

This was constituted from part of the income from 2008 not distributed, as provided in the Company's statutes, for the amount of R$82,302, for the purpose of partially financing the investments included in the Company's development plan. In 2009, in the amount of R$147,737 was added to this reserve.

e. Stock option program

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

First option plan for the acquisition of shares

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

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

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

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

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

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

Without any other subscription in the Program compass, on March 31, 2010, the balance for share options to be subscribed under Program 2 was 626 thousand common shares, considering the grouping stated above, with the initial exercise date being January 31, 2009 and the closing date being January 31, 2011.

According to the Plan, recipients of shares that have been subscribed or acquired under the Plan may only sell, transfer or by any other means dispose of the Company's shares, after the Company has been offered the pre-emptive rights to acquire them. The Company's pre-emptive right shall only be exercised, if it so desires, to acquire all of the Shares offered by the Recipient, where the recipient undertakes to sell them to the Company at the subscription price defined above, restated by the IGP-M/FGV price index between the subscription date and the date the share price is paid, even if another purchaser is offering a better price.

Second option plan for the acquisition of shares

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

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

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

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

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

Third stock option plan

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

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

On February 09, 2009, the Management Committee for the Third Plan granted 3,819 thousand share purchase options, of which 163 thousand were subscribed on the same date. On May 07, 2009, a further 181 thousand options were granted, complementing the maximum value to be offered under the terms of the Plan (4,000 thousand share).

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

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

On August 28, 2009, a further 21 thousand options were subscribed by the beneficiaries of the plan, and consequently, the balance at September 30, 2009, for subscription within the ambit of this plan, was 3,758 thousand options.

On November 30, 3 thousand additional options were subscribed due to the payment of the last installment of dividends relating to 2008.

(In thousands of Reais, unless when specified)

Accordingly, the remaining balance to be subscribed, as of December 31, 2009 is 3,754 thousand shares.

On January 4 and March 1, 2010, a total of 2,098 thousand and 500 thousand shares were subscribed within the ambit of the Share Purchase Option Plan, respectively. These subscriptions are part of the 1st and 2nd lots granted under the Plan.

After these subscriptions, the balance, on March 31, 2010, was 1,156 ordinary shares.

Information on the stock option plans is summarized below:

	First plan				
In thousand of stocks	**Program 1**	**Program 2**	**Second plan**	**Third plan**	**Total**
Number of Purchase option	2,934	2,060	1,044	4,000	10,038
Options exercised until 03/31/2009	(2,934)	(1,434)	(38)	(163)	(4,569)
Remaining balance at 03/31/2009	-	626	1,006	3,837	5,469
Cancellations and transfer from 2nd to 3rd Plan	-	-	(1,006)	-	(1,006)
Options exercised between 04/01/2009 and 12/31/2009	-	-	-	(83)	(83)
Options exercised between 01/01/2010 and 03/31/2010	-	-	-	(2,598)	(2,598)
Remaining balance at 03/31/2010	-	626	-	1,156	1,782

Potential for dilution

According to the rules for each option plan, the potential issue of the remaining options would result in an additional dilution for the existing shareholders of Equatorial Energia S.A. equivalent to a maximum of 1.6%, not considering the potential dilution of the stock option plans of CEMAR.

(In thousands of Reais, unless when specified)

Administration of plans

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

26 Power supply

A breakdown of power supply by consumer class at March 31, 2010 and 2009, is provided below:

	Consolidated			
	MWh (*)		R$	
	03/31/2010	03/31/2009	03/31/2010	03/31/2009
Residential	149,155	924,043	156,146	316,503
Industrial	34,495	198,849	28,329	52,538
Commercial, services and others	68,350	556,857	72,343	189,139
Rural	10,277	27,856	7,711	7,212
Government	20,996	138,141	22,910	48,570
Public lighting	25,119	98,871	13,983	18,626
Public service	21,560	118,389	17,890	29,302
Own consumption	616	5,546-	-	-
Low income consumers	-	-	30,276	26,370
Others	-	-	14,588	38,658
RTD	-	-	(15,080)	(7,298)
CVA-PLPT	-	-	(1,617)	(19)
Constitution and amortization of CVA liability	-	-	(12,330)	2,588
Billed power supply	330,568	2,068,552	335,149	722,189
ICMS	-	-	66,689	196,800
Unbilled power supply	-	-	(2,524)	3,294
Energy supply	-	-	-	25,950
Total	330,568	2,068,552	399,314	948,233

(In thousands of Reais, unless when specified)

(*) Information not audited by independent auditors.
The amounts for ICMS and income not billed were excluded from the above lines.

27 Operating results

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

	Parent Company	
	03/31/2010	03/31/2009
Cost/expense's nature		
Personnel and management's	6.800	529
Material	6	10
Outsourced services	781	1,321
Others	603	537
Financial income	(1,982)	(6,550)
Equity income	(31,597)	(62,234)
Non recurrent income and expenses	-	93
	(25,391)	(66,294)
Depreciation and amortization	37	37
Total	(25,354)	(66,257)

	Consolidated					
	Cost of services		Operating charges		03/31/2010	03/31/2009
	Electric Energy	For Operation	Sales (1)	General and Administrative (2)	Total	Total
Cost/expense's nature						
Energy purchased for resale	100,503	-	-	-	100,503	306,714
Personnel and management's	4,474	-	4,659	12,872	22,005	25,419
Material	1,425	-	238	385	2,048	3,095
Outsourced services	8,786	-	11,493	11,201	31,480	39,305
Allowance for doubtful debts	-	-	-	(35)	(35)	25,669
Provision for contingences	-	-	-	1,337	1,337	3,185

(In thousands of Reais, unless when specified)

	Consolidated					
	Cost of services		Operating charges		03/31/2010	03/31/2009
	Electric Energy	For Operation	Sales (1)	General and Administrative (2)	Total	Total
Cost/expense's nature						
Charges on use of transmission system	21,070	-	-	-	21,070	18,950
Others	999	-	132	11,432	12,563	8,516
Financing results	-	-	-	-	6,655	1,512
Equity income – goodwill amortization	-	-	-	-	888	(272)
Non recurrent income and expenses	-	-	-	-	2,137	6,381
	137,257	-	16,522	37,192	190,971	438,474
Depreciation and amortization	23,166	-	-	-	23,166	44,764
Total	160,423	-	16,522	37,192	214,137	483,238

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

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

28 Employees pension fund

Details of the retirement plan CEMAR

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

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

(In thousands of Reais, unless when specified)

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

CEMAR, as the sponsor, monthly collects a regular equivalent contribution paid by the Participants of both plans included in its staff. On March 31, 2010, this amount totaled R$413 (R$633 on March 31, 2009).

29 Insurance coverage

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

- **Equatorial**

Risk	Maturity	Amount insured (R$ thousands)	Premium
Civil Responsibility - D&O	06/07/2010	10,000	36.2
Equatorial’s head office - RJ	04/01/2010	2,789	1.3

- **Cemar**

Risk	Maturity	Amount insured (R$ thousands)	Premium
Risks named - substations and inventories	01/01/2011	131,490	596
General civil liability - operations	01/01/2011	7,000	90
Vehicles	02/01/2011	(a)	70

The Company and its Subsidiary have the practice of taking out insurance coverage for the assets subject to risk at amounts considered sufficient to cover any incidents, considering the nature of its activity. The Company's and its Subsidiary's insurance contracts are made in accordance with the risk management and insurance fundamentals generally employed by power distribution companies. The risk premises adopted, given their nature, do not fall within the scope of the audit of the financial statements, and consequently, were not audited by our independent auditors. The Company has a vehicle insurance policy. We described above the period comprising the maturity date of such policy. The policy refers to 73 vehicles, insured at market value. In January and February 2010, the insurance policies for the subsidiary CEMAR were renewed for a further year, under the same terms as the previous contracts.

30 Tariff review and Tariff adjustment

The National Electric Energy Agency - ANEEL, through Homologation Resolution 870, of August 25, 2009, approved the results of the Periodic Tariff Review process, which was being considered by this Agency. As a result of the process, CEMAR's tariffs were adjusted by -11.03%, with an average effect felt by the consumer of -1.64%, resulting from considering the financial components for the amount of 9.55%. In addition, the value of the Xe component of the X Factor was fixed at 1.06%, and in this case considered the amount of R$712,774 (seven hundred and twelve million, seven hundred and seventy four thousand) for investments to be made by CEMAR in the tariff cycle starting in August/2009,the value of technical losses over required energy at 12.42% and the value for technical losses on the low voltage billed market at 24.16%. In the same process, through Authorization 2,061, of August 25, 2009, ANEEL established the continuity limits for electric energy distribution services, for aspects related to the Equivalent Interruption Duration per Consuming Unit - DEC and Equivalent Frequency Duration per Consuming Unit - FEC, for the groups of consumer units from the concession area for Companhia Energética do Maranhão - CEMAR, for the period 2010-2013.

(In thousands of Reais, unless when specified)

a. *Remunerable investment*

The remunerable investment, also referred to as the Regulatory Asset Base (RAB), registered for the fixed assets in services – AIS – and the warehouse operation less the balance for liabilities tied to the public energy service, on which the remuneration was calculated, and the AIS which generated the depreciation charge, which comprise part of the "B" component for the required income, homologated by the above resolution.

Regulatory remuneration base

Description	**Review in August 2009**
(1) Fixed assets in service (new replacement value)	3.104.838
(2) Index for full use	7.825
(3) Special obligations	638.494
(4) Full depreciated assets	211.203
(5) Gross remuneration base = (1)-(2)-(3)-(4)	**2.247.316**
(6) Accumulated depreciation	1.346.996
(7) AIS net (market value in use) = (1)-(6)	**1.757.842**
(8) Index for depreciated use	7.742
(9) Value of remuneration base (VBR) = (7)-(8)	**1.750.100**
(10) Warehouse in operation	5.666
(11) Deferred assets	0
(12) Lands and rights of way	3.872
(13) Net total Value of remuneration base Total = (1)-(6)-(8)-(3)+(10)+(11)+(12)	**1.121.144**
(14) Gross remuneration base - RGR/PLPT	68.359
(15) Accumulated depreciation - RGR/PLPT	6.431
(16) Net remuneration base - RGR/PLPT	**61.928**
(17) Depreciation rate	4,52%
(18) Quota for regulatory reintegration = (17) * (6)	101.579

31 Financial instruments - CVM Instruction nº 475 and CVM Deliberation nº 566

a. *General considerations*

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

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

b. *Policy for using derivates*

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

c. *Market value of financial instruments*

n compliance with CVM Instruction 475, the accounting balances and the market values of the financial instruments included in the balance sheet on March 31, 2010 and December 31, 2009 are shown below:

(In thousands of Reais, unless when specified)

	Consolidated			
	03/31/2010		12/31/2009	
Description	Book value	Market value	Book value	Market value
Assets				
Marketable securities	546,532	546,532	535,957	535,957
Swaps	-	-	1	1
Liabilities				
Loans and financing	1,068,372	1,068,372	1,237,903	1,241,042
Debentures	269,348	269,348	585,533	585,533
Swaps	-	-	1,390	1,390

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

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

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

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

d. *Risk factors - CVM Instruction 475*

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

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

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

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

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

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

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

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

e. *Sensitivity analysis of financial instruments*

Interest earnings bank deposits

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

In compliance with CVM Instruction 475, we present a scenario using the actual interest rates at December 31, 2009 (probable scenario), and two other scenarios, with an increase of 25% (scenario II) and 50% (scenario III) in the indices.

(In thousands of Reais, unless when specified)

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

Equatorial						
Operation	**Risk**	**Probable scenario**	**Scenario (II)**	**Scenario (III)**	**Scenario (IV)**	**Scenario (V)**
Financial assets	CDI	1,826	2,289	2,744	1,371	918
Reference to financial assets and liabilities		**Rate on 12/31/2009**	**+ 25%**	**+ 50%**	**- 25%**	**- 50%**
CDI (% 12 months)		8.95	11.19	13.42	6.71	4.47

Swaps for financial flows

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

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

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

- **For UBS**

  Hypothesis 1: final quotation EQTL3 > initial quotation EQTL3 corrected by the CDI (from the initial date until the maturity date of the swap)

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

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

• **Where:**

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

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

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

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

(In thousands of Reais, unless when specified)

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

Initial	Maturity date	Liquidation date	Notional value	Gross income	Gain/loss in operation
08/29/2008	08/31/2009	06/08/2009	991	1.068	78
09/01/2008	09/01/2009	06/05/2009	1,409	1.509	99
09/03/2008	09/03/2009	06/05/2009	422	453	31
09/04/2008	09/04/2009	06/05/2009	577	619	42
09/15/2008	09/15/2009	06/05/2009	800	966	166
09/17/2008	09/17/2009	06/05/2009	551	680	128
09/18/2008	09/18/2009	06/05/2009	274	338	65
Total			5.024	5.633	609

Sensitivity analysis for variations in interest rates

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

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

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

(In thousands of Reais, unless when specified)

Operation	Risk	Probable Scenario	Scenario II	Scenario III	Scenario IV	Scenario V
Financial assets						
Marketable securities	CDI	6,704	8,403	10,071	5,036	3,367
Financial liabilities						
Loans, Financing and Debentures						
ECF - 2034/00	FINEL	(838)	(873)	(907)	(804)	(770)
ECF - 1510/97	FINEL	(15)	(15)	(15)	(14)	(14)
ECF - 1639/97	FINEL	(145)	(150)	(154)	(141)	(136)
ECF - 1645/97	FINEL	(30)	(30)	(31)	(29)	(28)
ECF -1960/99	IGP-M	(4,397)	(5,100)	(5,803)	(3,693)	(2,990)
ECF - 1907/99	FINEL	(19)	(20)	(21)	(19)	(18)
ECF - 1908/99	FINEL	(129)	(134)	(140)	(124)	(119)
ECF - 2728/08	SELIC	(338)	(388)	(438)	(287)	(237)
FASCEMAR	CDI	(840)	(1,377)	(1,914)	(304)	233
FINEP	TJLP	(37)	(63)	(89)	(11)	15
FINAME 01	TJLP	(0)	(1)	(1)	(0)	(0)
FINAME 02	TJLP	(4)	(6)	(7)	(3)	(1)
BNDES I	TJLP	(411)	(624)	(837)	(198)	15
IFC	CDI	(2,330)	(4,719)	(5,615)	59	955
BNDES II	TJLP	(1,601)	(2,554)	(3,506)	(649)	304
DEBENTURES 3th ISSUE	CDI	(5,797)	(11,621)	(17,446)	28	11,649
Reference to financial assets and liabilities		**Rates at 03/31/2010**	**+ 25%**	**+ 50%**	**- 25%**	**- 50%**
CDI (% 12 months)		8.95	11.19	13.42	6.71	4.47
SELIC (% 12 months)		9.00	11.25	13.50	6.75	4.50
TJLP (% 12 months)		6.00	7.50	9.00	4.50	3.00
IGP-M (% 12 months)		1.94	2.43	2.92	1.46	0.97

32 Result of discontinued operations

a. Partial spin off

As published in the Material Fact dated December 30, 2009, the parent of Equatorial, FIP PCP, and CEMIG agreed a Contract for the Purchase and Sale of Shares and Other Covenants, with Equatorial as intervening and consenting party, for the sale of the indirect investment interest held by FIP PCP in Light.

This contract provides that FIP PCP will approve the partial spin off of Equatorial, segregating its share interest in RME from the Company's other assets, which are its investment interest in Cemar, Equatorial Soluções and Geramar (previously Geranorte). This spin off was approved in the Annual and Extraordinary Special General Meeting, held on April 29, 2010, and occurred through the transfer of the Company's interest in RME to a new company called Redentor Energia S.A.

Redentor's capital is represented only by common shares. Each of the Company's shareholders received one share in Redentor for each share held in the Company. There were no changes or cancellation of rights of the shares issued by Redentor in relation to the shares issued by the Company, since the shares issued by Redentor attributed to the Company's shareholders as a result of the partial spin off are entitled to the same rights and advantages attributed to the shares issued by the Company.

The shares from the Company's issue in circulation on the market will be traded "cum rights" to the partial spin off, until the listing process of Redentor has been concluded, together with admission of its shares for trading on the Novo Mercado segment. Until then, the shares from the Company can only be traded on the Stock exchange together with the corresponding shares from Redentor, under the code EQTL3, and any individual trading of the Company's or Redentor's shares on the stock exchange is prohibited.

Once Redentor's shares have been admitted for trading on the Novo Mercado Segment of BM&F Bovespa, the shares issued by the Company and those issued by Redentor will be traded independently. This event will be disclosed to the market at the precise moment.

The contract also provides that Redentor will be listed on the Novo Mercado, and that subsequently FIP PCP will sell all of its direct and/or indirect investment interest in Redentor to a company in which CEMIG will hold stake of not less than 20%.

b. Acquisition price

The price to be paid for the shares of Redentor will be equivalent to R$785 million for its total indirect stake in Light. The price will be adjusted by the CDI as from December 01, 2009, until the conclusion date of the purchase and sale, and will also be adjusted to reflect the proportional dividends paid or declared by Light during the period, depending on the case.

c. *Public offer for sale of controlling interest*

Assuming the conclusion of the operation, with the effective transfer of the control in Redentor, the buyer or even Redentor, observing the terms provided in law, will register with the CVM the public offer to purchase the shares from the sale of the controlling interest in Redentor.

Equatorial Energia S.A

(Publicly-held Company)

Board of Directors

Carlos Augusto Leone Piani

Firmino Ferreira Sampaio Neto

Gilberto Sayão da Silva

Alessandro Monteiro Morgado Horta

Paulo Jerônimo Bandeira de Mello Pedrosa

Celso Fernandez Quintella

Alexandre Gonçalves Silva

Composition of the Fiscal Council

Effectives Members	Substitute Members
Felipe Sousa Bittencourt	José Guilherme Cruz Souza
Paulo Roberto Franceschi	Marços Antonio Krauss
Sergio Passos Ribeiro	Bruno Augusto Sacchi Zaremba

Equatorial Energia S.A

(Publicly-held Company)

Company’s Management

Firmino Ferreira Sampaio Neto
Chief Executive Officer

Eduardo Haiama
Chief Financial and Investor Relations Officer

Tinn Freire Amado
Chief Officer

Patrícia Pugas de Azevedo Lima
Chief Officer

Ana Marta Horta Veloso
Chief Officer

Controller’s Department

Leonardo da Silva Lucas Tavares de Lima Controller CPF 023.737.554-08	Geovane Ximenes de Lira Accountant CRC PE-012996-O-S - MA