Quarterly Information (ITR) Report

Equatorial Energia S.A.

June 30, 2012
with Independent Auditor's Limited Review Report

Equatorial Energia S.A.

Quarterly Information (ITR) Report

June 30, 2012

Contents

Independent auditor's review report on quarterly information 1

Reviewed quarterly information

Balance sheets 4
Income statements 6
Statements of comprehensive income 7
Statements of changes in equity 8
Cash flow statements 9
Statements of value added 10
Notes to quarterly information 11

ERNST & YOUNG TERCO

Edifício Empresarial Center III
Rua Antônio Lumack do Monte, 128
14º Andar – Boa Viagem
51020-350 – Recife, PE, Brazil
Tel: (5581) 3092-8800
Fax: (5581) 3092-8819
www.ey.com.br

A free translation from Portuguese into English of Independent Auditor's Review Report on Quarterly Information (ITR) prepared in accordance with accounting practices adopted in Brazil

Independent auditor's review report on quarterly information (ITR)

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

Introduction

We have performed a limited review of the accompanying individual and consolidated interim financial statements for Equatorial Energia S.A. (Company), contained in the Quarterly Financial Information (ITR) for the quarter ended June 30, 2012, which comprise the balance sheet at June 30, 2012, and the related income statement, and statement of comprehensive income for the quarter and six-month period then ended as well as the statements of changes in equity and cash flows for the six month period then ended including notes to interim financial statements.

Management is responsible for the preparation of the individual interim financial information in accordance with Accounting Pronouncement CPC 21 – Interim Financial Statements and consolidated interim financial information in accordance with CPC 21 and International Standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, as well as the presentation of this information in accordance with the Standards issued by the Brazilian SEC (the CVM), applicable to the preparation of Quarterly Financial Information (ITR). Our responsibility is to express an opinion on these financial statements based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international accounting standards relating to interim financial information (NBC TR 2410) Review of Interim Financial Information Performed by Independent Auditor of an Entity and ISRE 2410- Review of Interim Financial Information Performed by the Independent Auditor of an Entity, respectively). A review of interim financial information consists of making inquiries, mainly of the professionals responsible for financial and accounting issues and the application of analytical and other review procedures. The scope of a review is significantly less than that of an audit conducted in accordance with auditing standards and, accordingly, did not allow us to obtain assurance that we are aware of all significant matters that may have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual financial information

Based on our review, we are not aware of any fact that leads us to believe that the individual interim financial statements included in the quarterly information referred to above were not prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of quarterly financial information (ITR) and stated in accordance standards established by Brazil's SEC (CVM).

Conclusion on consolidated financial information

Based on our review, we are not aware of any fact that leads us to believe that the consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of quarterly financial information (ITR), and stated in accordance with standards established by Brazil's SEC (CVM).

Emphasis of a matter

As mentioned in Note 2, the individual financial statements were prepared in accordance with accounting practices adopted in Brazil. In the case of Equatorial Energia S.A., such practices differ from IFRS, applicable to separate financial statements, solely regarding assessment of investments in subsidiaries, affiliate companies and jointly-controlled subsidiaries under the equity method, whereas, for IFRS purposes, this would be calculated under the cost or fair value method. Therefore, our opinion is not qualified.

Other matters

Statements of value added

We have also reviewed the individual and consolidated statements of value added (SVA) for the year ended June 30, 2012, prepared under the responsibility of the Company's management, the presentation of interim financial information is required in accordance with CVM Standards applicable to quarterly financial information (ITR) and considered as supplementary information for IFRS purposes, which do not require presentation of Statements of Value Added (DVA). These statements have been subject to the same auditing procedures described above and, based on our review we are not aware of any fact that would lead us to conclude that these were not prepared, in all material respects, in accordance with overall individual and consolidated interim financial information.

Recife, Pernambuco, July 26, 2012

ERNST & YOUNG TERCO
Auditores Independentes S.S.
CRC 2SP015199/O-6-S-MA

Carlos Santos Mota Filho
Accountant CRC – PE 020.728/O-7-S-MA

Equatorial Energia S.A.

Balance sheets

June 30, 2012

(In thousands of reais)

		Company		Consolidated	
	Note	**6/30/12**	**12/31/11**	**6/30/12**	**12/31/11**
Assets					
Current assets					
Cash and cash equivalents	4	**10.165**	9.414	**537.556**	448.400
Trade accounts receivable - net of ADA	5	**-**	-	**497.251**	456.802
Low income consumers	6	**-**	-	**35.704**	15.825
Taxes and contributions recoverable	7	**-**	-	**39.016**	38.594
Income taxes receivable	7	**3.377**	4.451	**32.991**	41.833
Inventories		**-**	-	**16.456**	8.752
Dividends receivable		**61.613**	33.193	**-**	-
Services requested		**-**	-	**32.592**	29.102
Judicial deposits	17	**-**	-	**21.543**	17.943
Other receivables		**610**	601	**11.888**	7.967
		75.765	47.659	1.224.997	1.065.218
Non-current assets					
Trade accounts receivable net of ADA	5	**-**	-	**68.997**	69.980
Taxes and contributions recoverable	7	**-**	-	**48.065**	40.321
Income taxes receivable	7	**9.453**	9.453	**9.453**	9.453
Deferred income and social contributions taxes	8	**-**	-	**52.154**	75.911
Judicial deposits	17	**-**	-	**146.894**	133.319
Concession financial asset - net	11	**-**	-	**338.310**	79.214
Other receivables		**-**	-	**12.433**	8.950
Investments	10	**971.290**	906.514	**421**	272
Property and equipment		**298**	298	**136.527**	137.749
Intangible assets	12	**-**	-	**1.699.481**	1.790.043
		981.041	916.265	**2.512.735**	2.345.212
Total assets		**1.056.806**	**963.924**	**3.737.732**	**3.410.430**

	Note	Company		Consolidated	
		6/30/12	12/31/11	6/30/12	12/31/11
Liabilities and net equity					
Current liabilities					
Trade accounts payable	13	**271**	173	**225.318**	189.203
Payroll, vacation accrual and charges		**139**	92	**10.156**	8.249
Loans and financing	14	**-**	-	**236.193**	283.195
Debentures	15	**-**	-	**169.321**	65.438
Statutory charges		**-**	-	**9.335**	9.227
Taxes and contributions payable	16	**226**	1.259	**50.377**	53.165
Income taxes	16	**1.252**	289	**21.767**	26.316
Dividends, interest on equity capital	20	**50.500**	38.078	**83.564**	54.816
Provision for civil, tax and labor proceedings	17	**-**	-	**34.891**	35.784
Public lighting charges		**-**	-	**18.232**	14.534
Research/ development and energy efficiency	18	**-**	-	**13.565**	14.657
Profit sharing		**1.567**	1.800	**11.465**	18.682
Other accounts payable		**38**	55	**26.916**	25.337
		53.993	41.746	**911.100**	798.603
Non-current liabilities					
Loans and financing	14	**-**	-	**879.693**	942.630
Debentures	15	**-**	-	**356.599**	199.089
Taxes and contributions payable	16	**-**	-	**35.370**	37.727
Deferred income and social contribution taxes		**50**	50	**-**	-
Provision for civil, labor and tax proceedings	17	**-**	-	**160.676**	146.232
Research/ development and energy efficiency	18	**-**	-	**15.575**	23.305
Other accounts payable		**-**	-	**4.022**	4.301
		50	50	**1.451.935**	1.353.284
Net equity	19				
Capital		**566.831**	566.831	**566.831**	566.831
Capital reserve		**14.080**	13.339	**14.080**	13.339
Income reserve		**329.536**	341.958	**329.536**	341.958
Income for the period		**92.316**	-	**92.316**	-
Minority interest		**-**	-	**371.934**	336.415
Total net equity		**1.002.763**	922.128	**1.374.697**	1.258.543
Total liabilities and net equity		**1.056.806**	**963.924**	**3.737.732**	**3.410.430**

See accompanying notes

Equatorial Energia S.A.

Income statements
Years ended June 30, 2012 and 2011
(In thousands of Reais)

	Note	Company		Consolidated	
		6/30/12	6/30/11	6/30/12	6/30/11
Net operating revenue	23	**-**	1.062	**1.116.530**	879.746
Cost of electrical energy and construction	24	-	-	**(732.804)**	**(545.336)**
Cost of electrical energy		**-**	-	**(655.304)**	(469.948)
Electrical energy purchased for resale		**-**	-	**(315.083)**	(228.649)
Cost of construction		-	-	**(289.373)**	(198.820)
Charge for use of energy transmission and distribution system		-	-	**(50.848)**	(42.479)
Operating cost		**-**	-	**(77.500)**	(75.388)
Personnel		-	-	**(11.974)**	(10.148)
Material		-	-	**(2.903)**	(2.743)
Third party services		-	-	**(29.456)**	(23.827)
Depreciation and amortization		-	-	**(31.801)**	(40.032)
Lease and rent		-	-	**(900)**	(667)
Other		-	-	**(466)**	2.029
Gross operating income		**-**	1.062	**383.726**	334.410
Selling	24	**-**	-	**(62.414)**	(52.664)
Administrative expenses	24	**(1.033)**	(1.514)	**(50.923)**	(44.241)
Personnel and administrative expenses		**(5.509)**	(4.414)	**(10.980)**	(7.026)
Allowance for doubtful accounts and losses with uncollectable receivables		-	-	**(18.918)**	(15.207)
Provision (reversal) of contingencies		-	-	**(10.179)**	(8.510)
Depreciation and amortization		-	-	**(9.225)**	(7.816)
Other operating income/ expenses		**(881)**	(816)	**(5.311)**	(13.616)
Income from services		**(7.423)**	(5.682)	**215.776**	185.330
Financial income		**372**	2.549	**(26.049)**	(28.365)
Financial income		**402**	3.608	**17.164**	27.665
Late payment and additional for energy sold		-	-	**32.610**	32.263
Financing charges		-	-	**(50.020)**	(54.611)
Monetary and foreign exchange variations		-	-	**(6.430)**	(169)
Other		**(30)**	(1.059)	**(19.373)**	(33.513)
Amortization of goodwill		**(2.908)**	(4.195)	**(2.908)**	(4.195)
Equity pickup		**102.275**	85.821	**-**	-
Operating income/ expenses		**92.316**	78.493	**186.819**	152.770
Operating income		**92.316**	78.493	**186.819**	152.770
Income before income and social contribution taxes		**92.316**	78.493	**186.819**	152.770
Tax provisions		**-**	-	**(43.542)**	(32.028)
Social contribution	8c	-	-	**(18.855)**	(14.738)
Income tax	8c	-	-	**(24.017)**	(21.266)
SUDENE tax incentive	8c	-	-	**23.088**	20.905
Deferred taxes	8c	-	-	**(23.758)**	(16.929)
Net income before minority interest		**92.316**	78.493	**143.277**	120.742
Minority interest		**-**	-	**(50.961)**	(42.249)
Net income for the period		**92.316**	**78.493**	**92.316**	**78.493**
Earnings per share (R$)	25	**0,8427**	**0,7190**	**0,8427**	**0,7190**
Average weighted number of shares at the end of the period		**109.550**	**109.163**	**109.550**	**109.163**

See accompanying notes

Equatorial Energia S.A.

Statements of comprehensive income
Years ended June 30, 2012 and 2011
(In thousands of reais)

	Company		Consolidated	
	6/30/12	**6/30/11**	**6/30/12**	**6/30/11**
Net income for the year	**92.316**	78.493	**92.316**	78.493
Comprehensive income for the year	**-**	-	**-**	-
Total comprehensive income for the year	**92.316**	78.493	**92.316**	78.493
Net earnings per share basic and diluted	**0,8427**	0,7190	**0,8427**	0,7190
Average weighted number of shares at the end of the year	**109.550**	109.163	**109.550**	109.163

See accompanying notes

Equatorial Energia S.A.

Statements of changes in equity
Years ended June 30, 2012 and 2011
(In thousands of reais)

	Note	Capital	Capital reserve	Income reserve			Retained earnings	Net equity (Company)	Minority interest	Company net equity and minority interest
				Legal	Investment and expansion reserve	Proposed distribution of additional dividends				
Balances at January 1, 2011		**566.831**	**11.936**	**47.737**	**199.193**	**155.168**	**(27.110)**	**953.755**	**316.755**	**1.270.510**
Net income for the period	24	-	-	-	-	-	78.493	78.493	42.338	120.831
Granted stock options recognized		-	1.357	-	-	-	-	1.357	-	1.357
Additional dividends payable		-	-	-	-	(155.168)	-	(155.168)	(50.464)	(205.632)
Differences in accounting practices between Company and consolidated		-	-	-	-	-	142	142	-	142
Balances at June 30, 2011		**566.831**	**13.293**	**47.737**	**199.193**	**-**	**51.525**	**878.579**	**308.629**	**1.187.208**
Balances at January 1, 2012		**566.831**	**13.339**	**55.737**	**273.799**	**12.422**	**-**	**922.128**	**336.415**	**1.258.543**
Net income for the period	24	-	-	-	-	-	92.316	92.316	**50.961**	143.277
Granted stock options recognized		-	741	-	-	-	-	741	-	741
Additional dividends payable	20	-	-	-	-	(12.422)	-	(12.422)	**(15.442)**	(27.864)
Balances at June 30, 2012		**566.831**	**14.080**	**55.737**	**273.799**	**-**	**92.316**	**1.002.763**	**371.934**	**1.374.697**

See accompanying notes

Equatorial Energia S.A.

Cash flow statements - Indirect Method
Years ended June 30, 2012 and 2011
(In thousands of reais)

	Company		Consolidated	
	6/30/12	6/30/11	6/30/12	6/30/11
Cash flows from operating activities				
Net income for the period	**92.316**	78.493	**92.316**	78.493
Deferred income and social contribution taxes	**-**	-	**23.758**	15.099
Income and social contribution taxes	**-**	-	**19.784**	16.929
Minority interest	**-**	-	**50.961**	42.249
Net income before minority interest	92.316	78.493	186.819	152.770
Expenses (income) not affecting cash				
Depreciation	**-**	**-**	**2.450**	2.370
Amortization of intangible assets	**-**	4.195	**38.576**	45.478
Amortization of goodwill	**2.908**	**-**	**2.908**	4.195
Interest on loans	**-**	**-**	**67.895**	58.485
Foreign exchange losses (gains) in financing activities	**-**	**-**	**-**	6.353
Loss on the sale of intangible assets	**-**	**-**	**1.859**	-
Provision (reversal) of contingencies	**-**	**-**	**12.801**	11.427
Allowance for doubtful accounts and uncollectible receivables	**-**	**-**	**18.918**	15.207
Share based payment	**741**	1.357	**740**	1.357
Equity pickup ongoing operations	**(102.275)**	(85.821)	**-**	-
Equity valuation adjustment - IFRS	**-**	**-**	**-**	142
Proposed dividends payable	**-**	**-**	**-**	92
Other	**-**	**-**	**3.237**	4.165
	(98.626)	(80.269)	149.384	149.271
Changes in current and non-current assets				
Trade accounts receivable	**-**	-	**(58.384)**	(27.128)
Store room	**-**	-	**(7.704)**	245
Taxes recoverable	**-**	-	**(8.166)**	7.611
Income taxes	**8.243**	(207)	**8.842**	88
Deferred income and social contribution taxes	**(7.169)**	109	**(1)**	41.262
Services requested and others	**-**	-	**(3.490)**	(16.457)
Judicial deposits	**-**	-	**(17.175)**	(20.496)
Low income	**-**	-	**(19.879)**	(3.794)
Dividends receivable	**8.171**		**-**	
Other receivables	**(9)**	(4)	**(7.406)**	(3.216)
	9.236	(102)	(113.363)	(21.885)
Changes in current and non-current liabilities				
Trade accounts payable	**98**	(5)	**36.115**	3.426
Taxes and contributions payable	**(8)**	154	**(5.145)**	(39.480)
Income taxes	**(62)**	-	**(22.347)**	(7.184)
Estimated liabilities, payroll and TIP	**47**	64	**5.605**	64
Provision of civil, tax and labor proceedings	**-**	-	**751**	3.754
Statutory charges	**-**	-	**108**	137
Efficiency drive	**-**	-	**(8.822)**	4.570
Profit sharing	**(233)**	(844)	**(7.217)**	(8.971)
Other accounts payable	**(17)**	-	**1.301**	(9.854)
	(175)	(631)	349	(53.538)
Cash flows applied in operating activities	**2.751**	(2.509)	223.189	226.618
Interest paid	**-**	-	**(59.423)**	(46.283)
Income and social contribution taxes paid	**-**	-	**(1.986)**	(15.212)
	-	-	(61.409)	(61.495)
Net cash flows generated by operating activities	**2.751**	(2.509)	161.780	165.123
Investing activities				
Intangible asset acquisition	**-**	-	**(231.533)**	(187.751)
Net linked securities	**-**	-	**77.574**	116.551
P&E acquisition	**-**	-	**(1.574)**	(601)
Acquisition of concession financial asset	**-**	-	**(57.922)**	(10.403)
Receipt of dividends	**-**	130.212	**-**	-
Acquisition of investment	**(2.000)**	-	**(2.149)**	-
Net cash flows from investing activities	**(2.000)**	130.212	(215.604)	(82.204)
Financing activities				
Loans and financing raised	**-**	-	**363.840**	57.244
Amortization of loans and financing (principal and interest)	**-**	-	**(220.860)**	(123.733)
Dividends paid	-	(196.556)	-	(266.294)
Net cash flows applied in financing activities	-	(196.556)	142.980	(332.783)
Decrease in cash and cash equivalents	**751**	(68.853)	89.156	(249.864)
Statements of cash and cash equivalents				
Cash and cash equivalents at the beginning of the period	**9.414**	80.730	**448.400**	550.077
Cash and cash equivalents at the end of the period	**10.165**	11.877	**537.556**	300.213
Increase (decrease) in cash and cash equivalents	**751**	(68.853)	89.156	(249.864)

See accompanying notes

Equatorial Energia S.A.

Statements of value added
Years ended June 30, 2012 and 2011
(In thousands of Reais)

	Company		Consolidated	
	6/30/12	**6/30/11**	**6/30/12**	**6/30/11**
Revenues				
Sales of goods and services	-	1.239	1.457.580	1.152.325
Other operating income/ expenses	(881)	(816)	(4.612)	(11.122)
Allowance for doubtful accounts and losses with uncollectible receivables	-	-	(18.918)	(15.207)
Other non-recurring expenses receivables	-	-	(703)	(2.494)
Provision (reversal) of contingencies	-	-	(10.179)	(8.510)
	(881)	423	**1.423.169**	1.114.992
Inputs acquired from third parties (includes ICMS and IPI)				
Cost of products/ goods sold and services rendered			(655.304)	(469.949)
Material, electrical energy, third party services and other	(1.033)	(1.514)	(117.147)	(76.158)
Selling expenses and other	**-**	-	(1.897)	(1.725)
	(1.033)	(1.514)	**(774.348)**	(547.832)
Gross value added (applied)	**(1.914)**	(1.091)	**648.821**	567.160
Depreciation and amortization	**-**	-	**(41.026)**	(47.848)
Net value added generated (applied) by the Company	**(1.914)**	(1.091)	**607.795**	519.312
Value added received in transfer				
Equity pickup	99.367	81.626	(2.908)	(4.195)
Financial income	402	3.608	49.774	59.928
Other	(30)	(1.059)	(19.371)	(33.512)
	99.739	84.175	**27.495**	22.221
Total value added to be distributed	**97.825**	83.084	**635.290**	541.533
Distribution of value added				
Employees				
Direct remuneration	5.151	4.293	43.684	45.698
Benefits	57	11	7.832	4.665
FGTS	16	11	2.382	1.542
Other	285	99	(5.174)	(960)
	5.509	4.414	**48.723**	50.945
Taxes				
Federal	-	115	209.999	161.048
State	-	-	173.833	142.892
Municipal	-	62	759	667
		177	**384.591**	304.607
Debt remuneration				
Interest	**-**	**-**	56.450	54.780
Rent	**-**	**-**	2.247	10.459
	-	-	**58.697**	65.239
Equity remuneration				
Dividends				
Retained earnings in the period	92.316	78.493	92.318	78.493
Minority interest in retained earnings	**-**	**-**	50.961	42.249
	92.316	78.493	**143.279**	120.742
Value added	**97.825**	83.084	**635.290**	541.533

See accompanying notes

1 Operations

The business purpose of Equatorial Energia S.A. (Company or Equatorial), headquartered in the city of São Luís, Maranhão state, is holding equity interest in other companies, all in the electrical energy industry, mainly with operations related to generation or distribution of electrical energy. The Company has shares traded on BM&FBOVESPA under ticker "EQTL3" and has participated in the New Market since 2008.

2 Subsidiaries and jointly controlled subsidiaries

Equatorial has the following investments:

	Note	6/30/2012	12/31/2011
CEMAR	**a.**	65.11%	65.11%
Geradora de Energia do Norte	**b.**	25%	25%
Equatorial Soluções	**c.**	100%	100%
Vila Velha	**d.**	50%	-

a. Companhia Energética do Maranhão ("CEMAR"): a publicly-held corporation whose main business purpose is to distribute electrical energy. CEMAR's concession area is Maranhão state, serving at September 30, 2011 more than 1.9 million customers in an area of more than 333 thousand Km^2. The electrical energy distribution contract No. 060, executed by and between the Company, Brazil's National Electrical Energy Agency (ANEEL) and CEMAR, is effective until August 2030, with the possibility of being extended for a further 30 years.

b. Geradora de Energia do Norte S.A.: Already in operation, it is in charge of implementing and operating the thermoelectric power plants of Tocantinópolis and Nova Olinda, in the city of Miranda do Norte, Maranhão state, with installed capacity of 330 MW, which provide energy to the National Interlinked System. On October 1, 2008, Equatorial acquired 25% of the shares in the Company. The consortium holding controlling interest in the Company comprises Equatorial Energia S.A. (25%), Fundo de Investimentos em Participações Brasil Energia (25%) and GNP S.A. (50%). GNP S.A., in turn, comprises Servtec Investimentos e Participações Ltda. (50%) and Companhia Ligna de Investimentos (50%). The controlling interest in the Company is shared and regulated by a Shareholders' Agreement. This jointly controlled company is consolidated proportionally.

c. Equatorial Soluções S.A.: Equatorial Soluções is a privately-held corporation, headquartered in the city of São Luís, Maranhão state, and its main business purpose is: a) rendering of electrical energy, telecommunication and data transmission services; b) electricity bill collection services on behalf and by order of third parties; and c) rendering of technical third-party electrical installations operation, maintenance and planning services.

2 Subsidiaries and jointly controlled subsidiaries (Continued)

d. Vila Velha Termoelétricas Ltda.: Still in the pre-operating phase this company is responsible for the implementation and operation of thermo-electrical plants in the state of Espírito Santo. Equatorial Energia holds 50% of its capital. Its control is shared and governed by shareholders' agreement.

The subsidiaries CEMAR and Equatorial Soluções, as well as jointly-controlled subsidiary Geradora de Energia do Norte, will be referred to hereafter in the notes as "Subsidiaries", whenever mentioned together.

The financial year of consolidated subsidiaries coincides with that of the Company. Accounting practices were uniformly applied by consolidated companies, and are consistent with those used in the prior year.

All intercompany balances and transactions were eliminated in the consolidation.

There is no difference between net income for the year of the Company and Consolidated.

Equity reconciliation between Company and consolidated is as follows:

	6/30/2012	12/31/2011
Company's net equity	**1,002,762**	922,128
Minority interest	**371,934**	336,415
Consolidated net equity	**1,374,696**	**1,258,543**

3 Preparation and presentation of quarterly financial information

Financial information for June 30, 2012 was prepared and is being presented in accordance with accounting practices adopted in Brazil (BR GAAP), which are included in the provisions of Corporation Law and accounting Standards and procedures issued by the CVM and Brazil's FASB (the CPC), and are in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

This quarterly information was prepared according to the following accounting principles practices and criteria with those adopted in the preparation of annual financial statements for the year ended December 31, 2011, as detailed in Note 3 of the referred statements and therefore are analyzed as a whole.

In addition the quarterly financial information includes the minimum disclosure requirements established by CPC 21 – Interim Financial Statements, as well as other information considered significant.

The issue of this Interim financial information was authorized by management on July 26, 2012.

4 Cash and cash equivalents

	Company		Consolidated	
	6/30/2012	**12/31/2011**	**6/30/2012**	**12/31/2011**
Available cash	**37**	**5**	**16,441**	**25,335**
Investment	**10,128**	**9,409**	**521,115**	**423,065**
Total	**10,165**	**9,414**	**537,556**	**448,400**

Cash and cash equivalents include available cash (cash and cash bank deposits) and short term investments.

4 Cash and cash equivalents (Continued)

Short term investments correspond to transactions conducted with financial institutions that operate in the national financial market and pose low credit risk. These are remunerated at the variation in the Interbank Deposit Certificate (CDI) rate the average yield over the quarter is 103%, and is available for use in the Company's operations, i.e. are highly liquid short-term investments.

Short-term investments are readily convertible into known cash amounts, are subject to low significant risk of any change in value, and are redeemable within 90 days of the contract date.

Short-term investments have daily liquidity of less than 90 days irrespective of their maturity. These may be redeemed as from the beginning of their daily liquidity at any time without material losses in earnings.

The Company considered these investments as cash equivalents for the purposes of preparation of cash flow statements.

5 Trade accounts receivable (Consolidated)

	Consolidated	
	6/30/2012	**12/31/2011**
Current assets		
Billed supply	**307,586**	273,471
Unbilled supply	**53,540**	60,762
Debt payments in installments	**138,729**	134,094
	499,855	**468,327**
Sales at CCEE level	**4,609**	4,078
PERCEE	**127**	126
Concessionaires	**376**	388
Services rendered	**9,536**	9,311
Other	**34,347**	20,329
	48,995	**34,232**
Total	**548,850**	**502,559**
(-) Allowance for doubtful accounts	**(51,599)**	(45,757)
Total current assets	**497,251**	**456,802**
Non-current assets		
Sale under CCEE	**8,010**	8,010
Tax installments	**65,069**	67,036
Tax installments - PVA (a)	**(4,082)**	(3,648)
Checks for collection	**2,220**	2,220
Total	71,217	73,618
(-) Allowance for doubtful accounts	**(2,220)**	(3,638)
	(2,220)	**(3,638)**
Total non-current portion	**68,997**	**69,980**

(a) Debt payment in installments are adjusted to present value at interest rates (1% p.m.) reflecting the nature of these assets with respect to term, risk, currency, fixed or floating rated receipt condition, where applicable, pursuant to Law No. 11638/07.

5 Trade accounts receivable (Consolidated) (Continued)

Allowance for doubtful accounts (CEMAR)

The allowance for doubtful accounts (ADA) is set up according to criteria defined considering management's best estimate, and considering General Guidance 6.3.2 of the Electrical Energy Utility Accounting Manual, summarized as follows:

Consumers with substantial debts

Individual analysis of trade accounts receivable by consumption class, considered bad debts.

For other cases, the following rule is applied:

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

5 Trade accounts receivable (Consolidated) (Continued)

Balances overdue or falling due for electrical energy provision billed and debt payment in installments are distributed as follows:

	6/30/2012			
	Falling due	**Overdue up 90 days**	**Overdue for more than 90 days**	**Total**
Residential	**65,922**	**69,566**	**17,426**	**152,914**
Industrial	**14,815**	**5,879**	**3,166**	**23,860**
Commercial	**35,247**	**13,210**	**4,839**	**53,296**
Rural	**4,849**	**3,144**	**2,792**	**10,785**
Government	**12,941**	**8,631**	**2,881**	**24,453**
Street lighting	**11,132**	**993**	**620**	**12,745**
Utility services	**8,940**	**9,817**	**10,776**	**29,533**
Provision billed and payment in installments (CP and LP)	**153,846**	**111,240**	**42,500**	**307,586**

	12/31/2011			
	Falling due	**Overdue up 90 days**	**Overdue for more than 90 days**	**Total**
Residential	**64,493**	**67,753**	**14,153**	**146,399**
Industrial	**11,940**	**3,756**	**5,592**	**21,288**
Commercial	**32,505**	**13,669**	**4,652**	**50,826**
Rural	**4,402**	**2,959**	**2,524**	**9,885**
Government	**9,781**	**8,042**	**2,946**	**20,769**
Street lighting	**6,155**	**1,045**	**791**	**7,991**
Utility services	**7,883**	**5,387**	**3,043**	**16,313**
Provision billed and payment in installments (CP and LP)	**137,159**	**102,611**	**33,701**	**273,471**

6 Low income consumers and "viva a luz" programs

	6/30/2012	12/31/2011
Low income customers	**30,745**	**14,072**
"Viva luz" program	**4,959**	**1,753**
Total	**35,704**	**15,825**

Through Law No. 10438, of April 26, 2002, the criteria to grant the Social Tariff for Electrical Energy (TSEE) all over Brazil were unified, which guarantees a discount in electrical energy tariffs for low-income households. The same Law, in its article 13, created a mechanism to offset distributors' unearned revenue, due to the discount, against funds from the Energy Development Account (CDE), as an economic incentive.

The procedures to approve such incentive to Low-Income residential consumers were set up by Regulatory Decision No. 089, of October 25, 2004, as amended. Subsidiary CEMAR monthly computes incentives to be received, according to the procedures established by the Resolution.

Recently, the criteria to grant social tariffs have been enhanced through Laws No. 12212, of January 20, 2010, regulated by ANEEL through Regulatory Decision No. 414/2010. On October 13, 2011, Decree No. 7583 was published and established the grant of CDE to new TSEE criteria set forth in the new law.

Launched in November 2009, the "Viva Luz" program, created by Maranhão State Government, aims to benefit low-income residential consumers, who consume no more than 50 kWh electrical energy per month by exempting them from payment of their electricity bill. The amount is then transferred from the government to subsidiary CEMAR.

7 Taxes recoverable

Current and non-current balances arising from amounts legally withheld or prepaid are as follows:

Taxes and contributions recoverable

Current portion	Consolidated	
	6/30/2012	12/31/2011
PIS/COFINS	**365**	176
ICMS (1)	**36,568**	36,609
Social charges and other	**803**	796
Other	**1,280**	1,013
	39,016	38,594
Non-current portion		
ICMS (1)	**47,483**	39,739
Other	**582**	582
Total	**48,065**	40,321

Income taxes

Current portion	Company		Consolidated	
	6/30/2012	12/31/2011	**6/30/2012**	12/31/2011
Prepaid IRPJ / CSLL (2)	**205**	204	**16,513**	22,331
IRPJ/CSLL recoverable	**277**	840	**1,106**	5,288
IRRF and CSLL withheld	**2,895**	3,407	**15,372**	14,214
	3,377	4,451	**32,991**	41,833
Non-current portion				
IRPJ and CSLL recoverable	**7,169**	7,169	**7,169**	7,169
IR s/ on short-term investments	**2,284**	2,284	**2,284**	2,284
	9,453	9,453	9,453	9,453

(1) Subsidiary CEMAR has State Value-Added Tax (ICMS) credits based on Supplementary Law No. 102, of July 11, 2000, according to which it has been recording ICMS recoverable in ICMS credits on capital expenditures control register (CIAP) arising from the acquisition of assets classified as intangible assets pursuant to ICPC 01 – Service Concession Arrangements.

(2) In subsidiary CEMAR, Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL) paid in advance correspond to amounts paid, upon their monthly computation, under the terms of article 2 of Law No. 9430, of December 27, 1996.

8 Deferred income and social contribution taxes

Subsidiary CEMAR has recognized deferred income and social contribution taxes on temporary differences, and income tax on tax losses, considering taxable profit projections.

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

Accordingly, the referred to tax credits are recorded as non-current assets, considering their expected realization and the limit of 30% for annual offset against taxable profit, as determined by CPC 26 – Presentation of Financial Statements.

a. Breakdown of income and social contribution tax credits

	Consolidated	
	6/30/2012	**12/31/2011**
IRPJ on tax losses	**171,496**	171,496
IRPJ and CSLL temporary differences (*)	**(119,342)**	(95,585)
Total non-current portion	**52,154**	75,911

(*) Temporary differences stem from the provision for contingencies, the allowance for doubtful accounts accelerated depreciation, research and energy efficiency drives among others.

b. Expected recovery

Based on technical feasibility studies, subsidiary's management expects that tax credits may be realized through 2020, as follows:

Expected realization	**2012**	**2013**	**2014**	**2015**	**2016**	**2017 to 2020**	**Total**
Deferred taxes	13,637	13,884	18,827	18,992	25,245	80,911	171,496

Subsidiary CEMAR has the benefits of accelerated depreciation through 2013, technological incentive and SUDENE benefit through 2016.

The technical feasibility study was prepared by subsidiary CEMAR, examined by the Supervisory Committee and approved by the Board of Directors thereof on February 15, 2012.

8 Deferred income and social contribution taxes (Continued)

c. Reconciliation of income and social contribution tax expenses:

The reconciliation of expenses calculated by applying tax rates on P&L, Company and Consolidated, of IRPJ and CSLL expenses charged to P&L, for the periods ended June 30, 2012 and 2011 are stated as follows:

	Company		Consolidated	
	6/30/2012	**6/30/2011**	**6/30/2012**	**6/30/2011**
Income before income and social contribution taxes (LAIR)	**92,316**	78,493	**186,819**	152,770
Combined rate of income and social contribution taxes	**34%**	34%	**34%**	34%
Income and social contribution taxes statutory rates	**31,387**	26,688	**63,518**	51,942
Additions:				
Provision for contingencies	**-**	-	**17,566**	17,012
Allowance for doubtful accounts	**-**	-	**20,813**	15,913
Research and development, energy efficiency	**-**	-	**2,968**	7,341
Tax loss carryforwards	**-**	-	**48,906**	37,567
Amortization of goodwill	**989**	-	**989**	1,579
Other non-deductible expenses	**253**	-	**48,334**	65,497
	1,242	-	**139,576**	144,999
Exclusions:				
Reversal of provisions	**-**	-	**(134,040)**	(140,080)
Accelerated depreciation	**-**	-	**(27,759)**	(19,218)
Effect of IR and CS son equity pickup	**(34,773)**	(26,688)	**-**	-
Difference between IR and CS calculation bases	**2,144**	-	**2,127**	(2,013)
	(32,629)	-	**(159,672)**	(161,311)
IRPJ and CSLL	**-**	-	**43,422**	35,540
Workers' meal program (PAT)	**-**	-	**(526)**	485
Expenses under income for the year				
Deferred tax asset	**-**	-	**23,734**	16,908
(+) IPRJ Government subsidy	**-**	-	**(23,088)**	(20,905)
Income and social contribution in P&L	**-**	-	**43,542**	32,838
Deferred tax asset effective rate	-	-	23%	21%
Current IRPJ and CSLL in P&L	**-**	-	**19,784**	15,099
Deferred IRPJ and CSLL in P&L	**-**	-	**23,758**	16,929
Total	**-**	-	**43,542**	32,028

9 Related parties

The main assets and liability balances at June 30, 2012 and December 31, 2011, as well as transactions impacting on P&L for the year, relating from operations with related parties stem from Company transactions with subsidiaries, shareholders and related parties, key members of management (CEO and Officers) and other related parties in accordance with CVM Rule No. 560, dated December 11, 2008, that approved CPC 05 – Disclosures on Related Parties.

			6/30/2012			12/31/2011		
Companies	**Ref.**	**Type of transaction**	**Assets**	**Liabilities**	**Income / Expenses**	**Assets**	**Liabilities**	**Income / Expenses**
Eletrobrás	(a)	Loans	**-**	**467,877**	**18,915**	-	468,853	25,167
		Dividends	**-**	**31,627**	**-**	-	15,697	-
FASCEMAR	(b)	Loans	**-**	**18,808**	**1,158**	-	20,956	2,922
		Private pension	**-**	**-**	**-**	-	-	1,983
CEMAR	(c)	Sharing agreement	**-**	**133**	**-**	-	39	-
		Dividends	**61,207**	**-**	**-**	30,919		-
GERAMAR	(d)	Purchase of electrical energy	**-**	**24**	**436**	-	-	818
EQUATORIAL SOLUÇÕES	(e)	Sharing agreement	**51**	**692**	**188**	-	702	-
		Dividends	**407**					

(a) Eletrobras – publicly-held company whose main business purpose is conducting studies and projects, building and operating generating plants, transmission lines, and distributing electrical energy. Amounts with ELETROBRÁS refer to dividends payable to and loan agreements with subsidiary CEMAR. Loan agreements with ELETROBRÁS arise from financing lines specific to the Electrical Industry and conditions thereunder are the same as those adopted with other electrical energy distribution companies in Brazil (Note 14).

(b) FASCEMAR – Supplementary Pension Plan Foundation aiming to, as a privately-held supplementary pension plan company, manage and execute social security Benefit Plans. Amounts with FASCEMAR arise from loans and subsidiary CEMAR's matching contribution to FASCEMAR. Loan agreements listed in Note 14 and subsidiary CEMAR's private pension plan conditions with FASCEMAR are described in Note 26.

(c) Companhia Energética do Maranhão – CEMAR, a publicly-held company, is the concessionaire of the electrical energy distribution utility service, and activities related to the electrical energy service. Amounts between subsidiary CEMAR and the Company arise from a human resource, administrative expense and cost sharing agreement proportional to expenses incurred, effective indefinitely, and dividends receivable.

9 Related parties (Continued)

(d) GERAMAR – Company in charge of implementing and operating Tocantinópolis and Nova Olinda thermoelectric plants, in the city of Miranda do Norte, Maranhão state. Amounts with Geradora de Energia do Norte S.A. ("GERAMAR") arise from electrical energy purchase agreement CCEAR No. 5555/2007 - 29413N - 29414N, effective through 2024 with subsidiary CEMAR, executed on an arm's length basis.

(e) Equatorial Soluções – privately-held corporation whose main business purpose is rendering services in electrical energy, telecommunications and data transmission business. Amounts with Equatorial Soluções arise from a human resource, administrative expense and cost sharing agreement proportional to expenses incurred with subsidiary CEMAR, effective indefinitely.

Management compensation

Global annual compensation of the Company's Directors and Officers was set at R$ 7,000, according to the Minutes of the Special Shareholders' meeting held on March 19, 2012.

Proportion of each element in total remuneration for the first six-month period of 2012:

Directors	
Fixed compensation:	100%
Officers	
Fixed compensation:	10%
Floating compensation:	90%

Compensation of Directors and Officers paid by the Company for the year:

	Board of Directors	Statutory management	Total
Number of members	**7**	**4**	**11**
Fixed annual compensation	**525**	**563**	**1,088**
Management fees	525	548	1.073
Direct and fringe benefits	-	15	15
Floating compensation	**-**	**2,587**	**2,587**
Bonus	-	2,587	2.587
Share-based payment	**-**	**554**	554
Total compensation by body	**525**	**3,150**	**3,675**

9 Related parties (Continued)

Guarantees

The Company either provides collateral signatures or guarantees subsidiary CEMAR, with no burden, in the financing agreements listed below:

INSTITUTION	FINANCING VALUE	% OF GUARANTEE	BEGINNING	ENDIING	AMOUNT RELEASED	6/30/2012
3rd Public issue of debentures	267,300	100	3/1/2007	3/1/2013	267,300	221,970
Government Agency for Machinery and Equipment Financing – FINAME PSI (Simplified)	776	100	3/25/2010	10/15/2019	776	762
Government Agency for Machinery and Equipment Financing – FINAME PSI (Conventional)	24,811	100	8/17/2010	4/15/2020	14,379	14,511
Banco Nacional de Desenvolvimento Econômico e Social - BNDES (10/473589-0)	79,663	100	3/11/2008	7/15/2013	79,751	31,977
National Bank for Economic and Social Development - BNDES (10.2.1736.1)	100,000	100	12/22/2010	12/15/2013	100,000	111,358
National Bank for Economic and Social Development - BNDES (11.2.0841.1)	193,023	100	11/11/2011	11/15/2021	174,252	174,910
Banco do Nordeste do Brasil - BNB	136,076	100	11/23/2005	2/28/2017	136,076	79,473
Banco do Nordeste do Brasil - BNB (193.2007.4165.2386)	9,652	100	12/28/2007	12/6/2012	9,652	2,429
Banco do Nordeste do Brasil - BNB (193.2008.2808.3018)	144,939	100	2/5/2009	2/5/2021	144,939	147,104
Study and Project Financing Institution - FINEP	2,637	100	6/13/2006	6/30/2013	2,637	849
Study and Project Financing Institution - FINEP	11,519	100	11/7/2011	3/15/2020	4,527	4,541
International Finance Corporation – IFC *	135,056	50	2/1/2008	1/15/2016	135,056	98,636
Total	**1,133,933**				**1,069,345**	**888,520**

10 Investments

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

	Subsidiaries	
Assessed under the equity method:	**6/30/2012**	**12/31/2011**
CEMAR	906,424	845,355
Geradora de Energia do Norte	55,999	55,113
Vila Velha	2,000	-
Equatorial Soluções	6,867	6,046
Subtotal	**971,290**	**906,514**
Total	**971,290**	**906,514**

a. Information on subsidiaries and jointly-controlled subsidiaries

	CEMAR	Geradora de Energia do Norte	Equatorial Soluções	Vila Velha
Balances at June 30, 2012				
Equity interest (%)	65.11%	25%	100%	51%
Capital	465,531	139,040	4,398	200
Net equity	1,062,398	178,672	10,102	-
Income for the year	145,048	28,056	821	-
Balances at December 31, 2011				
Equity interest (%)	65.11%	25%	100%	51%
Capital	465,531	139,040	4,398	200
Net equity	964,137	175,128	6,046	-
Income for the year	247,502	45,221	1,712	-

10 **Investments**—Continued

b. Changes in investments in subsidiaries and jointly-controlled subsidiaries:

	CEMAR	Geramar	Equatorial Soluções	Vila Velha	Total
Balances at December 31, 2011	**845,355**	**55,113**	**6,046**	**-**	**906,514**
Additional dividends	(30,462)	(6,129)	-	-	(36,591)
Minimum dividends	-	-	-	-	-
Equity pickup	94,439	7,014	822	-	102,275
Investimento Vilha Velha	-	-	-	2,000	2,000
Amortization of goodwill	(2,908)	-	-	-	(2,908)
Equity valuation adjustment	-	-	-	-	-
Balance at June 30, 2012	**906,424**	**55,998**	**6,868**	**2,000**	**971,290**

(1) Goodwill on acquisition of CEMAR on June 30, 2000. This corresponds to a future benefit acquired with the right to use the concession, with infinite useful life. Amortization is based on the concessionaire's projected net income curve for the remaining concession term, amortization for 2012 shall be R$5,816

11 Concession financial asset (Consolidated)

This refers to investments made by subsidiary CEMAR but not amortized by the end of the concession term, and classified as a financial asset for being an unconditional right to receive cash or another financial asset directly from the government (Granting Authority) pursuant to Technical Interpretations ICPC 01 – (R1) Concession Arrangements and ICPC 17 – Concession Arrangements: Disclosure, and to Technical Guidance OCPC 05 – Concession Arrangements. This amount, which refers to infrastructure costs and is classified as a financial asset, bears interest at the so-called regulatory WACC, which consists in investment yield and is monthly included in customers' tariffs, see Note 22.

The subsidiary will be indemnified based on the investment amounts associated with returnable assets not yet amortized or depreciated, and which have been made in order to ensure continuity of updated concession services.

	6/30/2012			12/31/2011		
	Cost	(-) Liabilities linked to concession	Net amount	Cost	(-) Liabilities linked to concession	Net income
In operation	495,459	(157,149)	338,310	220,994	(141,780)	79,214

Changes in the balance of indemnifiable asset (Concession) are set out below:

	12/31/2011	Reclassification	Capitalization	6/30/2012
Financial assets	220,994	**216,543**	**57,922**	**495,459**
Special liabilities	(141,780)	**-**	**(15,369)**	**(157,149)**
Financial asset	**79,214**	**216,543**	**42,553**	**338,310**

CEMAR's concession is not on an onerous basis, as such, it does not involve fixed financial liabilities and payments to be made to the granting authorities.

12 Intangible assets (Consolidated)

Breakdown of intangible assets is as follows:

		6/30/2012			
	Weighted average annual cost of depreciation (%)	Cost	Amortization	(-) Liabilities linked to concession	Net
In operation	3.77%	3,318,537	(1,129,412)	(855,992)	1,333,133
In progress		461,936	-	(95,588)	366,348
Total		**3,780,473**	**(1,129,412)**	**(951,580)**	**1,699,481**

		12/31/2011			
	Weighted average annual cost of depreciation (%)	**Cost**	**Amortization**	**(-) Liabilities linked to concession**	**Net**
In operation	4%	**3,447,932**	**(1,066,758)**	**(807,132)**	**1,574,042**
In progress		**325,489**	**-**	**(109,488)**	**216,001**
Total		**3,773,421**	**(1,066,758)**	**(916,620)**	**1,790,043**

Intangible assets comprise right of use of assets related to the concession service agreement of subsidiary CEMAR, amortizable until August 2030, in accordance with ICPC01.

Under articles 63 and 64 of Decree No. 41019, dated February 26, 1957, infrastructure used in electrical energy distribution is linked to such services and may not be removed, sold, assigned or mortgaged without prior express authorization from ANEEL.

ANEEL Resolution No. 20, dated February 3, 1999, regulates separation of public electrical energy service concession assets, granting prior authorization for separating infrastructure that is not useful for the concession, when earmarked for disposal, determining that the proceeds from the disposal be deposited in a restricted bank account for use in the concession.

12 Intangible assets (Consolidated)--Continued

a. Changes in intangible assets

	12/31/2011	Additions (a)	Additions	Write-offs	Capitalization	6/30/2012
In operation	3,447,932	(216,543)	62	(10,828)	95,005	3,315,628
(-) Amortization	(1,066,758)	-	(65,806)	6,061	-	(1,126,503)
Total in operation	**2,381,174**	**(216,543)**	**(65,744)**	**(4,767)**	**95,005**	**2,189,125**
In progress	325,489	-	289,374	-	(152,927)	461,936
Total	**2,706,663**	**(216,543)**	**223,630**	**(4,767)**	**(57,922)**	**2,651,061**
Special liabilities	(916,620)	(24,162)	(21,936)	-	11,138	(951,580)
	1,790,043	**(240,705)**	**201,694**	**(4,767)**	**(46,784)**	**1.699.481**

(a) ANEEL Resolution No. 474 dated February 7, 2012 established new depreciation rates for assets in operation in the electrical sector, effective January 1, 2012, changing the economic useful lives of assets belonging to the electrical energy distribution infrastructure.

Before enactment of ANEEL Resolution No. 474, the average useful life of the set of Company's assets was of approximately 22 years, ranging from 21 to 24 years. With enactment of this resolution, the useful lives of these assets ranged from 25 to 28 years, with average of 26 years, which corresponds to increase of 4 years in relation to the prior average economic useful life.

Considering this increase in useful life, there was a decrease in amortization and consequent increase in the residual infrastructure portion that the Company expects to receive as indemnification at the end of the concession period. As a consequence, there was a redistribution of infrastructure that is classified in intangible assets and in financial assets, as a consequence of adoption of IFRIC 12/OCPC 5 - Concession Arrangements.

The Company made calculations to determine the new estimated amount of indemnification for returnable assets upon concession term end as well as of the amount attributable to intangible asset. Considering the economic and regulatory aspects as well as the best technical and accounting understanding, this infrastructure remuneration resulted in the reclassification of R$216,543 from intangible assets account to financial assets without changing the other accounting procedures resulting from adoption of IFRIC 12/OCPC 5 – Concession Arrangements.

(b) Special obligations mainly comprise funds from the Federal Government, States and Municipalities and by participation from consumers linked to the realization of investment in electrical energy public utility concessions.

13 Trade accounts payable (Consolidated)

	6/30/2012	12/31/2011
Supply and connection charges **(a)**		
CHESF	9,411	10,402
CCEE	12,435	-
Furnas Elétricas	15,201	16,311
CESP	5,475	6,065
COPEL	5,140	5,048
ELETRONORTE	4,785	5,285
CEMIG	2,810	2,941
Other	41,190	28,071
Material and services	110,009	96,408
Electrical network use charges **(b)**	18,617	18,427
Payments to generators – Free energy	245	245
Total	**225,318**	**189,203**

13 Trade accounts payable (Consolidated)--Continued

a. CEMAR supply and connection charges

Under Decree No. 5163, dated July 30, 2004, which is part of the new legislation regulating the electrical sector, CEMAR entered into new energy purchase contracts in the regulated environment, as under:

CONTRACTED ENERGY (*)	2012	2013	2014	2015	2016
Auction Chesf	-	-	-	-	-
Product 2005/2012	2,929,284	-	-	-	-
Product 2006/2013	1,113,045	1,110,004	-	-	-
Product 2007/2014	406,230	405,120	405,120	-	-
Product 2008/2015	212,947	212,365	212,365	212,365	-
Proinfa	101,987	108,470	108,470	108,470	108,470
MCSD	95,705	20,107	2,973	-	-
New 2008/2022/2037	25,649	25,579	25,579	25,579	25,579
New 2009/2023/2038	99,967	99,694	99,694	99,694	99,587
New 2010/2024/2039	370,860	369,847	369,847	369,847	369,847
Auction A-3	222,202	219,473	219,473	219,473	222,202
Auction – Alternative sources	3,141	3,133	3,133	3,133	3,133
Auction A-3 (2007)	56,091	55,937	55,937	55,937	56,091
Auction A-3 (2008)	117,793	117,471	117,471	117,471	117,793
Auction A-5 (2006)	163,037	162,591	162,591	162,591	162,591
Auction A-5 (2007)	438,322	437,124	437,124	437,124	437,124
Auction Santo Antônio	905	81,259	206,907	310,304	310,304
Auction Jirau	-	68,187	127,279	178,163	212,269
Auction A-5 (2008)	-	453,617	454,860	453,617	454,860
Auction A-1	16,238	16,194	16,194	-	-
Auction A-5 (2011)	-	-	-	-	711,045
TOTAL–MWh(*)	**6,373,403**	**3,966,172**	**3,025,017**	**2,753,768**	**3,290,895**

(*) Information not reviewed by independent auditors.

a. Electrical network use charge for subsidiary CEMAR

In 1999, the energy distribution concessionaires, the 15 energy transmission companies and the National System Operator (ONS), a body created to conduct planning and operation activities of the Brazilian electrical system, entered into the Transmission System Use Contracts (CUST), which require the distribution concessionaires to pay for the use of transmission assets, due to interconnection of all the Brazilian energy transmission system.

14 Loans and financing (Consolidated)

	6/30/2012						
	Current			Non-current			Total
	Principal and charges	Financing Costs (*)	Subtotal	Principal and charges	Financing Costs (*)	Subtotal	
FOREIGN CURRENCY							
National currency	469	-	469	8,085	-	8,085	8,554
	469	**-**	**469**	**8,085**	**-**	**8,085**	**8,554**
LOCAL CURRENCY							
Eletrobras	73,813	-	73,813	401,177	-	401,177	474,990
IFC	24,504	(267)	24,237	62,335	(681)	61,654	85,891
BNB	28,120	(275)	27,845	211,286	(1,160)	210,126	237,971
BNDES	100,327	(3)	100,324	168,326	(1)	168,325	268,649
FINEP	573	(4)	569	4,527	-	4,527	5,096
FINAME	2,055	-	2,055	13,797	-	13,797	15,852
Debt with FASCEMAR	6,839	-	6,839	11,969	-	11,969	18,808
Banco do Brasil S.A	42	-	42	33	-	33	75
	236,273	(549)	235,724	873,450	(1,842)	871,608	1,107,332
Total loans and financing	**236,742**	**(549)**	**236,193**	**881,535**	**(1,842)**	**879,693**	**1,115,886**

	12/31/2011						
	Current			Non-current			Total
	Principal and charges	Financing Costs (*)	Subtotal	Principal and charges	Financing Costs (*)	Subtotal	
FOREIGN CURRENCY							
National treasury	634	-	634	7,631	-	7,631	8,265
	634	-	634	7,631	-	7,631	8,265
NATIONAL CURRENCY							
Eletrobras	61,221	-	61,221	407,632	-	407,632	468,853
IFC	25,914	(267)	25,647	72,722	(814)	71,908	97,555
BNB	23,324	(274)	23,050	205,682	(1,297)	204,385	227,435
BNDES	101,687	(3)	101,684	217,866	(2)	217,864	319,548
FINEP	581	(5)	576	4,809	(2)	4,807	5,383
FINAME	1,429	-	1,429	13,845	-	13,845	15,274
FASCEMAR Debt	6,448	-	6,448	14,508	-	14,508	20,956
Banco do Brasil S.A	50	-	50	50	-	50	100
BTG Pactual	62,456	-	62,456	-	-	-	62,456
	283,110	(549)	282,561	937,114	(2,115)	934,999	1,217,560
Total loans and financing	**283,744**	**(549)**	**283,195**	**944,745**	**(2,115)**	**942,630**	**1,225,825**

14 Loans and financing (Consolidated)--Continued

(*) In accordance with Resolution No. 556, dated November 12, 2008, which approved CPC 08, the Group recorded financing costs as from 2008 in the income statement based on term elapsing, using the amortized cost method. June 30, 2012, the Company recorded R$1,115,886 for loans and financing, with R$236,193 under short-term, and R$879,693 under long-term at an average cost of 8.55% equivalent to 80.54% CDI. (8.76% equivalent to 75.56% CDI at December 31, 2011).

Maturity schedule of non-current amounts of loans and financing

At June 30, 2012, non-current loans and financing amount to R$879,693 (R$942,630 at December 31, 2011) with maturity as follows:

Principal installments amounts of loans and financing mature as follows:

	6/30/2012		12/31/2011	
Maturity	**Amount**	%	**Amount**	%
Current	**236,193**	21%	**283,195**	23%
2013	118,623	11%	224,306	18%
2014	167,956	15%	171,505	14%
2015	161,082	14%	148,527	12%
2016	109,590	10%	95,928	8%
After 2016	324,284	29%	304,479	25%
Total	**881,535**	79%	**944,745**	77%
Financing costs (Non-current)	(1,842)		(2,115)	
Non-current	**879,693**	79%	**942,630**	77%
Total	**1,115,886**	**100%**	**1,225,825**	**100%**

14 Loans and financing (Consolidated)--Continued

Breakdown per index and currency (excluding unrecorded funding costs):

Index	US$ thousand	R$ thousand	% equity holding
Foreign currency			
Fixed (USD)	1,561	3,176	37.13%
LIBOR six month period	2,643	5,378	62.87%
Total June 2012	**4,204**	**8,554**	**100%**
Total 2011	**4,406**	**8,265**	

Index	R$ thousand	% equity holding
National currency		
IGP-M	167,889	15.13%
FINEL	32,487	2.93%
Fixed - RGR	274,614	24.75%
CDI	105,720	9.53%
Fixed: FNE	239,406	21.57%
TJLP	235,866	21.25%
Fixed: (FINAME)	15,852	1.43%
Fixed: (BNDES)	33,354	3.01%
Fixed: (FINEP)	4,535	0.41%
Total June 2012	**1,109,723**	**100%**
Total in 2011	**1,220,224**	

Changes in loans and financing- net as follows:

	National currency		Foreign currency		Total
	Current	Non-current	Current	Non-current	
Balances at December 31, 2011	**282,560**	**934,999**	**635**	**7,631**	**1,225,825**
Inflows	-	43,014	-	-	43,014
Charges	44,195	274	190	-	44,659
Monetary and foreign exchange variation	246	6,108	25	628	7,007
Transfers	112,787	(112,787)	174	(174)	-
Amortization, payment of principal and interest	(210,517)	10	(555)	-	(211,072)
Counterclaim	6,454	-	-	-	6,454
Balances at June 30, 2012	**235,725**	**871,608**	**469**	**8,085**	**1,115,886**

14 Loans and financing (Consolidated)--Continued

Monitoring of loans and financing covenants

Loans and financing obtained by subsidiary CEMAR are subject to covenants. Failure to comply with such covenants during the reporting period may lead to early maturity of the related contracts. By June 30, 2012, the Company had complied with the limits specified in the covenants.

15 Debentures (Consolidated)

6/30/2012			12/31/2011		
Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
169,321	356,599	525,920	65,438	199,089	264,527

Changes in debentures are as follows:

	Current liabilities	Non-current liabilities	Total
Balances at December 31, 2011	**64,742**	**199,785**	**264,527**
Inflows	5,245	320,826	326,071
Financing costs	(318)	(2,042)	(2,360)
Charges	4,146	2,730	6,876
Transfer between long and short term	164,699	(164,699)	-
Amortization and payment of principal and interest	(69,194)	-	(69,194)
Balances at June 30, 2012	**169,320**	**356,600**	**525,920**

Fourth issue debenture – CEMAR

Public distribution of 4th issuance of debentures nonconvertible into CEMAR shares was concluded on June 22, 2012. The funds raised amounting to R$280,070 divided in two series of R$101,380 and R$178,690 are primarily intended for the implementation of the Company's investment program and increase in working capital. At June 30, 2012, the effective rate of this operation is 11.23% per year.

15 Debentures (Consolidated)--Continued

Third debenture issuance - CEMAR

Public distribution of 3rd issuance of debentures nonconvertible into shares of subsidiary CEMAR was concluded on March 28, 2007. The funds raised amounting to R$267,300 were primarily intended to prepay existing debts that were more onerous for the subsidiary, and the remaining amount was allocated to the implementation of the subsidiary's investment program. At June 30, 2012, the effective rate of this operation is 11.23% per year (12.14% at December 31, 2011).

Geradora de Energia do Norte Debentures

The financing contract under the Fund for Amazon Development (FDA), managed by SUDAM, in the total amount of R$334,057 was executed on November 23, 2009. It is restated by reference to TJLP variation, plus 0.85% p.a. and 0.15% *del credere* commission, to be amortized within 180 months.

The debentures have security interest and surety, are convertible into preferred or common shares, if such option is offered by SUDAM upon maturity of the semi-annual installments, limited to 15% of each scheduled installment. This financing is also secured by shareholders, pledge of power plant and CCEAR credit rights.

At June 30, 2012, the debentures classified in non-current liabilities, amount to R$356,598 and their maturity schedule is as follows:

	Consolidated			
	6/30/2012		12/31/2011	
Maturity	Amount	%	**Amount**	**%**
Current	169,321	32%	65,438	25%
2013	6,044	1%	163,000	62%
2014	6,044	1%	2,620	1%
2015	6,044	1%	2,620	1%
2016	39,690	8%	2,620	1%
After 2016	300,819	57%	28,229	11%
Non-current	358,641	68%	199,089	75%
Financing costs	(2,042)			
Total	525,920	100%	264,527	100%

Covenants

Debenture issuances, classified in current and non-current liabilities, require compliance with debt levels and interest coverage. For the quarter ended June 30, 2012, the Company and its subsidiaries complied with all of the agreed upon indicators.

16 Taxes payable

Taxes and contributions payable

	Company		Consolidated	
Current	**6/30/2012**	12/31/2011	**6/31/2012**	12/31/2011
ICMS	**-**	-	**32,134**	30,746
PIS/COFINS	**172**	251	**9,676**	10,527
REFIS/PAES	**-**	-	**1,128**	1,128
Social and other charges	**-**	-	**5,555**	6,800
Other	**54**	1,008	**1,884**	3,964
Total	**226**	1,259	**50,377**	53,165

	Consolidated	
Non-current	**6/30/2012**	**12/31/2011**
REFIS/PAES(a)	**34,339**	36,781
Other	**1,031**	946
Total	**35,370**	37,727

Income taxes

	Company		Consolidated	
	6/30/2012	12/31/2011	**6/30/2012**	12/31/2011
IRRF	**962**	-	**1,309**	492
Provision for IRPJ / CSL	**290**	289	**20,458**	25,824
Total	**1,252**	289	**21,767**	26,316

16 Taxes payable -- Continued

a. Tax Recovery Program (REFIS)

Tax installment payment - Law No. 11941/09

On November 28, 2009, subsidiary CEMAR joined the tax installment payment introduced by article 1 of Law No. 11941/2009, which resulted in the compulsory and final withdrawal from the Special Installment Payment Program (PAES). Pursuant to the rules applicable to the new installment program, the remaining balance of debts consolidated into the Special Installment Payment Program (PAES) was divided into 180 months. The debt consolidation was concluded as at June 30, 2011.

The main benefits from joining the new REFIS include a R$28,098 reduction in interest and fines, the possibility of settling the remaining amount of interest and fines using tax losses, in addition to cash being outlaid in installments. The amount included in REFIS was R$73,813. Since R$41,424 was offset using tax losses, the effective amount that will result in future cash outlays is R$36.685.

Of this amount R$40,371 shall be settled in 180 installments, of this total R$4,904 was paid resulting in a payment of R$35,467.

17 Provision for civil, tax and labor proceedings (Consolidated)

Subsidiary CEMAR is a defendant in legal and administrative proceedings before various courts and government agencies, involving tax, labor, civil and other disputes arising from its normal course of business.

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

	6/30/2012			12/31/2011		
	Case amount	Judicial deposits	Net provision	Case amount	Judicial deposits	Net provision
Civil	30,514	27,170	3,344	31,147	25,756	5,391
Tax	133,546	130,429	3,117	120,156	117,273	2,883
Labor	27,647	10,838	16,809	27,022	8,233	18,789
Regulatory	3,860	-	3,860	3,691	-	3,691
	195,567	**168,437**	**27,130**	**182,016**	**151,262**	**30,754**
Current	34,891	21,543	13,348	35,784	17,943	17,841
Non-current	160,676	146,894	13,782	146,232	133,319	12,913
	195,567	**168,437**	**27,130**	**182,016**	**151,262**	**30,754**

17 Provision for civil, tax and labor proceedings (Consolidated)-- Continued

Changes in proceedings for the period

	12/31/2011					6/30/2012
	Opening balance	**Addition to provision**	**Use** (1)	**Reversal**(2)	**Updated** (3)	**Closing balance**
Civil	31,147	10,045	(9,892)	(2,069)	1,283	**30,514**
Tax	120,156	13,389	-	(3)	4	**133,546**
Labor	27,022	3,031	(2,915)	(339)	848	**27,647**
Regulatory	3,691	169	-	-	-	**3,860**
	182,016	26,634	(12,807)	(2,411)	2,135	**195,567**

1) Actual expenses on legal contingencies.

(2) Reversals in the period.

(3) Monetary restatements.

Labor claims

These are represented by 651 suits filed by former employees against subsidiary CEMAR, seeking payment for overtime, risk exposure premium, equitable/adjusted salary scale, and other disputes, as well as lawsuits filed by former employees of the subsidiary's subcontractors (secondary liability) seeking compensation and other types of indemnification.

Civil claims

Subsidiary CEMAR is a defendant in 15,954 civil suits 12,697 of which at courts of law and small claims courts mostly referring to claims seeking compensation for damages and pain and suffering as well as for amounts paid by consumers.

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

The financial statements for the quarter ended June 30, 2012 includes a provision of R$ 31,514 (R$31,147 at December 31, 2011).

17 Provision for civil, tax and labor proceedings (Consolidated)-- Continued

Tax

Subsidiary CEMAR is a defendant in 279 tax proceedings.

Subsidiary CEMAR continues monitoring the status of the rendering of accounts and indemnification proceedings filed by the municipality of São Luís against it, both arising from the agreement on the collection of former Public Lighting Charge (TIP). Given its unanimous approval, there was a change in the chances of loss (from probable to possible) in one of the motions filed by the subsidiary with the state court of Maranhão to set aside the decision. Thus, this motion, which annulled the claim for damages filed by the municipality, obtained the force of *res judicata* once the Higher Court of Justice (STJ) confirmed the decision.

The motion to set aside the decision handed down on rendering of accounts proceeding was judged by the Maranhão State Court against the subsidiary. The decision is not final given that the matter is still being reviewed by the same court by means of an appeal requesting clarification and reconsideration of decision. In spite of the decision, there was no change in the expected outcome of the case, since it will still be judged by the higher court, of which case law has been in favor of the theory supported by the subsidiary. The amount involved in this case is R$14,242.

The quarterly information for the period ended June 30, 2012, includes a provision of R$133,546, for tax proceedings (R$120,156 at December 31, 2011).

In addition to the aforementioned provisions for contingent losses, there are other contingencies assessed by management as involving possible and remote unfavorable outcomes based on the evaluation by CEMAR's legal department and its outside legal advisors, amounting to R$108,220 and R$20,713, respectively (R$78,965 and R$16,832, respectively at December 31, 2011) for which no provision was recognized.

The matters discussed in the most significant proceedings with a possible unfavorable outcome refer to Public Lighting Charge (TIP), DNAEE Ordinances and Breach of Contract, at the civil courts, and overtime and work-related accidents, at the labor courts.

Subsidiary CEMAR is subject to environmental protection laws and related federal, state and municipal regulations. The subsidiary considers that exposure to environmental risks, based on evaluation of available data and compliance with applicable laws and regulations, does not represent a significant impact on its financial statements or on the result of its operations.

17 Provision for civil, tax and labor proceedings (Consolidated)-- Continued

The proceedings to which subsidiary CEMAR is a party, as well as the associated court deposits, are classified as current or non-current liabilities, based on the estimated period required for financial disbursements. Accordingly, the Legal Department classifies the proceedings according to their court of jurisdiction and procedural stage. Thus, if a suit has an expected outcome within 12 (twelve) months, considering the cases handled in small claims courts and all other cases already being settled or executed, it will be classified as “current”. However, if the expected conclusion exceeds 12 (twelve) months, the suit will be classified as “non-current”.

18 Research and development and energy efficiency (Consolidated)

	6/30/2012	12/31/2011
National Fund for Scientific and Technological Development (FNDCT)	**682**	**667**
Energy Efficiency Entity (EPE)	**341**	**333**
Research and Development (R&D)	**11,765**	**15,140**
Energy Efficiency Program (PEE)	**16,352**	**21,822**
Total	**29,140**	**37,962**
Current	**13,565**	**14,657**
Non-current	**15,575**	**23,305**

19 Net equity

a. Capital

At June 30, 2012 and December 31, 2011 capital amounts to R$566,831 comprising shares broken down by type and main shareholders as follows:

Shareholder	ON	%
PCP Latin America Power S/A	58,671,559	53.53%
Squadra Investimentos	11,474,940	10.47%
Credit Suisse Hedging-Griffo	6,980,900	6.37%
Minority interest	32,484,379	29.63%
Total	**109,611,778**	**100%**

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

Changes in Equatorial's shareholding structure

On February 28, 2012, 385,106 common shares were subscribed by beneficiaries of the Company's Third Stock Option Plan. As such, capital has comprised 109,611,778 registered common shares with no par value.

b. Stock option plan

For convenience purposes, the information reported in this section is adjusted considering the conversion and combination of the Company's shares implemented on April 7, 2008. As of that date, the Company's capital has comprised 105,573 thousand common shares, after one preferred share was converted into one common share and, subsequently, three common shares were combined into one share of the same type.

19 Net equity (Continued)

Third stock option plan

The Special Shareholders' Meeting of October 16, 2008 approved creation of the Third Stock Option Plan of Equatorial ("Third Plan"). The share subscription options to be offered on the terms of the plan shall represent no more than 4,000 thousand shares of Equatorial. After the option is exercised by beneficiaries, said shares will be issued by means of a Company's capital increase, within the limit of authorized capital defined in its Bylaws. Further details about the Plan may be obtained in the minutes of the Special Shareholders' Meeting which approved it, available on the Company's and on CVM's websites.

Beneficiaries must use at least 50% (fifty percent) of the amount of profit sharing, performance bonus or any other type of annual variable compensation ("PL") to which they are entitled, net of income tax and other levied charges, on the subscription of shares of the lots for which the option has already been granted. In addition, beneficiaries must use all dividends and interest on equity received, related to shares held by them acquired under the share subscription plan of the lots for which the option has already been granted.

On February 9, 2009, the Management Committee of the Third Plan granted 3,819 thousand share purchase options, 163 thousand of which were subscribed on the same date. Subsequently, on May 7, 2009, an additional 181 thousand options were granted, thus completing the maximum number offered under the Plan, namely 4,000 thousand options.

On April 8, 2009, an additional 17 thousand common shares were subscribed with the funds derived from dividends and interest on equity paid by the Company on shares acquired by the beneficiaries under the Plan, pursuant to the related Plan clauses.

Again, on June 4 and 8, 2009, using the funds derived from dividends paid out by the Company, the Plan beneficiaries subscribed an additional 41 thousand common shares.

On August 28, 2009, 21 thousand options were subscribed by the Plan beneficiaries, there remaining 3,758 thousand options to be subscribed under the Plan as at September 30, 2009.

On November 30, 2009, an additional 3 thousand options were subscribed in connection with the payment of the last amount of dividends for year 2008.

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

On September 9, 2010, 345 thousand shares were subscribed under the Plan, as part of the 1st and 2nd lots.

19 Equity (Continued)

On February 28, 2011, 400,347 common shares were subscribed by the beneficiaries of the Company's Third Stock Option Plan.

On February 28, 2012, 385,106 common shares were subscribed by the beneficiaries of the Company's stock option plan. Accordingly, capital is divided into 109,611,778 registered common shares with no par value.

After these subscriptions, there is no further balance for subscription under the third stock option plan.

20 Dividends (Company)

In accordance with the Company's by-laws shareholders are guaranteed a minimum mandatory dividend of 25% net profit adjusted under legislation in force, less allocations decided in the Annual Shareholders' Meeting. On March 19, 2012, The Common and Special Shareholders' Meetings approved the decision on proposed dividends of R$50,421 for 2011.

This amount corresponds to a distribution equivalent to 33% of net income in 2011, after the deduction of a legal reserve of R$8,000.

Changes in dividends payable are as follows:

Balance at December 31, 2011	**38,078**
Additional proposed dividends 2011	12,422
Balance at June 30, 2012	**50,500**

21 Profit sharing

Profit sharing in the CEMAR subsidiary, implemented in 2004, is corporative and linked to EBITDA and other CEMAR operational and financial indicators. The program is comprised of evaluations of the chief executive officer, directors, managers, coordinators and employees and have developed over the years in order to promote employee involvement in improving operating income. At June 30, 2012, the amount provisioned for profit sharing was R$9,504 (R$16,428 at December 31, 2011).

22 Gross operating revenue (Consolidated)

At June 30, 2012 and 2011, electrical power supply is broken down into types of consumers as follows:

	6/30/2012			6/30/2011		
	No. consumers(*)	MWh (*)	R$	No. consumers (*)	MWh (*)	R$
Residential	**1,757,409**	**1,091,171**	**509,352**	1,658,162	964,901	343,132
Industrial	**9,229**	**226,719**	**86,054**	9,622	209,113	63,284
Commercial	**126,908**	**465,754**	**227,220**	124,914	411,224	156,285
Rural	**64,056**	**76,150**	**22,100**	64,526	64,621	16,798
Public authorities	**21,554**	**141,926**	**68,253**	20,776	124,435	50,183
Public lighting	**738**	**177,544**	**48,574**	655	163,786	34,094
Public service	**4,970**	**137,956**	**50,302**	4,658	126,791	36,696
Own consumption	**362**	**3,876**	**-**	223	3,241	-
CCEE supply	**-**	**-**	**(373)**	**-**	**-**	20,640
Low income	**-**	**-**	**89,765**	**-**	**-**	49,093
Construction revenue	**-**	**-**	**289,373**	**-**	**-**	198,820
Other	**-**	**-**	**66,960**	**-**	**-**	39,189
ICMS	**-**	**-**	**-**	**-**	**-**	142,892
Unbilled supply	**-**	**-**	**-**	**-**	**-**	1,219
Total	**1,985,226**	**2,321,096**	**1,457,580**	**1,883,536**	**2,068,112**	**1,152,325**

(*) Information not reviewed by independent auditors. The amount of ICMS and unbilled revenues was removed from the consumer types above.

23 Net operating revenue (Consolidated)

Reconciliation of gross revenue with net revenue is as follows:

	6/30/2012	6/30/2011
Electrical energy supply	**1,122,881**	**913,191**
WACC - Interest	**25,238**	**1,134**
Electrical energy supply	**(373)**	20,640
Emergency capacity charge	**-**	(2,029)
Construction revenue	**289,373**	198,820
Other revenue	**20,461**	20,569
Operating revenue	**1,457,580**	**1,152,325**
ICMS on sale of electrical energy	**(173,833)**	(142,892)
(PIS and COFINS)	**(103,221)**	(86,243)
Consumer charges	**(38,295)**	(35,988)
Global Reversal Reserve - RGR	**(23,531)**	(1,105)
	(759)	(667)
Emergency capacity charge	**(1,411)**	(5,684)
Deductions from operating revenue	**(341,050)**	**(272,579)**
Net operating revenue	**1,116,530**	**879,746**

24 Operating income (expenses) (Consolidated)

Operating income (expenses) break down by nature as follows:

	6/30/2012			
Operating costs/ expenses	**Cost of electrical energy services**	**Selling**	**Administrative expenses**	**Total**
Personnel	11,974	9,755	15,820	37,549
Material	2,903	3,240	2,448	8,591
Third party services	29,456	45,801	30,547	105,804
Electrical energy inspection service charge	-	1,898	-	1,898
Electrical energy bought for resale	315,083	-	-	315,083
Transmission and distribution system use charges	50,848	-	-	50,848
Construction costs	289,373	-	-	289,373
Depreciation and amortization	31,801	-	-	31,801
Leasing and rent	900	1,122	225	2,247
Other	466	598	1,883	2,947
Total	**732,804**	**62,414**	**50,923**	**846,141**

	6/30/2011			
Operating costs/ expenses	**Cost of electrical energy services**	**Selling**	**Administrative expenses**	**Total**
Personnel	10,148	8,139	18,606	36,893
Material	2,743	132	92	2,967
Third party services	23,827	39,140	25,855	88,822
Electrical energy inspection service charge	-	1,724	-	1,724
Electrical energy bought for resale	228,649	-	-	228,649
Transmission and distribution system use charges	42,479	-	-	42,479
Construction costs	198,820	-	-	198,820
Depreciation and amortization	40,032	-	-	40,032
Leasing and rent	667	826	224	1,717
Other	(2,029)	2,703	(536)	138
Total	**545,336**	**52,664**	**44,241**	**642,241**

25 Earnings per share

In accordance with CPC 41 – Earnings per Share and IAS 33 (Earnings per Share), the following table reconciles net income for the year with amounts used to calculate basic and diluted earnings per share.

	6/30/2012	6/30/2011
Numerator		
Net income for the period	**92,316**	78,493
Denominator		
Weighted average number of common shares	**109,550,284**	109,162,633
Basic and diluted earnings per share	**0.8427**	0.7190

At June 30, 2012 and June 30, 2011 there are no significant differences between basic and diluted earnings per share.

26 Private pension entity

a. Characteristics of retirement plan

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

FASCEMAR was fully restructured in 2005, thus resulting in the implementation and operation, as of 2006, of the so-called Mixed Benefit Plan I, a new pension plan with defined contributions. Since its implementation, 98% of active participants in the Defined Benefit Plan I (BD I Plan), as well as CEMAR's employees who did not have this benefit, have joined the plan.

Most of BD I plan participants are retirees and pensioners enjoying the benefits in April 2006.

Subsidiary CEMAR, in the capacity of sponsor, makes monthly regular contributions to both plans that match total contributions paid by plan participants included in its payroll. For the period ended June 30, 2012, this amount totaled R$548 (R$477 at December 31, 2011).

27 Insurance coverage

Specification by risk type and validity of the main insurance policies taken out by Equatorial and subsidiary CEMAR are as follows:

- **EQUATORIAL:**

Risks	Policy maturity	Sum insured (R$ thousand)
Civil liability - D&O	6/7/2013	10,000
Equatorial headquarters – RJ	4/22/2013	1,580

- **CEMAR:**

Risks	Policy maturity	Sum insured (R$ thousand)
Operating risks	1/1/2013	169,684
General civil liability - Operations	1/1/2013	7,000
Judicial guarantee insurance	(a)	37,948
Vehicles	1/31/2013	(b)

(a) 29 policies maturing between July 2012 and October 2016.
(b) 72 vehicles insured.

Subsidiary CEMAR takes out insurance for assets subject to risks at amounts considered sufficient to cover any losses, considering the nature of its operations. The Company's insurance policies are taken out based on risk and insurance management guidelines generally adopted by electrical energy distribution companies. The assumptions adopted, considering risk nature, are not within the scope of a special review of financial statements, and consequently were not reviewed by our independent auditors.

27 Insurance coverage (Continued)

- **GERAMAR:**

Risks	Policy maturity	Sum insured
Named perils and operational risks	12/31/2012	515,700
General civil liability	1/7/2013	5,000
Civil liability – D&O	5/21/2013	10,000
Employee insurance	11/9/2012	1,900

Jointly-controlled subsidiary GERAMAR takes out insurance for assets subject to risks at amounts considered sufficient to cover any losses, considering the nature of its operations. The assumptions adopted, considering risk nature, are not within the scope of a special review of financial statements, and consequently were not reviewed by our independent auditors.

28 Financial instruments

a. General considerations

In accordance with CVM Rule No. 604, dated November 19, 2009, which approved technical pronouncements CPC 38, 39 and 40, the Company and its subsidiaries carried out an analysis of their financial instruments, namely cash and cash equivalents, consumers, concession assets, suppliers, loans, financing and debenture liabilities, with due adjustment in the accounting thereof, as applicable.

These instruments are managed using operating strategies that seek liquidity, profitability and security. The control policy consists of permanent monitoring of agreed rates, as compared to the rates prevailing in the market.

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

28 Financial instruments (Continued)

b. Policy on use of derivatives

Equatorial does not carry out operations with derivatives, however, use thereof is possible to provide hedge against changes in macroeconomic indices and foreign exchange rates, if necessary.

c. Fair value of financial instruments

In accordance with CVM Rule No. 475, book balances and the market values of financial instruments included in the balance sheet at June 30, 2012 and December 31, 2011 is as follows:

	6/30/2012		12/31/2011	
Assets	**Book**	**Market**	**Book**	**Market**
Cash and cash equivalents	**537,556**	**537,556**	**448,400**	**448,400**
Consumers	**566,248**	**566,248**	**526,782**	**526,782**
Concession financial assets	**338,310**	**338,310**	**79,214**	**79,214**
Total assets	**1,442,114**	**1,442,114**	**1,054,396**	**1,054,396**

	6/30/2012		12/31/2011	
LIABILITIES	**Book**	**Market**	**Book**	**Market**
Trade accounts payable	**225,318**	**225,318**	**189,203**	**189,203**
Loans and financing	**1,115,886**	**1,115,886**	**1,225,825**	**1,225,825**
Debentures	**525,920**	**525,920**	**264,527**	**264,527**
Total liabilities	**1,867,124**	**1,867,124**	**1,679,555**	**1,679,555**

28 Financial instruments (Continued)

c. Fair value of financial instruments (Continued)

- **Cash and cash equivalents –** are classified as financial assets not measured at fair value. Book value approximates market value.

- **Consumers** – these result directly from Company operations, are classified as receivables and are recorded at the original amounts, subject to the provision for losses and adjustment to present value, as applicable.

- **Concession financial assets** – these are classified as loans and receivables and are recorded for their original amounts, subject to provision for losses and adjustment to present value as applicable.

- **Suppliers** – these arise directly from Company operations and are classified as financial liabilities not measured at fair value.

- **Loans and financing** – loans and financing aim to generate funds to finance the Company's investment programs and short-term cash needs. They are classified as financial liabilities not measured at fair value and are recorded at their amortized amounts.

- **Debentures -** are classified as financial liabilities not measured at fair value and are recorded at their amortized amount.

d. Cash and cash equivalents

The Group's cash equivalents are highly liquid financial instruments of which book value approximates market. They comprise cash available and financial investments.

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

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

28 Financial instruments (Continued)

e. Risk factors - CVM Rule No. 475

As it is a holding company, the Company's main risks relate to the performance of its subsidiaries and jointly-controlled companies, according to CVM Rule No. 475.

The risk factors of subsidiary CEMAR are set out below:

- **Credit risk** – The high balances as well as aging of receivables from consumers represent a risk for Company liquidity and its capital structure. Company management follows outstanding balances and to mitigate the risk of default the Company uses all collection tools allowed by the regulatory body, such as supply interruption upon consumer default, settlement of debts and renegotiation of debts. In order to mitigate the risk of financial institutions at which the Company maintains cash deposits or financial investments, the Company selects only low risk institutions, as assessed by rating agencies. The Company maintains its concession assets in accordance with ruling legislation and monitors possible definitions in the concession assets return rules.

- **Liquidity risk –** The liquidity risk evidences the Company's capacity of liquidating liabilities assumed. To determine the Company's financial capacity of adequately meeting the commitments assumed, the maturity schedule of funds raised and of other liabilities is part of the disclosures. Detailed information about loans raised by the Company is presented in Notes 14 and 15.

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

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

28 Financial instruments (Continued)

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

- **Market risk –** The market risks relate to fluctuations in interest rates, debt indices and exchange rates, further comprising indebtedness limits defined in contracts, and noncompliance therewith may entail accelerated maturity, as described below.

- **Foreign exchange risk** – This risk arises from the possibility of the Company to incur losses due to changes in exchange rates. Subsidiary CEMAR's current exposure to exchange rates is 0.64% of its debt. Subsidiary CEMAR continually monitors exchange rates and market interest rates in order to evaluate the need of derivatives to provide hedge against the risk of volatility of these rates.

A debt sensitivity analysis was carried out considering five scenarios, in accordance with CVM Rule No. 475, namely one scenario with actual rates at June 30, 2012 (Probable Scenario); plus two scenarios with 25% increase (Scenario II) and 50% increase (Scenario III) in the benchmark exchange rate.

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

Exchange variation risk **(R$)**

Operation	Risk	Probable scenario	Scenario II	Scenario III	Scenario IV	Scenario V
Financial liabilities						
STN	USD	897	-1.242	-3.380	3.035	5.173
Reference for financial liabilities		Rate at 6/30/2012	25%	50%	-25%	-50%
Dollar USD/R$		2.03	2.54	3.05	1.53	1.02

- **Accelerated maturity risk** - Subsidiary CEMAR has loan and financing contracts and debentures with covenants, which in general require compliance with certain levels of economic and financial ratios. Failure to comply with these ratios may entail accelerated debt maturity. Management monitors its positions, as well as projects its future indebtedness to take preventative measures in relation to the indebtedness limits mentioned in Note 14 (loans and financing) and Note 15 (Debentures).

28 Financial instruments (Continued)

- **Cash flow or fair value risk related to interest rate -** Changes in interest rates affect the Company's financial assets and liabilities. We set out below the impact of these variations on profitability of financial investments and indebtedness in local currency of the Company.

A sensitivity analysis was carried out for subsidiary CEMAR's financial assets and liabilities considering five scenarios.

In accordance with CVM Rule No. 475, we considered a scenario with actual rates at June 30, 2012 (Probable Scenario) plus two scenarios with 25% increase (Scenario II) and 50% (Scenario III) in the indices.

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

Cash flow or fair value risk related to interest rate						R$ thousand
Operation	**Risk**	**Probable scenario**	**Scenario II**	**Scenario III**	**Scenario IV**	**Scenario V**
FINANCIAL ASSETS						
Short-term investments	CDI	5,035	6,294	7,552	3,776	2,517
FINANCIAL LIABILITIES						
Loans, financing and debentures						
ECF - 2034/00	FINEL	(585)	(546)	(507)	(625)	(664)
ECF-1510/97	FINEL	(9)	(9)	(8)	(10)	(10)
ECF-1639/97	FINEL	(90)	(85)	(80)	(95)	(100)
ECF-1645/97	FINEL	(18)	(17)	(17)	(19)	(20)
ECF-1960/99	IGP-M	(4,320)	(3,022)	(1,725)	(5,617)	(6,915)
ECF-1907/99	FINEL	(12)	(11)	(11)	(13)	(14)
ECF-1908/99	FINEL	(81)	(76)	(70)	(87)	(92)
FASCEMAR	CDI	(570)	(360)	(149)	(780)	(991)
FINEP	TJLP	(12)	(8)	(4)	(16)	(21)
BNDES DIRETO (subcredit A)	TJLP	(1,325)	(858)	(391)	(1,792)	(2,259)
BNDES DIRETO (subcredit B)	TJLP	(1,480)	(1,013)	(546)	(1,947)	(2,414)
IFC	CDI	(1,606)	(737)	133	(2,476)	(3,346)
BNDES II	TJLP	(566)	(408)	(251)	(723)	(880)
BNDESPEC	TJLP	(2,369)	(1,769)	(1,168)	(2,969)	(3,569)
DEBENTURES 3rd ISSUE	CDI	(3,577)	(1,662)	252	(5,491)	(7,405)
DEBENTURES 4th ISSUE	CDI	(220)	957	2,133	(1,397)	(2,574)
DEBENTURES 4th ISSUE	IPCA	(349)	1,724	3,798	(2,423)	(4,497)
Reference for FINANCIAL ASSETS AND LIABILITIES		**Rate at 6/30/2012**	**25%**	**50%**	**-25%**	**-50%**
CDI (% year)		4.59	5.74	6.89	3.44	2.30
TJLP (% year)		2.96	3.70	4.44	2.22	1.48
IGP-M (% year)		3.19	3.99	4.79	2.39	1.60

28 Financial instruments (Continued)

Impact of Sensitivity on subsidiary CEMAR's net income and equity:

Impact of Sensitivity on Net Income and Equity

Scenarios	Net income / loss for the year	Equity
Probable scenario	-	-
Scenario II	2,589	2,589
Scenario III	5,177	5,177
Scenario IV	(2,589)	(2,589)
Scenario V	(5,177)	(5,177)

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

f. Capital management

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

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

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

29 Purchase agreements

Commitments related to long-term energy purchase agreements of subsidiary CEMAR are as follows:

Energy purchased in contract	Effective	2012	2013	2014	2015	2016	After 2016
	2011 to 2042	625,198	480,550	409,538	395,678	406,202	16,443,746

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

30 Business segment

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

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

	Distribution		Generation		Services / Selling		Central management and others		Elimination and adjustments		Consolidated	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011
NET REVENUE	1,068,933	856,974	19,960	18,740	27,637	2,970		1,062			**1,116,530**	879,746
SERVICE COST	(705,414)	(541,365)	(6,924)	(3,971)	(20,466)	-		-			**(732,804)**	(545,336)
GROSS PROFIT	363,519	315,609	13,036	14,769	7,171	2,970	-	1,062	-	-	**383,726**	334,410
Selling expenses	(62,410)	(52,664)	-	-	(4)	-	-	-	-	-	**(62,414)**	(52,664)
General and administrative expenses	(91,643)	(84,622)	(807)	(3,060)	(5,664)	(1,990)	(7,423)	(6,744)	-	-	**(105,536)**	(96,416)
Equity pickup	-	-	-	-	-	-	99,367	81,626	(102,275)	(85,821)	**(2,908)**	(4,195)
(-) Provisions for investment losses	-	-	-	-	-	-	-	-	-	-	**-**	-
Amortization of goodwill	-	-	-	-	-	-			-	-	**-**	-
TAXES	209,466	178,323	12,229	11,709	1,503	980	91,944	75,944	(102,275)	(85,821)	**212,868**	181,135
Financial income	48,671	55,664	440	319	261	337	402	3,608	-	-	**49,774**	59,928
Financial expenses	(71,412)	(81,369)	(4,370)	(5,863)	(11)	(1)	(30)	(1,060)	-	-	**(75,823)**	(88,293)
INCOME BEFORE INCOME TAXES	186,725	152,618	8,299	6,165	1,753	1,316	92,316	78,492	(102,275)	(85,821)	**186,819**	152,770
Income and social contribution taxes	(41,677)	(31,531)	(1,287)	(21)	(578)	(476)	-		-	-	**(43,542)**	(32,028)
INCOME BEFORE NON-CONTROLLING INTEREST	145,048	121,087	7,012	6,144	1,175	840	92,316	78,492	(102,275)	(85,821)	**143,277**	120,742
Attributable to controlling shareholders	-	-	-	-	(352)	-	-	-	(50,609)	(42,249)	**(50,961)**	(42,249)
NET INCOME FOR THE YEAR BY SEGMENT	145,048	121,087	7,012	6,144	823	840	92,316	78,492	(152,884)	(128,070)	**92,316**	78,493

31 Subsequent event

The Company, pursuant to the provisions of paragraph 4 of article 157 of Law No. 6404/76 and CVM Rule 358/02, announced to shareholders and the market a proposal on June 27, 2012, to acquire control Power Plants of Pará SA - CELPA ("CELPA"), a company currently under judicial restructuring. The consummation of the potential acquisition is subject to actual precedent conditions specified in this proposal, including, the satisfactory completion of due diligence, obtaining all regulatory and corporate approval as well as approval from creditors, a judicial recovery plan in terms and conditions acceptable to Equatorial, among others. CELPA shareholders awarded Equatorial an exclusivity period during which any transaction involving the sale, direct or indirect control of CELPA, as well as any transaction with similar effect, can only be negotiated with that entity.

Board of Directors

Alessandro Monteiro Morgado Horta

Alexandre Gonçalves Silva

Carlos Augusto Leone Piani

Celso Fernandez Quintella

Firmino Ferreira Sampaio Neto

Gilberto Sayão da Silva

Paulo Jerônimo Bandeira de Mello Pedrosa

Tax Committee

Effective members

Felipe Sousa Bittencourt

Paulo Roberto Franceschi

Sergio Passos Ribeiro

Executive Board

Ana Marta Horta Veloso
Officer

Eduardo Haiama
Chief Financial and Investor Relations Officer

Firmino Ferreira Sampaio Neto
Chief Executive Officer

Tinn Freire Amado
Officer

Controllership Management

Bruno Pinheiro Macedo Couto
Controllership Manager
CPF: 988.286.903-30

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

Rio de Janeiro, July 27, 2012 - Equatorial Energia S.A. (BM&FBOVESPA: EQTL3) announces its results for the second quarter and first half of 2012 (2Q12 and 1H12).

Equatorial is a holding company with investments in Companhia Energética do Maranhão (CEMAR), Geramar, Equatorial Soluções and Sol Energias. Equatorial holds a 65.11% interest in CEMAR, the electricity distributor for the entire state of Maranhão. It also holds a 25% interest in Geramar, the company responsible for the construction and operation of two thermoelectric plants in Maranhão with a combined installed capacity of 330MW. In the service segment, Equatorial holds a 100% interest in Equatorial Soluções, which in turn, retains 51% of Sol Energias. Non-financial information relating to Equatorial Energia and its subsidiaries and the PLPT ("Light for All Program"), as well as Management's expectations regarding the future performance of the Company and its subsidiaries were not reviewed by independent auditors.

DEMAND FOR ENERGY INCREASES 12.5% IN 2Q12. ADJUSTED EBITDA REACHES R$115.2 MILLION AND INVESTMENTS GROW BY 24.8%.

1. FINANCIAL AND OPERATING HIGHLIGHTS

- **Net operating revenues (NOR)** in 2Q12 reached R$570.8 million, 22.1% higher than the NOR posted in 2Q11, which reflects growth of 19.7% in CEMAR.
- **Billed energy volume** increased in the quarter by 12.5% over the same period of 2011, reaching 1,201 GWh.
- In 2Q12, the **adjusted EBITDA totaled** R$115.2 million, a 4.3% decline compared to the amount recorded in 2Q11.
- **Adjusted Net income** for the quarter was R$38.8 million, a decline of 11.6% compared to the same amount of the previous year.
- In 2Q12, Equatorial's consolidated **investments** totaled R$138.1 million and were 24.8% higher than those made in 2Q11. CEMAR's investments (not including direct investments in the "Light for All" – PLPT program), totaled R$101.0 million, an increase of 58.1%. PLPT program investments were R$37.1 million.
- In 2Q12, CEMAR's **DEC and FEC** (accumulated over the last 12 months) were 21.7 hours and 11.6 times, respectively, registering increases of 10.6% and 0.2% compared to those observed at the end of 2Q11.
- **Energy losses** of the last 12 months ending 2Q12 represented 20.4% of required energy, down 1.0 p.p. over the 21.4% reported for 2Q11.
- Pursuant to a Material Fact published on June 27, Equatorial presented a **proposal for the acquisition of control of CELPA** (Centrais Elétricas do Pará S.A.), currently in judicial reorganization. It should be noted that the completion of this potential acquisition is subject to precedent conditions as indicated in the aforementioned proposal.
- In June, 2012, the 4th Debentures Issuance by CEMAR was concluded, raising R$280 million, with final term due in 2020.

FINANCIAL DATA (R$MM)	2Q11	1Q12	2Q12	Chg.	1S11	1S12	Chg.
Total Net Operating Revenue	**467.3**	**545.8**	**570.8**	*22.1%*	**879.7**	**1,116.5**	*26.9%*
EBITDA	**123.3**	**132.5**	**125.0**	*1.3%*	**235.7**	**257.4**	*9.2%*
EBITDA Margin (% net revenues)	*26.4%*	*24.3%*	*21.9%*	*-4,4 p.p.*	*26.8%*	*23.1%*	*-3,7 p.p.*
Net Income	**44.3**	**48.1**	**44.2**	*-0.2%*	**78.5**	**92.3**	*17.6%*
Profit Margin (% net revenues)	*9.5%*	*8.8%*	*7.7%*	*-1,7 p.p.*	*8.9%*	*8.3%*	*-0,6 p.p.*
Net Income per Share (R$ / share)	**0.41**	**0.44**	**0.40**	*-0.9%*	**0.72**	**0.85**	*16.8%*
Investments							
CEMAR	63.8	73.8	101.0	*58.1%*	106.4	174.8	*64.2%*
PLPT (CEMAR)	46.8	44.5	37.1	*-20.7%*	84.5	81.7	*-3.4%*
Geramar	0.0	0.2	0.0	*-9.3%*	0.2	0.2	*0.1%*
Total	110.7	118.5	138.1	*24.8%*	191.2	256.7	*34.3%*
Net Debt	**994.2**	**1,082.6**	**1,108.3**	*11.5%*	**994.2**	**1,108.3**	*11.5%*
Net Debt / EBITDA (LTM)	**2.1**	**2.1**	**2.2**	*0,1 x*	**2.1**	**2.2**	*0,1 x*

CONTENTS

1. FINANCIAL AND OPERATING HIGHLIGHTS 1
2. OPERATING PERFORMANCE 3
2.1 OPERATING PERFORMANCE – CEMAR 3
3. ECONOMIC-FINANCIAL PERFORMANCE 5
3.1 ECONOMIC-FINANCIAL PERFORMANCE - CONSOLIDATED 5
3.1.1 - OPERATING REVENUE 6
3.1.2 - COSTS AND EXPENSES 6
3.1.3 – EBITDA 7
3.1.4 - FINANCIAL RESULTS 7
3.1.5 – NET INCOME 8
3.2 ECONOMIC-FINANCIAL PERFORMANCE – CEMAR 9
3.2.1 - OPERATING REVENUES 9
3.2.2 - COSTS AND EXPENSES 10
3.2.3 - EBITDA 11
3.2.4 - FINANCIAL RESULTS 12
3.2.5 – INCOME TAX AND SOCIAL CONTRIBUTION 12
3.2.6 - NET INOCME 12
3.3 ECONOMIC-FINANCIAL PERFORMANCE – GERAMAR 13
3.3.1 - OPERATING REVENUE 13
3.3.2 - COSTS AND EXPENSES 13
3.3.3 - EBITDA 13
3.3.4 - FINANCIAL RESULT 13
3.3.5 - NET INCOME 13
4. REGULATORY ASSETS AND LIABILITIES 14
5. DEBT 15
6. CAPITAL EXPENDITURES 17
6.1 - CEMAR 17
7. CAPITAL MARKET 18
8. NEW PROJECTS 18
9. SERVICES PROVIDED BY THE INDEPENDENT AUDITORS 18
10. DISCLOSURE CALENDAR 18
ANNEX 1 – CONSOLIDATED INCOME STATEMENT (R$ MM) 20
ANNEX 2 – IFRS ADJUSTMENTS IN CEMAR'S DRE (R$MM) 21
ANNEX 3 –I NCOME STATEMENT PER COMPANY (R$ MM) 23
ANNEX 4 – BALANCE SHEET (R$ MM) 24
ANNEX 5 – LOANS AND FINANCING STATEMENT 25
ANNEX 6 – CASH FLOW STATEMENT 26

2. OPERATING PERFORMANCE

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

2.1 OPERATING PERFORMANCE – CEMAR

ELECTRIC ENERGY SALES

In 2Q12, energy sales increased 12.4% over the same quarter the previous year, reaching 1,201 GWh. The growth observed during the quarter was a result of the economic growth of the state, expansion of the client base and climate factors. Different than in 2011, the first half of this year presented a low rainfall and higher temperatures were posted, a fact that helped stimulate the growth seen in the consumption classes.

CONSUMPTION SEGMENTS * (MWh)	2Q11	1Q12	2Q12	Chg.	1S11	1S12	Chg.
Residential	497,243	529,073	562,098	*13.0%*	964,901	1,091,171	*13.1%*
Industrial	107,058	112,615	114,104	*6.6%*	209,113	226,719	*8.4%*
Commercial	213,087	223,786	241,254	*13.2%*	411,224	465,040	*13.1%*
Other	249,898	253,993	283,459	*13.4%*	479,634	537,452	*12.1%*
TOTAL	**1,067,286**	**1,119,467**	**1,200,915**	***12.5%***	**2,064,872**	**2,320,383**	***12.4%***

(*) Does not consider own consumption and sales to CEPISA.

Consumers	2Q11	1Q12	2Q12	Chg.
Residential	1,658,162	1,740,620	1,757,409	6.0%
Industrial	9,622	9,470	9,229	-4.1%
Commercial	124,914	126,317	126,908	1.6%
Other	90,838	91,563	91,680	0.9%
TOTAL	**1,883,536**	**1,967,970**	**1,985,226**	**5.4%**

ENERGY BALANCE

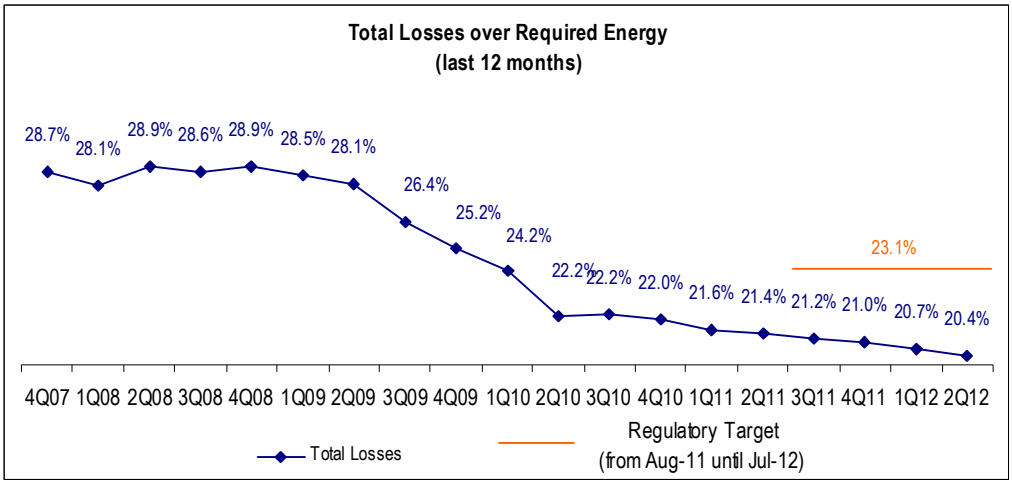
The volume of energy required by CEMAR's system came to 1,474 of GWh in 2Q12, up 10.5% over the same period In the previous year. It is worth noting that the increase in the volume of losses (2.9%) was much less than the growth observed in energy required by the Company, a further indication of the success of the company in combating losses.

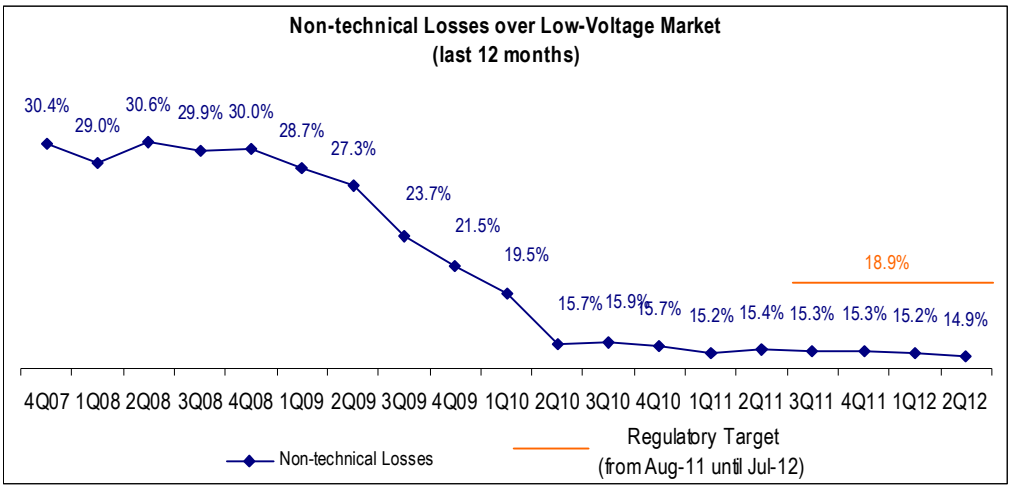
ENERGY BALANCE (MWh)	2Q11	1Q12	2Q12	Chg.	1S11	1S12	Chg.
Required Energy	1,333,988	1,394,721	1,473,569	*10.5%*	2,592,179	2,868,290	*10.7%*
Sold Energy (*)	1,069,249	1,119,828	1,201,269	*12.3%*	2,068,532	2,321,097	*12.2%*
Losses	264,740	274,893	272,300	*2.9%*	523,648	547,193	*4.5%*

(*) Considers sale to the segments, own consumption and sales to CEPISA

ENERGY DISTRIBUTION LOSSES

Total losses for the 12 months ending in 2Q12 represented 20.4% of the energy required, whereas non-technical losses in the low-voltage market were 14.9%. Although we believe the Company can cut its energy losses even further, it is natural that we are observing that the reduction has been occurring at a slower pace in recent quarters. This derives from the fact that with the lower the level of the energy losses, it becomes more difficult to combat them. Consequently, the Company has been investing in improving its intelligent energy-recovery target-selection systems, thereby ensuring greater accuracy and returns from the inspections.



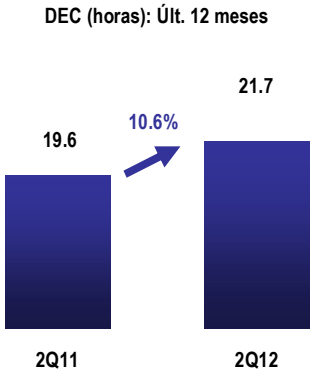


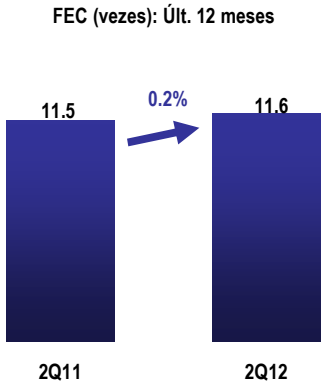
QUALITY INDICATORS – DEC AND FEC

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

At the close of 2Q12, the 12-month DEC stood at 21.7 hours, compared to 19.6 hours at the end of 2Q11, representing an increase of 10.6%. The FEC indicator (accumulated 12-month period) at the end of 2Q12 was 11.6 times, representing a 0.2% increase over 2Q11.

The worsening of the quality indicators is due to planned shutdowns in order to execute the Company's high Capex program, which occurred simultaneously with the rainy season in Maranhão (mainly in the first half of the year), when the amount of occurrences increases.



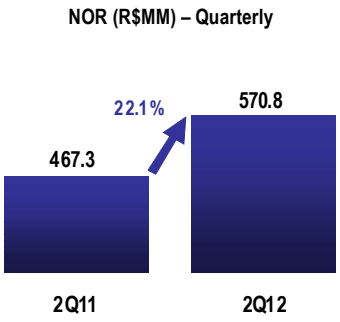


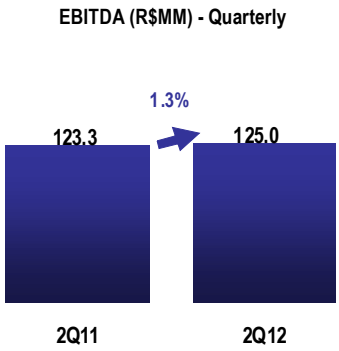
3. Economic-Financial Performance

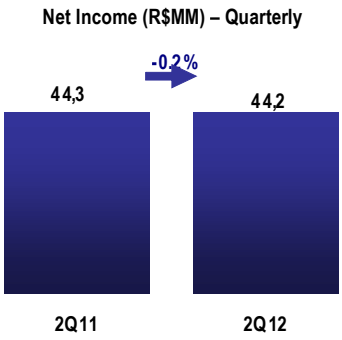
The information in this section reflects: i) 100% of CEMAR's operations, excluding 34.89% related to minority interests before Net Income, or 65.11% of the total; ii) 25.0% of Geramar's operations; and iii) 100% of Equatorial Soluções operations, which for its part includes 100% of the operations of Sol Energias, excluding 49% minority interest before Net Income, resulting in a 51% ownership interest.

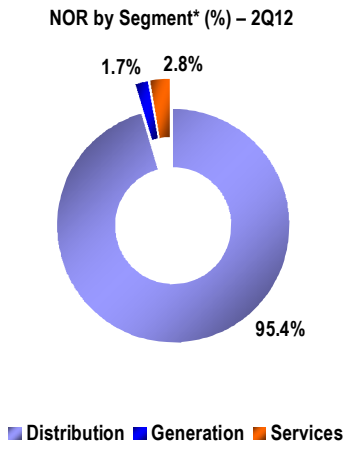
3.1 ECONOMIC-FINANCIAL PERFORMANCE - CONSOLIDATED

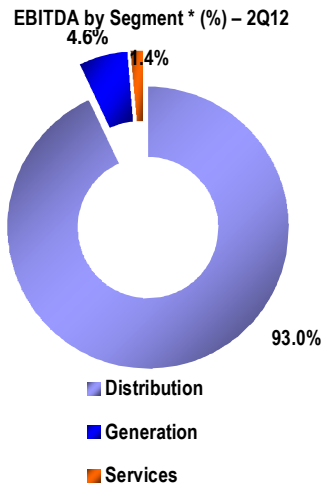
Consolidated Income Statement (R$MM)	2Q11	1Q12	2Q12	Chg.	1S11	1S12	Chg.
Gross Operating Revenues (GOR)	608.1	710.5	747.1	*22.8%*	1,152.3	1,457.6	*26.5%*
Net Operating Revenues (NOR)	467.3	545.8	570.8	*22.1%*	879.7	1,116.5	*26.9%*
Electric Energy Cost	(261.4)	(312.4)	(344.8)	*31.9%*	(478.7)	(657.2)	*37.3%*
Operating Costs / Expenses	(82.6)	(100.9)	(101.0)	*22.3%*	(165.4)	(201.9)	*22.1%*
EBITDA	**123.3**	**132.5**	**125.0**	*1.3%*	**235.7**	**257.4**	*9.2%*
Other Operating Revenues/Expenses	(2.0)	0.0	(0.7)	*-61.9%*	(2.5)	(0.7)	*-71.7%*
Depreciation	(20.9)	(21.6)	(19.4)	*-7.2%*	(47.8)	(41.0)	*-14.4%*
Service Income (EBIT)	100.5	110.9	104.8	*4.3%*	185.3	215.8	*16.4%*
Financial Result	(20.5)	(10.9)	(15.2)	*-26.0%*	(28.4)	(26.1)	*-8.1%*
Operating Income	80.0	100.1	89.7	*12.1%*	157.0	189.7	*20.9%*
Goodwill Amortization	(2.1)	(1.5)	(1.5)	*-30.7%*	(4.2)	(2.9)	*-30.7%*
Earnings Before Taxes (EBT)	77.9	98.6	88.2	*13.3%*	152.8	186.8	*22.3%*
Income Tax / Social Contribution	(9.7)	(22.9)	(20.6)	*112.3%*	(32.0)	(43.6)	*36.0%*
Minority Interests	(23.9)	(27.6)	(23.4)	*-2.0%*	(42.2)	(51.0)	*20.6%*
Net Income	**44.3**	**48.1**	**44.2**	*-0.2%*	**78.5**	**92.3**	*17.6%*

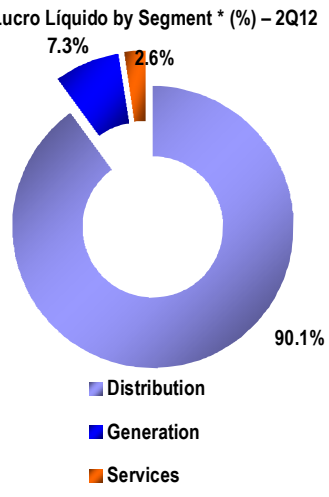












(*) Only operating companies with positive data are included in these charts.

3.1.1 - Operating Revenue

OPERATING REVENUE - CONSOLIDATED (R$ MM)	2Q11	1Q12	2Q12	Chg.	1S11	1S12	Chg.
Gross Operating Revenue	**439.3**	**488.5**	**523.4**	***19.1%***	**842.6**	**1,011.9**	***20.1%***
Residential	215.2	247.8	261.5	*21.5%*	412.3	509.4	*23.6%*
Industrial	39.2	42.6	43.5	*10.9%*	75.7	86.1	*13.7%*
Commercial	99.6	109.0	118.2	*18.7%*	191.9	227.2	*18.4%*
Others	85.3	89.1	100.1	*17.4%*	162.7	189.2	*16.3%*
Supply	**1.5**	**4.2**	**(4.6)**	***N/A***	**20.7**	**(0.4)**	***N/A***
Network Usage	**0.1**	**0.1**	**0.1**	***-51.3%***	**0.2**	**0.1**	***-24.9%***
Other Revenues	**33.4**	**50.8**	**59.3**	***77.1%***	**64.9**	**110.1**	***69.5%***
Low Income	24.2	42.7	47.0	*94.3%*	49.1	89.8	*82.8%*
Other Operating Revenues	9.25	8.1	12.2	*32.2%*	15.8	20.3	*28.2%*
Construction Revenues	**120.4**	**145.9**	**143.5**	***19.2%***	**198.8**	**289.4**	***45.5%***
Gross Operating Revenue - Distribution	**594.7**	**689.4**	**721.6**	***21.3%***	**1,127.2**	**1,411.1**	***25.2%***
Generation	10.3	10.9	11.0	*6.3%*	20.7	21.9	*6.1%*
Services	3.1	10.1	14.5	*368.6%*	4.5	24.6	*452.0%*
Gross Operating Revenue - Consolidated	**608.1**	**710.5**	**747.1**	***22.8%***	**1,152.3**	**1,457.6**	***26.5%***
ICMS	(74.0)	(83.1)	(90.7)	*22.5%*	(142.9)	(173.8)	*21.7%*
PIS/Cofins	(44.7)	(49.8)	(53.5)	*19.6%*	(86.4)	(103.3)	*19.5%*
Consumer Charges	(22.1)	(31.7)	(32.1)	*45.6%*	(43.2)	(63.9)	*47.8%*
Net Operating Revenue - Consolidated	**467.3**	**545.8**	**570.8**	***22.1%***	**879.7**	**1,116.5**	***26.9%***

Consolidated net operating revenues (NOR) in 2Q12 totaled R$570.8 million (during the quarter CEMAR recognized R$143.5 million as revenue from construction), representing an increase of 22.1% compared to the R$467.3 million reported in 2Q11. The main impact on this account is the distribution segment, which represents 95.4% of consolidated NOR, followed by the services (2.8%) and generation (1.7%) segments. Per company, the percentages respectively were 95.4%, 2.8% e 1.7%, with CEMAR representing distribution, Geramar representing generation and Equatorial Soluções (with its 51% stake in Sol Energias now consolidated) representing services. For more information regarding NOR, see specific sections on Economic-Financial Performances of CEMAR and Geramar.

3.1.2 - Costs and Expenses

Consolidated operating costs and expenses were R$465.9 million in 2Q12, or 27.0% higher when compared to 2Q11. This is comprised of non-manageable costs and expenses (the purchase and transportation of energy, sector charges and construction costs), which totaled R$330.5 million, representing an increase of 27.4%, whereas manageable costs totaled R$135.9 million, for an increase of 26.5% over the same period of the previous year.

Operating Costs / Expenses	2Q11	1Q12	2Q12	Chg.	1S11	1S12	Chg.
Energy Purchase	259.4	302.1	330.5	27.4%	474.7	632.6	33.3%
PMSO	67.0	78.2	80.3	19.9%	134.5	158.5	17.9%
Provisions and Other Operating Expenses	13.0	13.8	16.0	23.2%	24.0	29.8	24.3%
Depreciation	19.7	20.3	18.2	-7.6%	45.5	38.6	-15.2%
CEMAR	**359.1**	**414.4**	**445.0**	**23.9%**	**678.7**	**859.5**	**26.6%**
CUST + Generation costs	2.0	1.9	2.3	13.4%	4.0	4.1	4.2%
PMSO	0.4	0.6	0.6	70.5%	0.7	1.3	77.1%
Depreciation	1.2	1.2	1.1	-3.6%	2.4	2.3	-0.7%
Geramar	**3.5**	**3.7**	**4.0**	**13.5%**	**7.0**	**7.7**	**9.9%**
Energy Purchase	-	8.4	12.0	N/A	-	20.5	N/A
PMSO	1.4	3.2	2.4	77.0%	2.0	26.1	1223.7%
Depreciation	0.0	0.0	0.0	NA	0.0	0.1	N/A
Equatorial Soluções	**1.4**	**11.7**	**14.5**	**958.3%**	**2.0**	**26.1**	**N/A**
PMSO	2.9	5.0	2.4	-15.5%	6.7	7.4	10.1%
Depreciation	-	-	-	N/A	-	-	N/A
Equatorial (holding)	**2.9**	**5.0**	**2.4**	**-15.5%**	**6.7**	**7.4**	**10.1%**
Equatorial Consolidated	**366.8**	**434.8**	**465.9**	**27.0%**	**694.4**	**900.8**	**29.7%**

For more information on costs and expenses per company, see CEMAR and Geramar's specific Financial Performance sections.

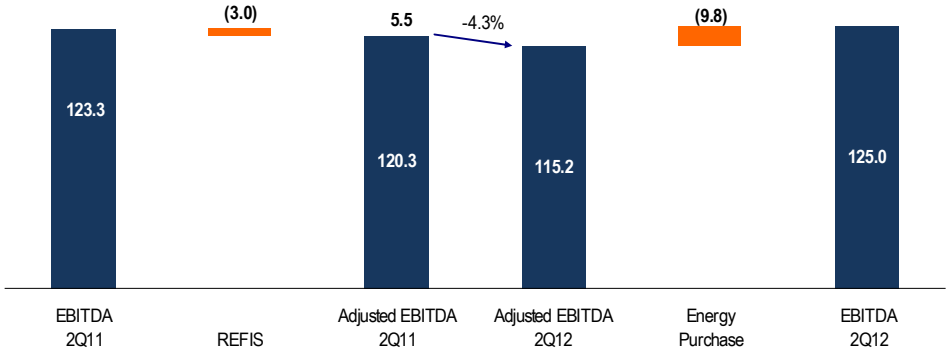
3.1.3 – EBITDA

Consolidated adjusted EBITDA in 2Q12 declined by 4.3% compared to the EBITDA of 2Q11, totaling R$115.2 million. For the adjustment, we excluded the extraordinary compensation of energy purchase costs that were recognized to be higher in CEMAR in previous periods. Therefore, the purchase of energy in the quarter was lower by R$9.8 million, of which R$2.3 million refer to 2011 and R$7.5 million refer to 1Q12.

We highlight the negative impact of R$8.6 million in Equatorial 2Q12's consolidated EBITDA (R$5.9 million in 1S12) due to CEMAR's involuntary exposure to the spot market and to the dispatching of thermal plants outside of the order of merit (for details, see section CEMAR's Non-Manageable Expenses). This impact was not considered in Adjusted EBITDA.

EBITDA (R$ million)	2Q11	1Q12	2Q12	Chg.	1S11	1S12	Chg.
Service Income	100.5	110.9	104.8	*4.3%*	185.3	215.8	*16.4%*
Depreciation and Amortization	20.9	21.6	19.4	*-7.2%*	47.8	41.0	*-14.4%*
Other Operating Revenues/Expenses	2.0	(0.0)	0.7	*-61.9%*	2.5	0.7	*-71.7%*
EBITDA	**123.3**	**132.5**	**125.0**	***1.3%***	**235.7**	**257.4**	***9.2%***
Refis Impact	(3.0)			N/A			*N/A*
Energy Purchase Correction			(9.8)	N/A		(2.3)	*N/A*
Adjusted EBITDA	**120.3**	**132.5**	**115.2**	**-4.3%**	**235.7**	**255.1**	**8.3%**

Adjusted EBITDA



3.1.4 - Financial Results

Financial Result (R$ MM) - Consolidated	2Q11	1Q12	2Q12	Chg.	1S11	1S12	Chg.
Financial income	12.1	8.8	4.9	-59.7%	26.1	13.7	-47.6%
Fine charged on energy sale	15.0	15.2	17.4	16.5%	32.3	32.6	1.1%
Other financial revenues	1.9	1.8	1.7	-11.0%	3.2	3.5	8.5%
Financial Revenue	**29.0**	**25.8**	**24.0**	**-17.2%**	**61.6**	**49.8**	**-19.2%**
Interest on loans and financing	(23.4)	(26.3)	(23.6)	1.2%	(47.2)	(50.0)	5.9%
Monetary and foreign exchange variation	(2.3)	(1.3)	(5.1)	119.5%	(9.3)	(6.4)	-30.7%
Other financial expenses	(23.8)	(9.0)	(10.4)	-56.2%	(33.5)	(19.4)	-42.1%
Financial Expenses	**(49.5)**	**(36.6)**	**(39.2)**	**-20.8%**	**(90.0)**	**(75.8)**	**-15.7%**
Net Financial Result - Consolidated	**(20.5)**	**(10.9)**	**(15.2)**	**-25.9%**	**(28.4)**	**(26.1)**	**-8.2%**

In 2Q12, the consolidated financial result was negative by R$15.2 million, versus the also negative R$20.5 million during the same quarter of the previous year.

The main changes for each company were:

- **CEMAR:** No 2Q12, the net financial income was negative by R$13.7 million, compared to R$18.3 million in 2Q11, a 25.3% increase. We observed a reduction in Financial Expenses of 18.2%, totaling R$37.2 million during the quarter, and a 13.5% decline in financial revenue.
- **Geramar:** The Company recognized R$2.0 million in net financial expense as a result of the loans taken out during the construction of the plants.
- **Equatorial (holding):** A positive result of R$0.2 million, basically arising from the investment of available cash

3.1.5 – Net Income

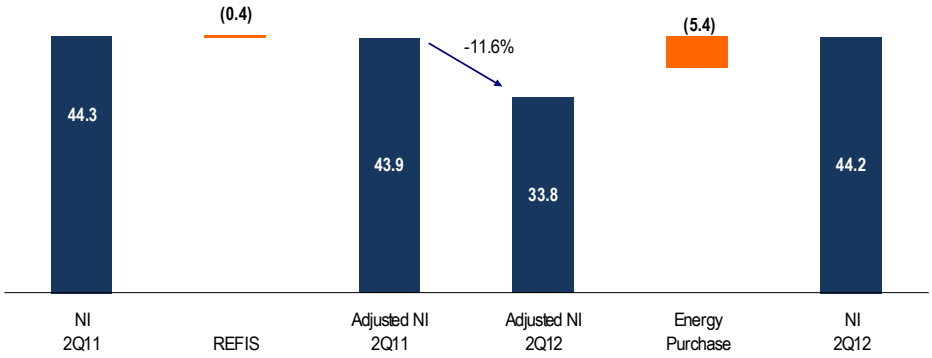
In 2Q12, the Company posted net income of R$44.2 million, a 0.2% reduction over the same quarter of the previous year.

The net effect of the extraordinary reduction in energy purchase in the 2Q12 amounted to R$5.4 million, thus adjusted net income fell by 11.6% when compared with 2Q11.

We highlight the negative impact of R$4.8 million in Equatorial 2Q12's consolidated Net Income (R$3.3 million in 1S12) due to CEMAR's involuntary exposure to PLD and to the power plants' energy distribution outside of the order of merit (for details, see section CEMAR's Non-Manageable Expenses). This impact was not considered in adjusted Net Income.

The net income in 2Q12 represented R$0.40 per Equatorial share versus R$0.41 in the same quarter of the previous year.

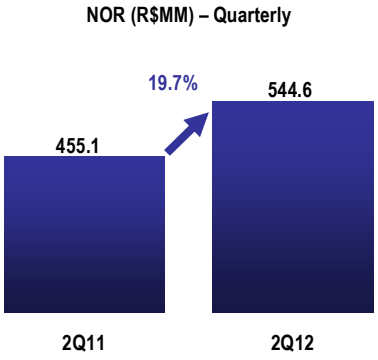
Adjusted Net Income

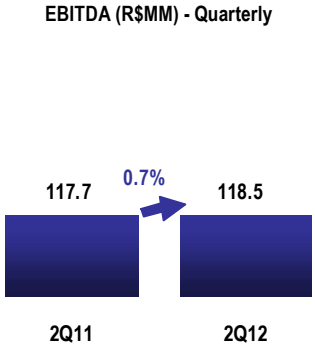


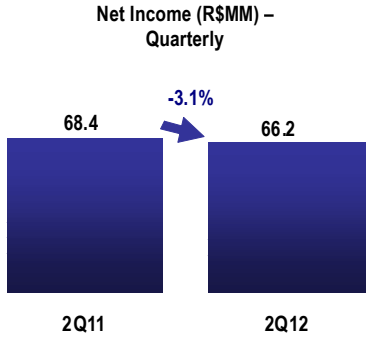
3.2 ECONOMIC-FINANCIAL PERFORMANCE – CEMAR

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

CEMAR Income Statement (R$MM)	2Q11	1Q12	2Q12	Chg.	1S11	1S12	Chg.
Gross Operating Revenues (GOR)	594.7	687.0	718.4	*20.8%*	1,127.2	1,405.4	*24.7%*
Net Operating Revenues (NOR)	455.1	524.4	544.6	*19.7%*	857.0	1,068.9	*24.7%*
Electric Energy Cost	(259.4)	(302.1)	(330.5)	*27.4%*	(474.7)	(632.6)	*33.3%*
Operating Costs / Expenses	(78.0)	(92.0)	(95.6)	*22.5%*	(156.0)	(187.6)	*20.3%*
EBITDA	**117.7**	**130.2**	**118.5**	***0.7%***	**226.3**	**248.7**	***9.9%***
Depreciation	(2.0)	0.0	(0.7)	*-61.9%*	(2.5)	(0.7)	*-71.7%*
Service Income (EBIT)	96.1	109.9	99.5	*3.6%*	178.3	209.5	*17.5%*
Operational Income	(18.3)	(9.1)	(13.7)	*-25.4%*	(25.7)	(22.7)	*-11.5%*
Earnings Before Taxes (EBT)	77.8	100.9	85.9	*10.4%*	152.6	186.7	*22.3%*
Income Tax / Social Contribution	(9.4)	(22.0)	(19.6)	*109.0%*	(31.5)	(41.7)	*32.2%*
Net Income	**68.4**	**78.8**	**66.2**	***-3.1%***	**121.1**	**145.0**	***19.8%***







3.2.1 - OPERATING REVENUES

OPERATING REVENUE - CEMAR	2Q11	1Q12	2Q12	Chg.	1S11	1S12	Chg.
Energy Sales (MWh)*	**1,067,286**	**1,119,467**	**1,200,915**	***12.5%***	**2,064,872**	**2,320,383**	***12.4%***
Number of Clients**	**1,883,536**	**1,967,970**	**1,985,226**	***5.4%***	**1,883,536**	**1,985,226**	***5.4%***
KWh per Client	**566.6**	**568.8**	**604.9**	***6.8%***	**1,096.3**	**1,168.8**	***6.6%***
Gross Operating Revenue (R$ MM)	**439.3**	**488.5**	**523.4**	***19.1%***	**842.6**	**1,011.9**	***20.1%***
Residential	215.2	247.8	261.5	*21.5%*	412.3	509.3	*23.6%*
Industrial	39.2	42.6	43.5	*10.9%*	75.7	86.1	*13.7%*
Commercial	99.6	109.0	118.2	*18.7%*	191.9	227.2	*18.4%*
Others	85.3	89.1	100.1	*17.4%*	162.7	189.2	*16.3%*
Supply	**1.5**	**4.2**	**(4.6)**	***N/A***	**20.7**	**(0.4)**	***N/A***
Other Revenues	**33.6**	**48.4**	**56.1**	***67.0%***	**65.1**	**104.5**	***60.5%***
Low Income	24.2	42.7	47.0	*94.3%*	49.1	89.7	*82.8%*
Network Usage	0.1	0.1	0.1	*-51.3%*	0.2	0.2	*-24.9%*
Other Operating Revenues	9.2	5.6	9.0	*-2.6%*	15.8	14.6	*-7.8%*
Construction Revenues	**120.4**	**145.9**	**143.5**	***19.2%***	**198.8**	**289.4**	***45.5%***
Deductions from Operating Revenues	**(139.6)**	**(162.6)**	**(173.8)**	***24.5%***	**(270.2)**	**(336.4)**	***24.5%***
Net Operating Revenues	**455.1**	**524.4**	**544.6**	***19.7%***	**857.0**	**1,069.0**	***24.7%***
Low Income	**21.2**	**28.3**	**35.7**	***68.3%***	**21.2**	**35.7**	***68.3%***

* Does not consider own consumption and supply to CEPISA
**Excludes own consumption facilities

In 2Q12, Gross Revenue from energy sales rose 19.1%, influenced mainly by the 12.5% growth in the volume of energy sold during the quarter, compared to the previous year. Net Revenues reached R$544.6 million (R$401.1 million, excluding construction revenues), an increase of 19.7% (19.8% without construction revenues) compared to the same quarter of the previous year.

Due to the convergence of Brazilian accounting rules with international financial reporting standards (IFRS), as of 2010 revenue from construction was recognized under Gross Revenue, with an impact on NOR, but no impact on EBITDA or Net Income, as the same amount is discounted in a specific line under Non-Manageable Costs. In 2Q12, R$143.5 million was recognized, versus R$120.4 million in 2Q11.

Due to CEMAR's involuntary exposure to the spot market (for details, see section CEMAR's Non-Manageable Expenses), 2Q12's NOR was negatively impacted in R$2.0 million, while in 1S12, this impact was R$2.3 million.

3.2.2 - Costs and Expenses

In 2Q12, total costs and expenses, manageable and non-manageable, not including depreciation and amortization totaled R$426.8 million (R$283.3 million excluding construction costs) equivalent to 78.4% of net revenues, an increase of 3.8 p.p. in relation to the percentage reported in 2Q11, which was 74.6%.

Manageable Operating Costs and Expenses

Total manageable costs and expenses for the company in 2Q12, including costs for Personnel, Material, Outsourced Services and Others – PMSO, not including PDA (Provision for Doubtful Accounts), provisions for contingencies and other non-operating costs, reached R$80.3 million, an increase of 19.9% compared to the results presented in 2Q11.

In this quarter, personnel expenses totaled R$19.7 million, a reduction of 2.7% compared to the results reported in 2Q11. This increase mainly can be explained by collective bargaining agreement of November/11 where an adjustment of 6.66% was agreed.

Expenses for materials totaled R$5.0 million in 2Q12, representing an increase of R$3.8 million due to the recognition of costs related to the sale of the standard meter housing structures (holding billing meters installed in consumer units).

Expenses for outsourced services in 2Q12 showed an increase of 19.5% in comparison to the results shown in 2Q11, closing the quarter at R$52.0 million, impacted by the significant increase in the number of clients (5.4%), and the Company's power loss reduction program. The principal reasons for the increase under this heading during the quarter were: (i) cutoff, re-hookup and collection services, up by R$ 2.9 million; and (ii) outsourced services and call center, which increased by R$2.6 million.

R$ MM	2Q11	1Q12	2Q12	Chg.	1S11	1S12	Chg.
Personnel	19.2	20.8	19.7	2.7%	38.6	40.5	5.0%
PLR (included in Personnel)	4.1	4.4	6.1	48.0%	8.2	10.4	27.1%
Material	1.2	1.5	5.0	304.3%	2.8	6.5	133.1%
Third Party Services	43.5	51.8	52.0	19.5%	87.1	103.7	19.1%
Others	3.1	4.1	3.7	19.0%	6.0	7.8	29.2%
PMSO	**67.0**	**78.2**	**80.3**	**19.9%**	**134.5**	**158.5**	**17.9%**
% Net Revenues	*14.7%*	*14.9%*	*14.7%*	*0.0 p.p.*	*15.7%*	*14.8%*	*-0.9 p.p.*
Provisions	11.0	13.8	15.3	38.2%	21.5	29.1	35.5%
PDA and Losses	6.7	8.6	10.3	54.4%	15.2	18.9	24.4%
% Gross Operating Revenue (without construction revenues)	1.4%	1.6%	1.8%	0.3 p.p.	1.6%	1.7%	0.0 p.p.
Provision for Contingencies	4.4	5.2	5.0	13.5%	6.3	10.2	62.2%
Other Operating Expenses/Revenues	2.0	(0.0)	0.7	-61.9%	2.5	0.7	-71.7%
MANAGEABLE COSTS AND EXPENSES	**80.0**	**92.0**	**96.3**	**20.5%**	**158.5**	**188.3**	**18.8%**
% Net Revenues	*17.6%*	*17.5%*	*17.7%*	*0.1 p.p.*	*18.5%*	*17.6%*	*-0.9 p.p.*
Electricity Purchased	112.6	127.5	162.9	44.7%	225.2	290.5	29.0%
Charges for Connection and Network	25.6	27.7	23.1	-9.5%	49.0	50.8	3.8%
Construction Costs	120.4	145.9	143.5	19.2%	198.8	289.4	45.5%
Other Costs	0.9	0.9	0.9	10.2%	1.7	1.9	10.2%
NON-MANAGEABLE COSTS AND EXPENSES	**259.4**	**302.1**	**330.5**	**27.4%**	**474.7**	**632.6**	**33.3%**
% Net Revenues	*57.0%*	*57.6%*	*60.7%*	*3.7 p.p.*	*55.4%*	*59.2%*	*3.8 p.p.*
TOTAL	**339.3**	**394.1**	**426.8**	**25.8%**	**633.2**	**820.9**	**29.6%**
TOTAL (% Net Revenues)	**74.6%**	**75.2%**	**78.4%**	**3.8 p.p.**	**73.9%**	**76.8%**	**2.9 p.p.**

In 2Q12, the level of Provision for Doubtful Accounts and Losses reported was R$10.3 million, or 1.8% of Gross Operating Revenue (GOR), a level that was 0.3 p.p. less than was reported during the same quarter last year. These percentages do not include Construction Revenues as part of Gross Revenues for the purposes of this calculation only.

CEMAR reached a total of 1,697 clients per employee in 2Q12, a 7.6% improvement in comparison with the number reported during the same period last year of 1,577 clients per employee. With regard to the PMSO per client, there was an increase of 13.8% representing a cost of R$40.5 per client during the quarter.

Non-Manageable Operating Costs and Expenses

In 2Q12, the Company registered a total of R$330.5 million (R$187.0 million, excluding construction costs) in non-manageable costs and, a 27.4% increase compared to 2Q11 (34.5% if we exclude construction costs).

During this quarter, there was extraordinary compensation of costs referring to the purchase of energy, recognized as being higher in previous fiscal years. Therefore, the purchase of energy during this quarter is R$9.8 million lower, of which R$2.3 million refer to 2011 and R$7.5 million refer to 1Q12.

Throughout 2012, due to the delay in the start up of some thermal plants with which CEMAR has contracted energy, the company was involuntarily exposed to the sport market prices (CCEE's PLD), purchasing energy at a different price (higher most of the times this year) than granted in its last tariff adjustment. This fact, coupled with the dispatching of thermal plants out of the order of merit by the National Operator (ONS), which also meant energy costs greater than the ones considered in the Company's tariff, increased energy purchase in 2Q12 by R$6.7 million and by R$3.5 million in 1S12.

It is important to emphasize that the costs for the purchase and transportation of energy, and sector fees, are part of Parcel A of the energy tariff, and therefore any increase in these resulting from price changes must be passed along to the Company through the annual tariff readjustment index (IRT), and should not represent a financial loss.

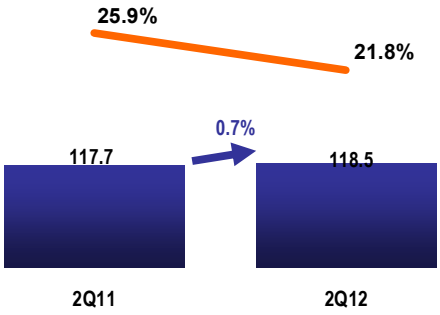
3.2.3 - EBITDA

In 2Q12, EBITDA was R$118.5 million, 0.7% greater than the R$117.7 million reported during the same quarter of the previous year. Taking into account the adjustment referring to the energy purchase mentioned in the previous item, the adjusted EBTIDA in 2Q12 would be R$108.7 million.

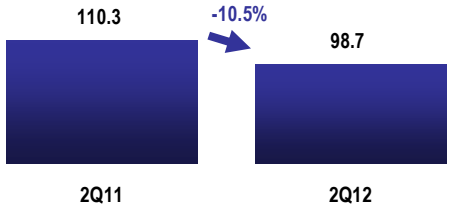
It was not adjusted in the 2Q12 figures, but it should be highlighted the negative effect of R$8.6 million in 2Q12's EBITDA (R$5.9 million in 1S12) concerning the involuntary exposure of the Company to the spot market and the dispatching of thermal plants out of the order of merit mentioned in the previous section.

EBITDA (R$ million)	2Q11	1Q12	2Q12	Chg.	1S11	1S12	Chg.
Service Income	96.1	109.9	99.5	*3.7%*	178.3	209.4	*17.5%*
Depreciation and Amortization	19.7	20.3	18.2	*-7.6%*	45.5	38.5	*-15.2%*
Other Operating Revenues/Expenses	2.0	(0.0)	0.7	*-61.9%*	2.5	0.7	*-71.7%*
EBITDA	**117.7**	**130.2**	**118.5**	***0.7%***	226.3	**248.7**	***9.9%***
Energy Purchase Correction			(9.8)	*N/A*		(2.3)	*N/A*
Refis Impact	(3.0)			*N/A*	(3.0)		*N/A*
Adjusted EBITDA	**114.7**	**130.2**	**108.7**	***-5.3%***	**223.6**	**238.9**	***10.4%***

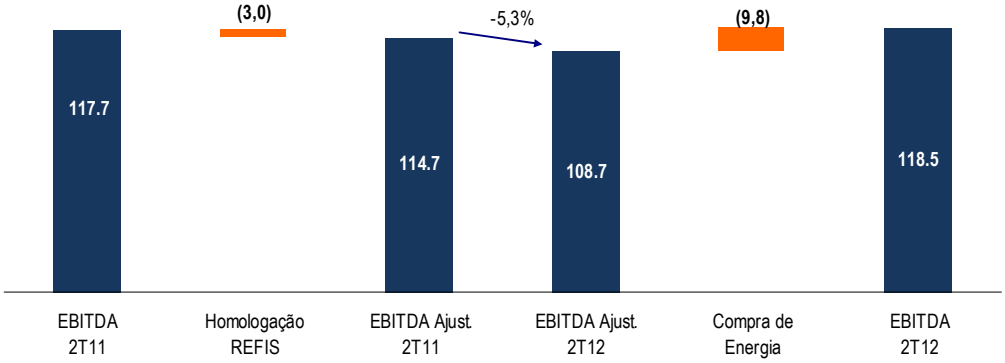
EBITDA (R$MM) and EBITDA Margin: Quarterly



EBITDA (R$) per MWh: Quarterly



Adjusted EBITDA



3.2.4 - Financial Results

In 2Q12, the net financial result was a negative R$13.7 million, against a negative R$18.3 million in 2Q11, a reduction of 25.3%. We observed an increase in Financial Expenses of 18.2%, totaling R$37.2 million for the quarter and a 13.5% decline in financial revenues.

Currently, the Company has no operations involving derivative financial instruments.

Financial Result (R$ MM) - CEMAR	2Q11	1Q12	2Q12	Chg.	1S11	1S12	Chg.
Financial income	10.3	8.2	4.4	-57.3%	21.8	12.6	-42.4%
Fine charged on energy sale	15.0	15.2	17.4	16.5%	32.3	32.6	1.1%
Other financial revenues	1.9	1.8	1.7	-11.0%	3.2	3.5	8.5%
Financial Revenue	**27.2**	**25.1**	**23.6**	**-13.5%**	**57.3**	**48.7**	**-15.1%**
Interest on loans and financing	(23.4)	(26.3)	(23.6)	-1.2%	(47.2)	(50.0)	-5.9%
Monetary and foreign exchange variation	(2.3)	(1.3)	(5.1)	-119.5%	(9.3)	(6.4)	30.7%
Other financial expenses	(19.8)	(6.6)	(8.4)	57.4%	(26.6)	(15.0)	43.6%
Financial Expenses	**(45.5)**	**(34.2)**	**(37.2)**	**18.2%**	**(83.0)**	**(71.4)**	**14.0%**
Net Financial Result - CEMAR	**(18.3)**	**(9.1)**	**(13.7)**	**25.3%**	**(25.7)**	**(22.7)**	**11.6%**

3.2.5 – Income Tax and Social Contribution

At CEMAR, the calculation of Income Tax (IRPJ) and Social Contribution on Net Profits (CSLL) was positively influenced by the following items: i) the tax incentive of a 75% reduction in income tax as a result of the tax benefit from the expansion of installed capacity, obtained from the SUDENE (Superintendency for the Development of the Northeast) in December, 2005, which was extended in 2007 to include the upgrade of all installed capacity, effective through 2016; ii) tax incentives related to accelerated depreciation, obtained from the SUDENE, which allows investments in expansion and modernization of the distribution network to be considered as a fully tax-deductible expense for purposes of calculating income tax immediately (effective for the years 2006 - 2013); and, iii) the offset of accrued losses. It should be noted that all items mentioned above are applicable only to income tax.

Effective Income Tax and Social Contribution Rate

Income Tax/ Social Contribution (R$MM)	2Q11	1Q12	2Q12	1S11	1S12
EBT (1)	**77.8**	**100.9**	**85.9**	**152.6**	**186.7**
Income Tax/ Social Contribution Expenses	(9.4)	(22.0)	(19.7)	(31.9)	(41.7)
(-) Deferred Tax Assets	0.6	12.5	11.2	17.3	23.7
= Tax Payable	**(8.8)**	**(9.5)**	**(8.4)**	**(14.6)**	**(17.9)**
(+) Fiscal Credits	3.0	3.3	2.4	3.0	5.7
= Tax - Cash Basis (2)	**(5.9)**	**(6.2)**	**(6.0)**	**(11.6)**	**(12.2)**
Effective Tax Rate = (2) / (1)	**7.5%**	**6.2%**	**7.0%**	**7.6%**	**6.5%**

In 2Q12, the result of the IRPJ and CSLL was negative by R$19.7 million and, including the utilization of deferred tax incentives for compensation, the cash payments for these taxes totaled R$ 6.0 million, which represents an effective rate of 7.0%.

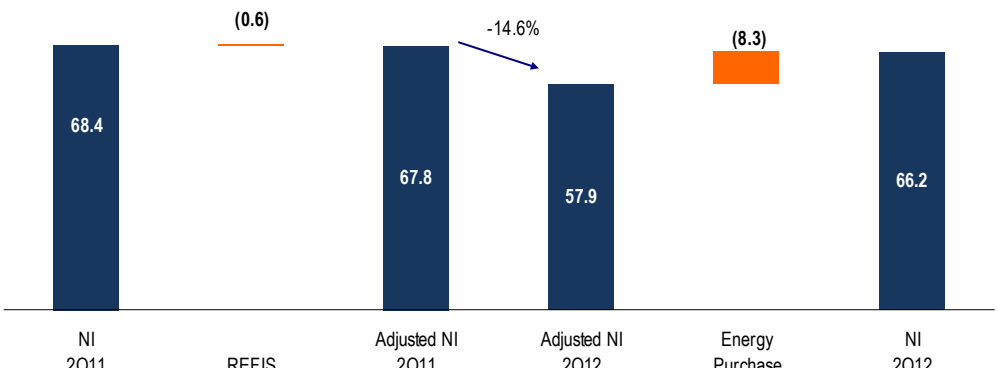
3.2.6 - Net Inocme

In 2Q12, CEMAR posted net income of R$66.2 million, versus R$68.4 million net income in 2Q11, a decline of 3.2%. The net effect of the energy purchase adjustment in the net income amounted to R$8.3 million, thus the adjusted net income would fall by 14.6% when compared to those from the 2Q11.

Although not reflected in the adjusted figures, the negative impact on net income for 2Q12 was R$7.3 million (R$ 5.0 million in 1S12) due to the company's involuntary exposure to the spot market and the dispatching of thermal plants out of the order of merit mentioned in the Non-Manageable Costs and Expenses section.

The net income reported in 1H12 represented R$0.88 per each CEMAR share, versus the R$0.74 per share presented in 1S11.

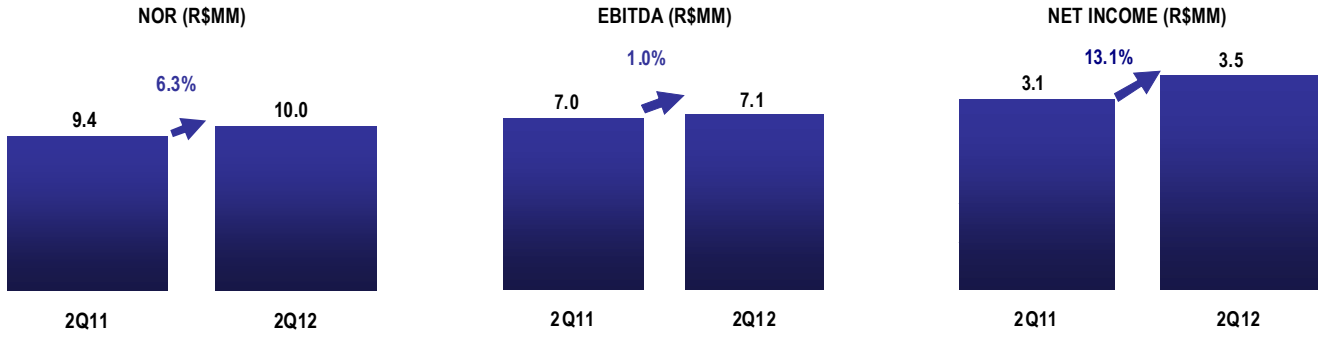
Adjusted Net Income



3.3 ECONOMIC-FINANCIAL PERFORMANCE – Geramar

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

GERAMAR Income Statement (R$MM)	2Q11	1Q12	2Q12	Chg.	1S11	1S12	Chg.
Gross Operating Revenues (GOR)	10.3	11.0	11.0	*6.3%*	20.7	22.0	*6.5%*
Net Operating Revenues (NOR)	9.4	10.0	10.0	*6.3%*	18.7	20.0	*6.5%*
Electric Energy Cost	(2.0)	(1.9)	(2.3)	*13.4%*	(4.0)	(4.1)	*4.2%*
Operating Costs / Expenses	(0.4)	(0.6)	(0.6)	*70.5%*	(0.7)	(1.3)	*77.1%*
EBITDA	**7.0**	**7.5**	**7.1**	***1.0%***	**14.1**	**14.6**	***3.6%***
Depreciation	(1.2)	(1.2)	(1.1)	*-3.6%*	(2.4)	(2.3)	*-0.7%*
Service Income (EBIT)	5.8	6.3	6.0	*1.9%*	11.7	12.2	*4.5%*
Financial Result	(2.7)	(2.1)	(1.8)	*-33.5%*	(5.5)	(3.9)	*-29.1%*
Earnings Before Taxes (EBT)	3.1	4.2	4.1	*33.1%*	6.2	8.3	*34.7%*
Income Tax / Social Contribution	(0.0)	(0.6)	(0.6)	*N/A*	(0.0)	(1.3)	*5048.0%*
Net Income	**3.1**	**3.5**	**3.5**	***13.1%***	**6.1**	**7.0**	***14.3%***



3.3.1 - Operating Revenue

In 2Q12, Net Operating Revenues (NOR) totaled R$10.0 million, resulting from the Fixed Revenue from plant availability, since no dispatching was requested by the ONS during the quarter.

3.3.2 - Costs and Expenses

The total expenditures by plants in 2Q12 totaled R$4.0 million, divided between Costs for Use of the Transmission System (CUST), generation costs (such as purchase of fuel, operation and maintenance of the plant, among others) and to a lesser extent, PMSO (personnel, materials, outsourced services and others).

Operating Costs / Expenses	2Q11	1Q12	2Q12	Chg.	1S11	1S12	Chg.
CUST + Generation costs	2.0	1.9	2.3	13.4%	4.0	4.1	4.2%
PMSO	0.4	0.6	0.6	70.5%	0.7	1.3	77.1%
Depreciation	1.2	1.2	1.1	-3.6%	2.4	2.3	-0.7%
Geramar	**3.5**	**3.7**	**4.0**	**13.5%**	**7.0**	**7.7**	**9.9%**

3.3.3 - EBITDA

Geramar's EBITDA in 2Q12 was R$7.1 million, higher than presented in 2Q11 by 1.0%.

3.3.4 - Financial Result

The financial result for 2Q12 was negative by R$1.8 million due to interest on loans contracted to finance the construction of the plants.

3.3.5 - Net Income

Geramar reported net income of R$3.5 million this quarter, up 13.1% over 2Q11, mainly due to the obtaining of long term loans and consequent payment of the bridge loans, that presented higher interest rates.

4. Regulatory Assets and Liabilities

With the integration of Brazilian accounting regulations with IFRS, regulatory assets and liabilities of the sector are no longer reported on the consolidated balance sheet. However, these amounts are still used by ANEEL when calculating the Financial Components reported for the Annual Readjustment or Periodic Revision.

The components of the Regulatory Assets and Liabilities of CEMAR per quarter since 2Q11 are shown below.

Regulatory Assets	2Q11	3Q11	4Q11	1Q12	2Q12
CVA Constitution	**6,964**	**725**	**1,049**	**4,659**	**6,512**
CCC	1,003	-	-	-	-
CDE	820	258	265	490	829
Proinfa	625	-	-	1,497	2,656
ESS	4,515	99	-	-	-
Basic Network	-	369	784	2,672	3,028
Energy Purchases	-	-	-	-	-
CVA Amortization	**2,503**	**2,512**	**1,840**	**1,070**	**272**
CCC	1,201	982	720	420	109
CDE	68	834	609	353	86
Proinfa	125	622	455	263	65
ESS	343	31	23	14	5
Basic Network	766	43	33	20	7
Energy Purchases	-	-	-	-	-
Low Income Subsidies	**5,691**	**77,739**	**50,916**	**13,722**	**(24,264)**
Deficit from PLPT	**2,144**	**13,393**	**9,660**	**5,675**	**1,553**
Other Subsidies	**7,565**	**2,518**	**2,297**	**1,625**	**2,925**
Other	7,564	2,173	1,667	1,107	2,306
Disc. TUSD/ Guseiros	1	20	57	-	-
Irrigante	-	326	573	518	619
Final Balance	**24,867**	**96,888**	**65,761**	**26,750**	**(13,002)**

Regulatory Liabilities	2Q11	3Q11	4Q11	1Q12	2Q12
CVA Constitution	**(12,457)**	**(7,246)**	**(17,274)**	**(21,591)**	**(20,738)**
Energy Purchases	(9,445)	(5,367)	(13,764)	(18,568)	(20,138)
Basic Network	(2,860)	(1,774)	(1,296)	(749)	-
ESS	(152)	-	(813)	(2,163)	(487)
Proinfa	-	-	(1,293)	-	-
CCC	-	(105)	(108)	(110)	(113)
CVA Amortization	**(3,381)**	**(8,577)**	**(6,681)**	**(4,506)**	**(2,462)**
Basic Network	-	-	-	-	(183)
Energy Purchases	(1,796)	(5,190)	(3,795)	(2,200)	(546)
CCC	(55)	-	-	-	-
CDE	(9)	-	-	-	-
ESS	-	(1,911)	(1,396)	(808)	(197)
Proinfa	(59)	-	-	-	-
RTE	(1,461)	(1,476)	(1,489)	(1,498)	(1,536)
Parcel A Neutrality	**(370)**	**(5,156)**	**(3,719)**	**(2,185)**	**(598)**
Overpurchase Pass-through	**(564)**	**-**	**-**	**-**	**-**
Other Regulatory Liabilities	**(5,921)**	**(16,195)**	**(12,256)**	**(8,012)**	**(3,060)**
Financial Exposure	(3,311)	(3,193)	(2,878)	(2,443)	(1,479)
RB Parcel Boundary	(103)	(36)	(26)	(15)	(4)
Connection	(1)	-	-	-	-
Involuntary Exposure	(2,506)	(12,959)	(9,347)	(5,491)	(1,502)
Consumer A	-	(7)	(5)	(63)	(75)
Final Balance	**(22,694)**	**(37,175)**	**(39,929)**	**(36,293)**	**(26,858)**

Net Regulatory Assets, plus Low Income Assets and Viva Luz[1] (the latter two still booked as assets of the Company) are shown below.

Net Regulatory Assets / Liabilities	2Q11	3Q11	4Q11	1Q12	2Q12
Regulatory Assets	24,867	96,888	65,761	26,750	(13,002)
Regulatory Liabilities	(22,694)	(37,175)	(39,929)	(36,293)	(26,858)
Net Regulatory Assets	**2,173**	**59,714**	**25,832**	**(9,543)**	**(39,860)**
Low Income Assets + Viva Luz	21,212	30,692	15,825	28,274	35,704
Total	**23,385**	**90,406**	**41,657**	**18,731**	**(4,156)**

5. DEBT

In 2Q12, the consolidated gross debt, including charges, totaled R$1,538.5 million, an increase of 11.5% compared to the R$1,379.6 million recorded at the end of the previous quarter. This growth came about mainly through the 4th Debentures Issuance by CEMAR, concluded in June 2012, raising R$ 280 million, with final maturity due in June 2020.

In June 2012, only 0.5% of Equatorial's consolidated gross debt, equivalent to R$8.5 million, was denominated in foreign currency, mostly U.S. dollars. Due to the low level of exchange rate exposure, neither Equatorial nor CEMAR have any hedge protection against the devaluation of the Real against other currencies.

Gross Debt Maturity Timetable (100% CEMAR + 25% Geramar)[1]

Index	Average Charges (p. a.)	Average Due Date (month/year)	Average Period (years)	% of Total
Foreign Currency				
Libor	6.3%	Oct-12	10.6	0.3%
Fixed (US$)	1.5%	Apr-12	12.0	0.2%
TOTAL (CEMAR)	**4.5%**		**11.1**	**0.5%**
Domestic Currency				
CEMAR	**9.4%**		**8.0**	**93.2%**
TJLP	9.6%	Mar-17	3.8	14.4%
CDI	11.3%	May-15	10.6	22.5%
IPCA	11.1%	Jun-20	8.2	10.9%
Fixed (R$)	8.3%	Jan-20	7.8	16.5%
RGR	6.5%	Jul-18	6.2	16.7%
IGP-M	9.1%	Dec-23	11.7	10.2%
FINEL(*)	**10.8%**	Dec-15	**3.6**	**2.0%**
GERAMAX (ex-Geranorte)	**7.6%**		**14.9**	**6.3%**
CDI	13.7%		0.0	0.0%
TJLP	7.0%	Dec-25	14.7	77.7%
Fixed (R$)	10.0%	Dec-26	15.7	19.7%
TOTAL	**9.3%**		**8.4**	**99.5%**
TOTAL	**9.2%**		**8.4**	**100.0%**

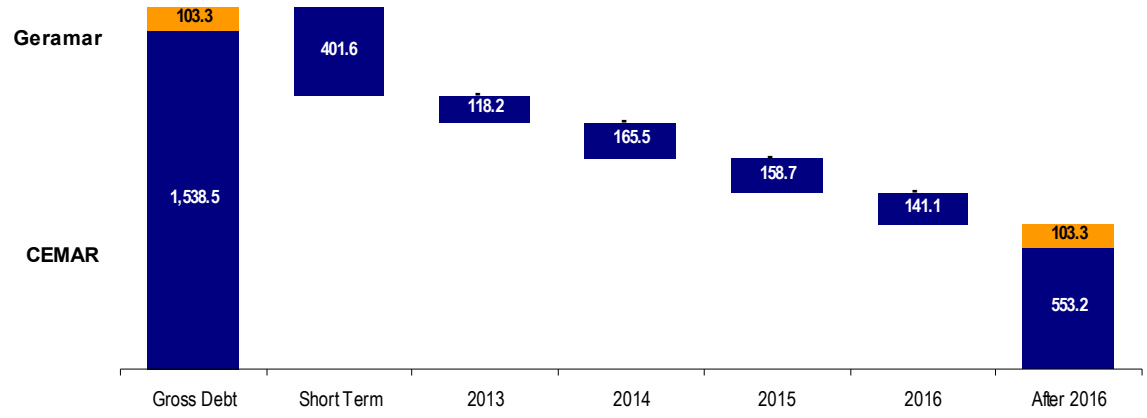
Maturity	CEMAR	Geramar	Consolidated	% of Total
Short Term	401.6	-	401.6	24.5%
Long Term	**1,136.8**	**103.3**	**1,240.1**	**75.5%**
2013	118.2	-	118.2	7.2%
2014	165.5	-	165.5	10.1%
2015	158.7	-	158.7	9.7%
2016	141.1	-	141.1	8.6%
After 2016	553.2	103.3	656.5	40.0%
Gross Debt	**1,538.5**	**103.3**	**1,641.7**	**100.0%**
Cash	518.5	2.4	521.0	
Cash - Holding			10.2	
Cash - Equatorial Soluções			6.4	
Net Reg. Assets	-4.2		-4.2	
Net Debt	**1,024.1**	**100.8**	**1,108.3**	

(*) 100% CEMAR

(**) Index that represents 20% of IGP-M + between 9.4% and 12% p.a.

(***) BNDES monetary unit, the index reflects the weighted average of the variations existing in the rims of the coins of the BNDES currency basket

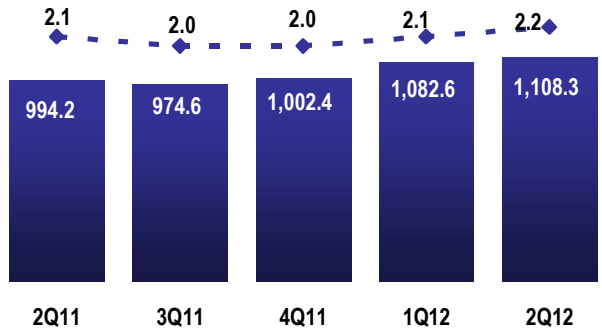
Gross Debt Maturity Timetable (R$ million)



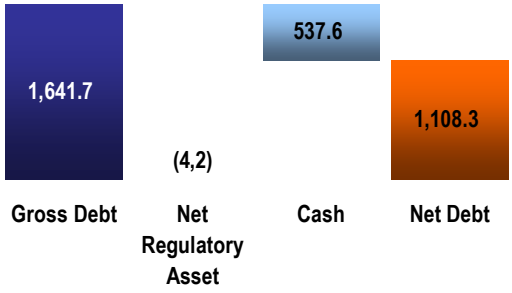
Net debt, including cash and cash equivalents and net regulatory assets, amounted to R$1,108.3 million at the close of 2Q12, up 2.4% from R$1,082.6 million reported at the end of 1Q12, raising the relationship net debt / EBITDA to 2.2x.

[1] For more details, see Annex 4 – Statement of Loans and Financing.

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

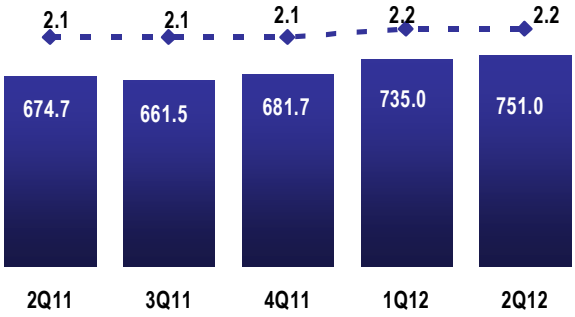


Net Debt Reconciliation (R$MM)
Consolidated (100% CEMAR + 25% Geramar)

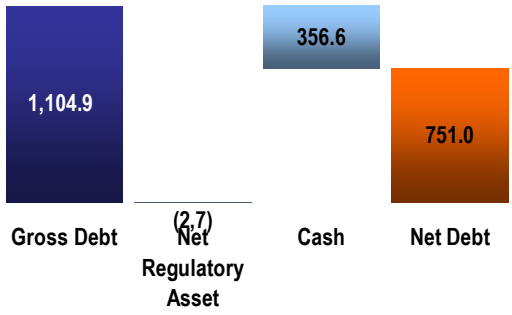


Total consolidated net debt, adjusted for Equatorial's interest in CEMAR (65.11%) and Geramar (25%), totaled R$751.0 million in March 2012, representing a ratio of 2.1x consolidated EBITDA for the last 12 months.

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



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



6. CAPITAL EXPENDITURES

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

INVESTMENTS (R$MM)	2Q11	1Q12	2Q12	Chg.	1S11	1S12	Chg.
CEMAR							
Own (*)	63.8	73.8	101.0	*58.1%*	106.4	174.8	*64.2%*
Light For All Program	46.8	44.5	37.1	*-20.7%*	84.5	81.7	*-3.4%*
Total	**110.7**	**118.4**	**138.1**	***24.8%***	**191.0**	**256.5**	***34.3%***
Geramar							
Generation	0.0	0.2	0.0	*-13.9%*	0.2	0.2	*0.1%*
TOTAL	**110.7**	**118.5**	**138.1**	**24.8%**	**191.2**	**256.7**	**34.3%**

(*) Including indirect Light For All Program investments

6.1 - CEMAR

CEMAR's investments, not including direct investment related to PLPT totaled R$101.0 million in 2Q12, an increase of 58.1% compared to 2Q11. Of this total, R$62.8 million was allocated to the expansion of the distribution network in the state of Maranhão, R$20.2 million went for the maintenance of the existing network and the remaining R$18.0 million was divided among equipment, systems and other investments.

Investments in Light for All Program - PLPT

At the end of 2Q12, 307,300 customers were connected to the electric power distribution network through the PLPT providing direct benefits to almost 1.5 million inhabitants of the state of Maranhão. The PLPT has now reached all 217 municipalities in Maranhão, contributing to the development of isolated areas in urban metropolitan areas and to the generation of income in these communities. Throughout 2Q12, direct investment in PLPT, including spending on materials, freight and third party services, was R$37.1 million, 20.7% above the investment made in the same quarter last year.

Prospects

Over the past few years, CEMAR's consumer market has shown high levels of growth. During the 2009-2011 period, the market grew at an average rate of 10.7%, an amount higher than the average growth rate in Brazil (3.6%) and the Northeast Region (0.8%). It should be noted that during the previous period (2005-2008), the rates already were high but the amounts reached during the 2009-2011 period represented a new level.

Among the factors that explain this growth, the following are particularly noteworthy: (i) the explosion of pent-up demand that could be serviced through the strengthening of the electrical system; (ii) The Light for All Program (PLPT): the fourth largest in Brazil, it already has led to access of the electric power network by more than 300,000 households; and (iii) heating up of the construction, trade and services sectors.

In the near future, there is expectation of maintenance of high growth rates, mainly due to a number of large industrial projects being built in the state. For this new decade, the Maranhão Government estimates that investments will reach approximately R$ 100 billion. Among the highlights are the Petrobras Premium Refinery, a Suzano paper and pulp mill, the exploitation of gas in the backcountry of the state by OGX, as well as mining and other projects.

In order to meet the demands of the market's growth, CEMAR has been making sizable investments to improve and expand its system. Some of the main bottlenecks in the system are being dealt with through the construction of subtransmission lines and an increase in installed capacity. Furthermore, supply of power to the basic electric grid in Maranhão was put to proof, which generated concrete actions, such as expansion of existing supply points and construction of three new points in the north, south and northeast quadrants of the state.

In view of the strong demand expected for the 2009-2011 period, and the expectation for the forthcoming years, a Construction Program master plan was developed for 2011/2012, designed to accompany and support the development foreseen for the state of Maranhão, including the moving up of timetables of large construction projects, whose result will be the increase in installed capacity of the system and the improvement in the quality of the energy that is distributed.

7. Capital Market

Equatorial Energia's shares closed 2Q12 at R$15.00, 9.5% higher than the R$13.70 price at the end of 1Q12, taking into consideration the adjustment made by the announcement of dividends for the period.

The Company's average daily trading volume was R$3.5 million in the last 60 sessions ending June 30, 2012. Equatorial's shares are traded on the BM&FBOVESPA's Novo Mercado trading segment and are part of the following indexes: IEE, ITAG and IGC.

8. New Projects

Equatorial continues to prospect investment opportunities in the distribution and generation segments in line with its corporate strategy calling for the Company to participate in the consolidation of electric energy distribution utilities in Brazil and Latin America and the generation investment scenario necessary for the country.

MATERIAL FACT OF JUNE 27, 2012

Pursuant to the Material Fact published June 27, Equatorial submitted a proposal to acquire the controlling stake of Centrais Elétricas do Pará S.A. - CELPA ("CELPA"), a company currently in judicial reorganization. The consummation of the potential acquisition is subject to customary precedent conditions specified in this proposal, including, among others, the satisfactory completion of due diligence, the obtaining of all regulatory and corporate approvals and the approval of its creditors of a judicial reorganization plan in terms and conditions acceptable to Equatorial. CELPA's current controlling group gave Equatorial an exclusivity period during which any transaction involving the sale of direct or indirect control of CELPA, as well as any transaction with similar effect, can only be negotiated with Equatorial.

The Company will maintain the market advised of the evolution of the negotiations.

9. Services Provided By The Independent Auditors

The Company did not contract Ernst & Young Terco Auditores Independentes, its external auditors, for any other services beyond the independent audit and those services required by ANEEL. The Company's contracting policy is designed to ensure the independence of the auditors in line with the prevailing regulations. Essentially, these determine that the auditors may not audit their own work, exercise any managerial function for their clients or promote their clients' interests.

The following information was not reviewed by the independent auditors: i) CEMAR's operating information (including that related to the PLPT); 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.

10. Disclosure Calendar

Conference Call in English
Monday, July 30, 2012
12 noon (Brasília time)
11 a.m. (New York time)
Telephones: +1 855 281-6021 / +1 786 924-6977
Code: Equatorial

Conference Call in Portuguese
Monday, July 30, 2012
2 p.m. (Brasília time)
1 p.m. (New York time)
Telephone: +55 11 4688-6361
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 event.

Contacts

- **Eduardo Haiama**
  CFO and Investor Relations Officer
- **Thomas Newlands**
  Investor Relations Analyst
- **Telephones**: + 0 XX (21) 3206-6635 / 6607
- **E-mail**: ri@equatorialenergia.com.br
- **Website**: www.equatorialenergia.com.br/ri

ADDITIONAL INFORMATION ABOUT CEMAR

Maiores informações ou abertura de dados econômico-financeiros e operacionais sobre a CEMAR poderão ser encontradas nos Comentários de Desempenho individuais da empresa, disponíveis na internet, através do endereço abaixo:

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

DISCLAIMER

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

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

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

Accounting criteria adopted:

The information contained herein is presented in consolidated figures, pursuant to Brazilian Corporate Law, based on revised financial information. The consolidated financial information represents 100% of CEMAR’s results, excluding 34.89% related to minority interests, 25% of Geramar’s results and 100% of Equatorial Soluções‘ results.

The consolidated operating information represents 100% of CEMAR’s, 25% of Geramar’s and 100% of Equatorial Soluções’ results.

ANNEX 1 – CONSOLIDATED INCOME STATEMENT (R$ MM)

INCOME STATEMENT (R$ MM)	2Q11	1Q12	2Q12	1S11	1S12
GROSS OPERATING REVENUES	**608.1**	**710.5**	**747.1**	**1,152.3**	**1,457.6**
Electricity Sales to Final Consumer	475.2	552.3	595.9	915.8	1,148.1
Electricity Supply	1.5	4.2	(4.6)	20.7	(0.4)
Construction Revenues	120.4	145.9	143.5	198.8	289.4
Other Revenues	11.1	8.2	12.3	17.0	20.5
DEDUCTIONS FROM OPERATING REVENUES	**(140.8)**	**(164.7)**	**(176.3)**	**(272.6)**	**(341.1)**
NET OPERATING REVENUES	**467.3**	**545.8**	**570.8**	**879.7**	**1,116.5**
ELECTRICITY COSTS	**(261.4)**	**(312.4)**	**(344.8)**	**(478.7)**	**(657.2)**
Electricity Purchased for Resale	(114.4)	(139.7)	(176.8)	(228.8)	(316.5)
Transmission and Distribution Network Usage Charges	(25.7)	(25.9)	(23.6)	(49.4)	(49.5)
Construction Costs	(120.4)	(145.9)	(143.5)	(198.8)	(289.4)
Other non-manageable expenses	(0.9)	(0.9)	(0.9)	(1.7)	(1.9)
OPERATING COSTS/EXPENSES	**(82.6)**	**(100.9)**	**(101.0)**	**(165.4)**	**(201.9)**
Personnel	(20.9)	(25.4)	(22.0)	(43.9)	(47.3)
Material	(1.2)	(3.6)	(5.6)	(2.8)	(9.2)
Services	(45.7)	(53.1)	(53.6)	(89.9)	(106.7)
Provisions	(11.0)	(13.8)	(15.3)	(21.5)	(29.1)
Others	(3.8)	(5.0)	(4.5)	(7.3)	(9.5)
EBITDA	**123.3**	**132.5**	**125.0**	**235.7**	**257.4**
Other Operating Revenue/Expenses	(2.0)	0.0	(0.7)	(2.5)	(0.7)
Depreciation and Amortization	(20.9)	(21.6)	(19.4)	(47.8)	(41.0)
SERVICE INCOME	**100.5**	**110.9**	**104.8**	**185.3**	**215.8**
EQUITY INCOME	**(2.1)**	**(1.5)**	**(1.5)**	**(4.2)**	**(2.9)**
Goodwill Amortization	(2.1)	(1.5)	(1.5)	(4.2)	(2.9)
FINANCIAL INCOME	**(20.5)**	**(10.9)**	**(15.2)**	**(28.4)**	**(26.1)**
Financial Revenue	29.0	25.8	24.0	61.6	49.8
Financial Expenses	(49.5)	(36.6)	(39.2)	(89.9)	(75.8)
RESULT BEFORE INCOME TAX	**77.9**	**98.6**	**88.2**	**152.8**	**186.8**
Social Contribution	(8.9)	(10.0)	(8.9)	(14.7)	(18.9)
Income Tax	(11.6)	(13.3)	(10.7)	(21.3)	(24.0)
Deferred Taxes	(0.6)	(12.5)	(11.2)	(16.9)	(23.8)
SUDENE Incentive	11.4	12.9	10.2	20.9	23.1
MINORITY INTERESTS	**(23.9)**	**(27.6)**	**(23.4)**	**(42.2)**	**(51.0)**
NET INCOME	**44.3**	**48.1**	**44.2**	**78.5**	**92.3**

ANNEX 2 – IFRS ADJUSTMENTS IN CEMAR's DRE (R$MM)

Below, we highlight the effects of the IFRS adoption in **CEMAR** 2Q11 and 2Q12 results:

- R$143.5 million is recognized relating to the **Construction Revenue** in 2Q12's Gross Revenue. This amount is fully offset, since the same amount is recognized as Construction Cost in the Non-Manageable Expenses, affecting NOR, but neutral to EBITDA and Net Income.
- All impacts of applying the IFRS, except for Revenue and Construction Costs, were positive for the NOR by R$30.4 million, for EBITDA by R$24.7 million, and Net Income by R$30.3 million in 2Q12.
- Costs relating to the **Profit Sharing** in the amount of R$ 6.1 million are transferred to the Personnel account, negatively affecting EBITDA, but with zero effect on NOR and Net Income.
- Throughout 2012, due to the delay in power plants' operating start with which CEMAR has energy purchase contract, the Company was involuntarily exposed to PLD (settlement price of CCEE's spot market), being obliged to purchase energy at a different price (higher most of the times this year) than expected in its last tariff adjustment. This fact, coupled with the energy distributed out of the order of merit from some power plants, ie, also with energy costs greater than the ones considered in the Company's tariff, negatively impacted the Company's 2Q12's regulatory EBITDA in R$9.8 million (12.8 million in 1S1).

INCOME STATEMENT PER COMPANY (R$ MM)	2Q11 Original	Adjustments	2Q11 IFRS	2Q12 Original	Adjustments	2Q12 IFRS
GROSS OPERATING REVENUES	**459,680**	**135,042**	**594,722**	**544,731**	**173,684**	**718,415**
Electricity Sales to Final Consumer	450,533	14,335	464,868	539,740	31,663	571,403
Electricity Supply	1,410	43	1,453	(3,020)	(1,572)	(4,592)
Emergency Capacity Charges	(1,232)		(1,232)	(989)		(989)
Construction Revenues	-	120,387	120,387	-	143,521	143,521
Other Revenues	8,969	276	9,245	9,000	72	9,072
DEDUCTIONS FROM OPERATING REVENUES	**(137,186)**	**(2,412)**	**(139,598)**	**(174,096)**	**261**	**(173,835)**
NET OPERATING REVENUES	**322,494**	**132,630**	**455,123**	**370,635**	**173,945**	**544,580**
ELECTRICITY COSTS	**(144,790)**	**(114,607)**	**(259,398)**	**(187,356)**	**(143,169)**	**(330,525)**
Electricity Purchased for Resale	(118,376)	5,780	(112,596)	(163,563)	628	(162,935)
Transmission and Distribution Network Usage Charges	(25,553)		(25,553)	(22,844)	(276)	(23,120)
Construction Costs	-	(120,387)	(120,387)	-	(143,521)	(143,521)
Other non-manageable expenses	(862)		(862)	(949)		(949)
OPERATING COSTS/EXPENSES	**(73,876)**	**(4,123)**	**(77,999)**	**(89,494)**	**(6,066)**	**(95,560)**
Personnel	(15,054)	(4,123)	(19,177)	(13,627)	(6,066)	(19,693)
Material	(1,236)		(1,236)	(4,997)		(4,997)
Services	(43,479)		(43,479)	(51,961)		(51,961)
Provisions	(11,036)		(11,036)	(15,256)		(15,256)
Others	(3,071)		(3,071)	(3,654)		(3,654)
EBITDA	**103,828**	**13,899**	**117,727**	**93,784**	**24,710**	**118,494**
Other Operating Revenue/Expenses	(1,953)		(1,953)	(743)		(743)
Depreciation and Amortization	(19,706)		(19,706)	(18,218)		(18,218)
SERVICE INCOME	**82,169**	**13,899**	**96,069**	**74,823**	**24,710**	**99,533**
FINANCIAL INCOME	**(18,525)**	**212**	**(18,312)**	**(13,206)**	**(460)**	**(13,666)**
Financial Revenue	27,597	(372)	27,225	24,177	(622)	23,555
Financial Expenses	(46,121)	585	(45,536)	(37,382)	162	(37,220)
RESULT BEFORE INCOME TAX	**63,644**	**14,111**	**77,757**	**61,618**	**24,250**	**85,868**
Social Contribution	(8,843)		(8,843)	(8,418)		(8,418)
Income Tax	(11,418)		(11,418)	(9,456)		(9,456)
Deferred Taxes	(554)		(554)	(11,222)		(11,222)
SUDENE Incentive	11,418		11,418	9,456		9,456
PROFIT SHARING	**(4,123)**	**4,123**	**-**	**(6,066)**	**6,066**	**-**
NET INCOME	**50,125**	**18,234**	**68,360**	**35,912**	**30,316**	**66,228**

A detailed display of the accounts that make up the adjustments in the Supply of Energy made during 2Q12 and 2Q11 can be seen below.

ADJUSTMENTS IN ELECTRICITY SALES	2Q11	2Q12
Low Income Assets	11,226	37,986
PLPT - Light For All Program	4,229	4,121
CVA Basic Network Constitution	71	-
CVA Energy Purchase Constitution	1,805	1,568
CVA PROINFA Constitution	-	(1,114)
CVA Charges For Services System Constitution	1,301	(1,722)
CVA Financial Constitution	(1,097)	(1,573)
CVA Energy Purchase Amortization	(3,490)	(1,678)
CVA CCC Amortization	(73)	-
CVA Amortization - Others	643	(13)
CVA PROINFA Amortization	(78)	-
CVA Overpurchase Amortization	-	(3,988)
CVA Financial Exposure Amortization	-	(730)
CVA Basic Network Amortization	-	(575)
CVA Charges For Services System Amortization	(201)	(619)
TOTAL	**14,335**	**31,663**

ANNEX 3 –I NCOME STATEMENT PER COMPANY (R$ MM)

- The following table reflects Equatorial's consolidation process, i.e. the sum of Equatorial Holding + 100% of Equatorial Soluções (which includes 51% of Sol Energias) + 100% of CEMAR + 25% of Geramar + Eliminations

- The Minority Interest" line contains an adjustment so that the net income of each company in Equatorial's consolidated result reflects its real ownership interest in the companies (CEMAR – 65.11%; Geramar – 25%; Equatorial Soluções – 100%; Sol Energias – 51%)

INCOME STATEMENT PER COMPANY (R$ MM)	Equatorial Holding	Geramar 25%	Equatorial Soluções 100%	CEMAR 100%	Eliminations	Equatorial Consolidated
GROSS OPERATING REVENUES	**-**	**11.0**	**17.7**	**718.4**	**-**	**747.1**
Electricity Sales to Final Consumer	-	11.0	14.5	570.4	-	595.9
Electricity Supply	-	-	-	(4.6)	-	(4.6)
Construction Revenues	-	-	-	143.5	-	143.5
Other Revenues	-	0.0	3.2	9.1	-	12.3
DEDUCTIONS FROM OPERATING REVENUES	**-**	**(1.0)**	**(1.5)**	**(173.8)**	**-**	**(176.3)**
NET OPERATING REVENUES	**-**	**10.0**	**16.2**	**544.6**	**-**	**570.8**
ELECTRICITY COSTS	**-**	**(2.3)**	**(12.0)**	**(330.5)**	**-**	**(344.8)**
Electricity Purchased for Resale	-	(2.3)	(12.0)	(162.5)	-	(176.8)
Transmission and Distribution Network Usage Charges	-	-	-	(23.6)	-	(23.6)
Construction Costs	-	-	-	(143.5)	-	(143.5)
Other non-manageable expenses				(0.9)		(0.9)
OPERATING COSTS/EXPENSES	**(2.4)**	**(0.6)**	**(2.4)**	**(95.6)**	**-**	**(101.0)**
Personnel	(1.6)	(0.1)	(0.4)	(19.886)	-	(22.0)
Material	(0.0)	(0.3)	(0.5)	(4.809)	-	(5.6)
Services	(0.5)	(0.2)	(0.9)	(52.024)	-	(53.6)
Provisions	-	-	-	(15.256)	-	(15.3)
Others	(0.4)	(0.0)	(0.5)	(3.583)	-	(4.5)
EBITDA	**(2.4)**	**7.1**	**1.8**	**118.5**	**-**	**125.0**
Other Operating Revenue/Expenses				(0.7)		(0.7)
Depreciation and Amortization	-	(1.1)	(0.0)	(18.2)	-	(19.4)
SERVICE INCOME	**(2.4)**	**6.0**	**1.8**	**99.5**	**-**	**104.8**
EQUITY INCOME	**46.4**	**-**	**-**	**-**	**(47.9)**	**(1.5)**
Equity Income	47.9	-	-	-	(47.9)	-
Goodwill Amortization	(1.5)	-	-	-	-	(1.5)
FINANCIAL INCOME	**0.2**	**(1.8)**	**0.1**	**(13.7)**	**-**	**(15.2)**
Financial Revenue	0.2	0.1	0.1	23.6	-	24.0
Financial Expenses	(0.0)	(2.0)	(0.0)	(37.2)	-	(39.2)
RESULT BEFORE INCOME TAX	**44.2**	**4.1**	**1.9**	**85.9**	**(47.9)**	**88.2**
Social Contribution	-	(0.4)	(0.1)	(8.4)	-	(8.9)
Income Tax	-	(1.0)	(0.3)	(9.5)	-	(10.7)
Deferred Taxes	-	(0.0)	-	(11.2)	-	(11.2)
SUDENE Incentive	-	0.8	-	9.5	-	10.2
MINORITY INTERESTS	**-**	**-**	**(0.3)**	**-**	**(23.1)**	**(23.4)**
NET INCOME	**44.2**	**3.5**	**1.3**	**66.2**	**(71.0)**	**44.2**

ANNEX 4 – BALANCE SHEET (R$ MM)

ASSETS (R$ MM)	2Q11	1Q12	2Q12
CURRENT	**907.1**	**926.5**	**1,225.0**
Cash and Cash Equivalents	300.2	278.2	537.6
Consumers and Resellers	412.3	476.5	497.3
Inventory	7.7	10.5	16.5
Taxes Recoverable	66.5	67.8	72.0
Low Income	21.2	28.3	35.7
Regulatory Assets	-	19.5	21.5
Other Accounts Receivable	99.2	45.8	44.5
LONG TERM ASSETS	**454.0**	**657.3**	**676.6**
Consumers and Resellers	67.8	67.7	69.0
Taxes Recoverable	47.0	47.8	50.3
Judicial Deposits	116.0	141.4	146.9
Deferred Taxes - Income Tax / Social Contribution	200.8	70.8	59.6
Indemnifiable Financial Asset	14.3	320.5	338.3
Other Accounts Receivable	8.1	9.0	12.4
FIXED ASSETS	**1,810.7**	**1,768.2**	**1,836.4**
Investments	233.4	0.3	0.4
Goodwill	1,577.3	1,767.9	1,836.0
TOTAL ASSETS	**3,171.9**	**3,352.0**	**3,738.0**

LIABILITIES AND SHAREHOLDERS' EQUITY (R$ MM)	2Q11	1Q12	2Q12
CURRENT	**643.4**	**855.6**	**911.1**
Suppliers	177.5	190.0	225.3
Salaries	9.3	0.8	0.8
Dividends / Interest on Equity	0.5	83.6	83.6
Taxes and Social Contribution	57.3	60.2	72.1
Loans and Financing	227.0	230.2	222.2
Debentures	63.9	167.9	169.3
Public Lighting	11.9	18.2	18.2
Provision for Contingencies	41.7	37.0	34.9
Others	54.2	67.7	84.6
LONG TERM LIABILITIES	**1,341.3**	**1,192.3**	**1,452.2**
Taxes and Social Contribution	151.1	36.8	35.7
Debentures	201.2	78.4	356.6
Loans and Financing	825.7	896.3	879.7
Provision for Contingencies	130.3	153.4	160.7
Others	33.0	27.5	19.6
MINORITY INTERESTS	**308.6**	**345.6**	**371.9**
SHAREHOLDERS EQUITY	**878.6**	**958.5**	**1,002.8**
Capital Stock	566.8	566.8	566.8
Profit Reserves	260.2	343.6	343.6
Retained Earnings/Accumulated Deficit	51.5	48.1	92.3
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**3,171.9**	**3,352.0**	**3,738.0**

ANNEX 5 – LOANS AND FINANCING STATEMENT

Considering 100% of CEMAR + 25% of Geramar + 100% of Equatorial Soluções

LOANS AND FINANCING LINES (R$ MM)	2Q11				2Q12			
	S. T. - Charges	S. T. - Principal	L. T.	Total	S. T. - Charges	S. T. - Principal	L. T.	Total
FOREIGN CURRENCY	**69**	**630**	**6,531**	**7,230**	**83**	**385**	**8,085**	**8,553**
National Treasury	69	630	6,531	**7,230**	83	385	8,085	**8,553**
DOMESTIC CURRENCY	**10,110**	**218,329**	**859,950**	**1,088,390**	**13,312**	**222,349**	**953,971**	**1,189,632**
Eletrobrás	-	55,552	394,667	**450,219**	6,454	67,359	401,177	**474,990**
Financial Institutions	10,110	156,702	448,576	**615,389**	6,858	148,150	540,825	**695,834**
Debt with Pension Fund	-	6,075	16,707	**22,782**	-	6,839	11,969	**18,808**
SUB TOTAL - LOANS AND FINANCING	**10,179**	**218,959**	**866,481**	**1,095,620**	**13,395**	**222,734**	**962,056**	**1,198,185**
Debentures	-	61,839	160,380	**222,219**	165,517	-	278,027	**443,544**
DEBT TOTAL	**10,179**	**280,798**	**1,026,861**	**1,317,839**	**178,913**	**222,734**	**1,240,083**	**1,641,729**

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

Considering 65.11% of CEMAR + 25% of Geramar + 100% da Equatorial Soluções

LOANS AND FINANCING LINES (R$ MM)	2Q11				2Q12			
	S. T. - Charges	S. T. - Principal	L. T.	Total	S. T. - Charges	S. T. - Principal	L. T.	Total
FOREIGN CURRENCY	**45**	**410**	**4,252**	**4,707**	**54**	**251**	**5,264**	**5,569**
National Treasury	45	410	4,252	**4,707**	54	251	5,264	**5,569**
Others	5,677	101,025	533,337	**640,039**	8,667	144,768	553,881	**707,317**
DOMESTIC CURRENCY	**12,790**	**229,456**	**854,766**	**1,097,012**	**13,187**	**245,931**	**955,094**	**1,214,212**
Eletrobrás	5,677	60,900	265,497	**332,075**	4,465	96,459	284,887	**385,811**
Financial Institutions	1,390	67,121	51,679	**120,191**	-	4,453	111,062	**115,515**
Debt with Pension Fund	5,722	101,435	537,590	**644,747**	8,722	145,019	559,145	**712,886**
SUB TOTAL - LOANS AND FINANCING	**12,835**	**229,866**	**859,018**	**1,101,719**	**13,241**	**246,181**	**960,358**	**1,219,780**
Debentures	5,722	141,697	642,011	**789,431**	116,488	145,019	740,165	**1,001,671**
DEBT TOTAL	**18,557**	**371,564**	**1,501,029**	**1,891,150**	**129,729**	**391,200**	**1,700,523**	**2,221,452**

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

ANNEX 6 – CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW (R$MM)	2Q11	3Q11	4Q11	1Q12	2Q12
Cash and Cash Equivalents - Initial Balance	511.9	300.2	218.6	448.4	278.3
CF from Operating Activities					
Net Income	44.3	47.5	34.1	48.1	44.2
(+) Non Cash Expenses	42.1	52.1	45.8	51.6	55.4
Changes in Assets	25.0	(40.2)	(2.6)	(60.9)	(74.7)
Changes in Liabilities	(78.6)	35.8	60.8	131.9	62.4
(=) Cash Flow from Operating Activities	**32.7**	**95.1**	**138.1**	**170.7**	**87.3**
CF from Investments					
Fixed Assets	(111.8)	(130.9)	(183.5)	(105.6)	(134.7)
Others	(2.7)	(6.6)	15.3	(38.6)	(10.5)
(=) Cash Flow from Investments	**(114.5)**	**(137.5)**	**(168.1)**	**(144.2)**	**(145.2)**
CF from Financing					
Own Financing Activities					
Loans and Financing	*70.1*	*(39.3)*	*259.9*	*(76.8)*	*290.9*
Dividends	*(199.9)*	-	-	-	-
Adjustment in Shareholders Equity (Law 11,638/2007)	-	-	-	-	-
Capital Increase	*0.0*	*0.0*	*0.0*	*(119.9)*	*26.3*
(=) Cash Flow from Financing	**(129.9)**	**(39.2)**	**259.9**	**(196.7)**	**317.2**
(=) Quarterly Cash Flow	**(211.6)**	**(81.6)**	**229.9**	**(170.2)**	**259.3**
Cash and Cash Equivalents - Final Balance	300.2	218.6	448.4	278.3	537.6