





FINANCIAL STATEMENTS

Asset Statements as at December 31

Values shown in R\$ thousand

ASSETS	Note	Controller		Consolidated	
		2008	2007 Reclassified	2008	2007 Reclassified
Current					
Available	5	79,443	92,913	551,513	689,154
Accounts receivable					9,808
Consumers and concessionaires	6			779,301	904,269
Taxes and social contributions	9	78,403	64,874	360,918	366,953
Income tax and deferred social contributions	10			126,221	195,130
Dividends to receive	26	476,553	405,243		
Stock				10,098	9,572
Bonds and linked deposits	12	2,080	2,080	25,305	16,021
Expenses paid in advance	7	48	253	8,407	42,397
Compensation account for the variation in costs of part "A"	8			116,596	297,056
Credit for investment alienation	13		42,823		42,823
Other credits	14	3,244	2,361	144,645	137,640
		639,771	610,547	2,123,004	2,710,823
Non-current					
Long term realisable					
Accounts receivable				18	16,869
Consumers and concessionaires	6			123,226	114,763
Taxes and social contributions	9			31,084	58,869
Income tax and deferred social contributions	10			412,374	701,933
Related parts	11	144,087	154,776	22,104	23,814
Advances for future capital increases	13	42,740	35,040		2,550
Bonds and linked deposits	12	2,944	2,551	153,632	221,892
Expenses paid in advance	7			2,608	12,890
Compensation account for the variation in costs of part "A"	8			94,563	88,199
Other credits	14	7,227	5,000	112,875	22,364
		196,998	197,367	952,484	1,264,143
Investments	15	2,845,078	3,186,836	42,103	6,909
Fixed	16	1,993	1,814	6,033,835	5,080,262
Intangible	17	490,458	228,666	1,318,505	625,605
		3,337,529	3,417,316	7,394,443	5,712,776
Total assets		4,174,298	4,225,230	10,469,931	9,687,742

The explanatory notes are an integral part of these financial statements.

Values shown in R\$ thousand

LIABILITIES	Note	Controller		Consolidated	
		2008	2007 Reclassified	2008	2007 Reclassified
Current					
Suppliers	18	13,093	16,611	456,679	446,554
Charges on debts	20	7,700		21,667	8,223
Taxes and social contributions	9	15,612	19,275	401,968	370,753
Income tax and deferred social contributions	10			1,969	6,817
Dividends	26	223,451	189,821	313,118	214,824
Debentures	19			218,504	24,252
Loans and financing	20	250,000		848,118	284,728
Post-employment benefits	21			30,871	21,360
Compensation account for the variation in costs of part "A"	8			72,857	131,321
Fee returns					137,354
Estimated obligations with personnel	22	4,218	6,667	47,562	64,302
Regulatory and sectorial charges	23			157,672	162,989
Provisions for contingencies	24			5,255	1,336
Other accounts payable	14	2,208	833	161,262	112,848
		516,282	233,207	2.737,502	1.987,661
Non-current					
Suppliers	18				199
Charges on debts	20				3,100
Taxes and social contributions	9			34,451	564
Income tax and deferred social contributions	10				19,812
Debentures	19			654,180	1,120,343
Loans and financing	20			1,355,008	1,341,444
Post-employment benefits	21			108,102	127,347
Fare returns					45,785
Compensation account for the variation in costs of part "A"	8			51,289	36,879
Related parts	11	510	250		
Provisions for contingencies	24	64,396	42,251	263,295	319,038
Provision for uncovered liabilities	15.2	54,172	57,259	51,383	56,685
Reserve for reversion and amortisation				17,248	17,248
Other accounts payable	14	25	4	41,305	21,120
		119,103	99,764	2,576,261	3,109,564
Participation of minority partners					
Net worth	25			1,613,250	694,703
Capital stock		3,182,716	3,182,716	3,182,716	3,182,716
Capital reserves		35,348	35,348	35,348	35,348
Profit reserves		693,299	716,551	693,299	716,551
Shares held by the treasury		(372,450)	(24,290)	(372,450)	(24,290)
Accumulated profit (loss)			(18,066)	4,005	(14,511)
		3,538,913	3,892,259	3,542,918	3,895,814
Total Liabilities and Net Worth		4,174,298	4,225,230	10,469,931	9,687,742

The explanatory notes are an integral part of these financial statements.



FINANCIAL STATEMENTS

Statements of Accounts for Business Years Ending December 31

Values shown in R\$ thousand
(unless otherwise stated)

	Note	Controller		Consolidated	
		2008	2007 Reclassified	2008	2007 Reclassified
Operating income					
Electricity supply service				2,616,395	2,395,237
Electricity input				562,432	380,870
Availability of distribution and transmission systems				3,553,490	3,966,804
Other operating income				220,697	165,593
				6,953,014	(6,908,504)
Deductions of operating income					
Subvention - CCC and CDE				(360,061)	(503,864)
Research and development				(47,107)	(51,496)
Quota for global reversal fund				(40,082)	(41,669)
Charges for emergency capacity				4	(25,071)
Taxes and contributions on income				(1,601,612)	(1,758,774)
				(2,048,858)	(2,380,874)
Net operating income	27			4,904,156	4,527,630
Cost of electricity services					
Cost of electricity					
Electricity purchased for resale				(2,150,770)	(1,882,598)
Charges for use of electricity supply network				(512,802)	(538,469)
	28			(2,663,572)	(2,421,067)
Operating costs					
Personnel				(152,697)	(176,257)
Materials and services provided by third parties				(207,693)	(224,592)
Depreciations and amortisations				(269,817)	(271,012)
Other operating costs				(44,809)	(53,546)
	28			(675,016)	(725,407)
				(3,338,588)	(3,146,474)
Cost of service provided to third parties	28			(18,947)	(3,352)
Gross operating profit				1,546,621	1,377,804
Operating expenses					
Expenses with sales				(95,992)	(125,985)
General and administrative expenses		(49,095)	(40,638)	(285,317)	(319,941)
Depreciations and amortisations		(148,449)	(15,068)	(176,829)	(42,556)
Other operating expenses		(6,659)	(4,806)	(71,705)	(79,843)
	28	(204,203)	(60,512)	(629,843)	(568,325)
Overall result of service		(204,203)	(60,512)	916,778	809,479

Values shown in R\$ thousand
(unless otherwise stated)

	Note	Controller		Consolidated	
		2008	2007 Reclassified	2008	2007 Reclassified
Results of society participations		604,463	505,547		
Financial income		174,867	162,605	223,942	242,563
Financial expenses		(141,565)	(146,304)	(544,818)	(534,043)
Financial result	29	33,302	16,301	(320,876)	(291,480)
Operating profit		433,562	461,336	595,902	517,999
Other income			14	10,734	7,264
Other expenses		(410)	(2,352)	(14,909)	(18,954)
Other results		(410)	(2,338)	(4,175)	(11,690)
Profit before taxes and social contributions		433,152	458,998	591,727	506,309
Current income tax and social contributions		(80)		(149,712)	(142,476)
Deferred income tax and social contributions				(77,264)	14,151
	30	(80)		(226,976)	(128,325)
Net profit before reversal of interest on own capital		433,072	458,998	364,751	377,984
Reversal of interest on own capital		(44,743)	(12,109)	133,497	136,824
Net profit before minority Participation and beneficiaries		388,329	446,889	498,248	514,808
Minority participation				(102,998)	(60,769)
Beneficiaries				(6,471)	(3,595)
Net profit for year		388,329	446,889	388,779	450,444
Net profit per 1000 shares		2,715,11	2,722,34		

The explanatory notes are an integral part of these financial statements.



FINANCIAL STATEMENTS

Statements of Cash Flow for Business Years ending on December 31

Values shown in R\$ thousand

	Controller		Consolidated	
	2008	2007 Reclassified	2008	2007 Reclassified
Operational activities				
Net profit for the year	388,329	446,889	388,779	450,444
Minority participation in results / beneficiaries			102,998	60,769
Expense (Income) that does not affect cash available				
Consumers and concessionaires			66,755	98,521
Deferred income tax and social contributions, net			77,264	(14,151)
Current taxes and social contributions			2,747	
Compensable taxes and social contributions			(1,316)	
Depreciations and amortisations	148,449	15,190	446,646	313,690
Residual value of goods and other permanent assets as transferred	(44)	14	25,330	20,304
Expenses paid in advance and CVA			(6,763)	(42,517)
Suppliers			(7,178)	(27,834)
Loans, financing and debt charges	12,413	4,954	330,852	326,867
Post-employment benefits - CVM No. 371			10,490	5,884
Provisions for contingencies	22,145	12,213	53,829	63,155
Fee postponement			(16,245)	(102,170)
Fare return - adjustment of value as agreed			10,554	183,139
Monetary adjustment of receivables		(14,667)		(14,667)
Minority participation and beneficiaries			6,471	3,595
Society participation	(604,463)	(505,547)		
Loss with investments	5,210		3,047	(3,555)
Provision of uncovered liabilities	(5,302)	(1,467)	(5,302)	(1,467)
Regulatory and sectorial charges			50,108	43,474
Bonds and deposits for litigation - monetary readjustment			(2,122)	(2,226)
Others			3,982	(26,791)
	(33,263)	(42,421)	1,519,946	1,334,464
(Increase) reduction of assets				
Consumers and concessionaires			(119,283)	152,740
Compensable taxes and social contributions		(5,254)	(16,741)	(63,205)
Stock			(4,277)	(777)
Bonds and linked deposits	(393)	(5)	(23,575)	22,022
Expenses paid in advance	205	(135)	90,973	324,141
Accounts receivable from subsidiaries		77,314		
Other credits	(883)	(784)	(11,772)	17,319
	(1,071)	71,136	(84,675)	(452,240)
Increase (reduction) of liabilities				
Suppliers		(102)	41,393	(64,714)
Current taxes and social contributions	(17,192)	(5,449)	8,332	(63,797)
Deferred taxes and social contributions			(2,450)	(3,940)
Fee return			3	2,982
Estimated obligations with personnel	(2,449)	6,015	(2,242)	1,073
Provisions for contingencies			(8,324)	(1,442)
Other obligations	(2,121)	8,517	39,309	(78,607)
	(21,762)	8,981	76,021	(208,445)
Cash flow generated by (invested in) operational activities	(56,096)	37,696	1,511,292	1,578,259

Values shown in R\$ thousand

	Controller		Consolidated	
	2008	2007 Reclassified	2008	2007 Reclassified
Investment activities				
Alienations (acquisitions) of shares held by the treasury	(504,404)	(24,290)	(504,404)	(24,290)
Write-offs (additions) of investments	(153,199)	(23,476)	(153,746)	(20,253)
Cash balance due to exchange of investments			(12,108)	
Additions to tangible and intangible fixed assets	(781)	(659)	(713,977)	(665,428)
Write-offs (additions) to deferred assets			2,828	
Dividends received	648,415	135,752		108,720
Obligations linked to the concession			32,661	
Cash generated by (invested in) investment activities	(9,969)	87,327	(1,348,746)	(601,233)
Financing activities				
Related parts	10,949	249	8,030	(11,140)
Adjustment of debt of pch paraíso spinoff				(9,987)
AFACs			17,583	
Paid dividends	(203,641)	(158,765)	(221,967)	(173,858)
Loans, financing and debentures - influx	250,000		461,389	471,790
Loans, financing and charges for debts paid	(4,713)	(60,867)	(565,222)	(1,164,156)
Loans and financing - capitalised interest				3,156
Cash generated by (invested in) investment activities	52,595	(219,383)	(300,187)	(884,195)
Increase (reduction) of cash available	(13,470)	(94,360)	(137,641)	92,831
Available at end of year	79,443	92,913	551,513	689,154
Available at start of year	92,913	187,273	689,154	596,323
	(13,470)	(94,360)	(137,641)	92,831

The explanatory notes are an integral part of these financial statements.



FINANCIAL STATEMENTS

Statement of Changes in Net Worth

Values shown in R\$ thousand

	Notes	Capital Stock	Capital Reserves	Profit Reserves	Shares Held by the Treasury	Accumulated Profit (Loss)	Total
Balance on January 1, 2007		3,182,716	35,348	487,528			3,705,592
Adjustment for previous years						(28,720)	(28,720)
Acquisition of own shares					(24,290)		(24,290)
Destination of profits							
Constitution of legal reserve				21,811		(21,811)	
Reserve for profits withheld				207,212		(207,212)	
Dividends proposed						(207,212)	(207,212)
Balance on December 31, 2007 (Reclassified)	25	3,182,716	35,348	716,551	(24,290)	(18,066)	3,892,259
Acquisition of own shares					(504,404)		(504,404)
Cancellation of shares at the treasury				(156,244)	156,244		
Net profit of the year						388,329	388,329
Destination of profit							
Constitution of legal reserve				18,513		(18,513)	
Reserve for profits withheld				114,479		(114,479)	
Intermediate dividends - JCP						(103,061)	(103,061)
Complementary dividends proposed						(134,210)	(134,210)
Balances on December 31, 2008	25	3,182,716	35,348	693,299	(372,450)		3,538,913

The explanatory notes are an integral part of these financial statements.

Statement of Added Values in the Years to December 31

Values shown in R\$ thousand

	Controller		Consolidated	
	2008	2007 Reclassified	2008	2007 Reclassified
Generation of added value	(410)	(2,338)	6,890,690	6,810,303
Operating income			6,953,014	6,908,504
Provision for bad credits and net losses			(70,916)	(101,060)
Other income	(410)	(2,338)	8,592	2,859
(-) Supplies acquired from third parties	(36,623)	(22,965)	(3,173,075)	(2,970,402)
Cost of energy purchased			(2,150,770)	(1,882,598)
Charges for use of transmission and distribution systems			(512,802)	(538,469)
Materials	(483)	(526)	(46,670)	(43,107)
Third party services	(29,333)	(16,616)	(328,059)	(353,949)
Other operating costs	(6,807)	(5,823)	(134,774)	(152,279)
Gross added value	(37,033)	(25,303)	3,717,615	3,839,901
Depreciations and amortisations	(148,449)	(15,068)	(446,646)	(313,568)
Net added value produced	(185,482)	(40,371)	3,270,969	3,526,333
Financial income	27,064	30,573	223,942	242,463
Participation of minority shareholders			(102,998)	(60,769)
Result of asset equivalence	604,463	505,547		
Total added value to be distributed	446,045	495,749	3,391,913	3,708,027
Distribution of added value				
Personnel	14,341	18,603	245,207	262,346
Direct remuneration	8,182	10,601	180,574	203,462
Benefits	4,985	7,234	44,727	43,084
FGTS	1,174	768	19,906	15,800
Taxes, fees and contributions	16,192	16,288	2,338,309	2,616,795
Federal	16,192	16,288	1,101,715	1,311,120
State			1,229,628	1,304,359
Municipal			6,966	1,316
Remuneration to third party capital	27,183	13,969	413,147	374,847
Interest	24,749	12,697	396,348	354,972
Rents	2,434	1,272	16,799	19,875
Remuneration of own capital	237,271	207,212	243,742	210,807
Interest on own capital	103,061	119,923	103,061	119,923
Dividends	134,210	87,289	134,210	87,289
Beneficiaries			6,471	3,595
	294,987	256,072	3,240,405	3,464,795
Profits withheld	151,058	239,677	151,508	243,232
	446,045	495,749	3,391,913	3,708,027

The explanatory notes are an integral part of these financial statements.



FINANCIAL STATEMENTS

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS ON DECEMBER 31, 2008 AND 2007

Values shown in R\$ thousand, unless otherwise stated

1 - OPERATIONAL CONTEXT

EDP - Energias do Brasil S.A., an open-capital limited company established on July 24, 2000, has the company purpose of participating in other corporate societies, as a shareholder or quotaholder, as also to provide services in the areas of business and developments of the energy segment, in Brazil or abroad; generate assets through distribution, generation, transmission and commercialisation of energy, in its different forms and types; study, plan, develop and implement projects for the distribution, generation, transmission and commercialisation of energy, in its different forms and types.

The direct and indirect participations currently held by the company are as follows:

Company	Consolidation	% Participation			
		31 December 2008		31 December 2007	
		Direct	Indirect	Direct	Indirect
Distribution					
Bandeirante	Full	100		100	
Escelsa	Full	100		100	
Enersul	Full to August 31, 2008			100	
Generation					
Energest	Full	100		100	
CESA	Full		100		100
Costa Rica	Full		51		51
Pantanal	Full		100		100
Santa Fé	Full		100		100
Evrecy	Full		100		
EDP Lajeado	Full	59.93		59.93	
Lajeado Energia	Full as from September 1, 2008	47.23	53.69		
Tocantins Energia	Full as from September 1, 2008	50.88			
Ipueiras	Full as from September 1, 2008		50.88		
Investco	Proportional to August 31, 2008 and full as from September 1, 2008	4.53	39.50		13.82
Enerpeixe	Full	60		60	
Diferencial	Not Consolidated			100	
Enernova	Full	100			
Terra Verde Bioenergia Participações	Full	92			
EDP Renováveis Brasil	Not Consolidated		44.60		
Porto do Pecém	Proportional as from October 14, 2008	50			
Commercialisation					
Enertrade	Full	100		100	
Others					
Enercuto	Full	100		100	
Escelsapar	Full	100		100	
ESC 90	Not Consolidated	48.51		48.51	

1.1 - EXCHANGE OF SUBSIDIARY ENERSUL FOR ASSETS OF THE REDE GROUP

After the compliance with all conditions suspensive to the accomplishment thereof and, as according to a relevant fact publicised on September 11, 2008, on that date there was the conclusion of the transaction of exchange of unreturnable assets as hired by Energias do Brasil with Rede Energia S.A. and Rede Power do Brasil S.A., in the terms of the relevant fact disclosed on June 18, 2008. The purpose of this transaction was the exchange, on the one side by Energias do Brasil, of the total company participation in fully controlled subsidiary Enersul and, on the other side, by Rede Energia S.A. of the corporate participations in Lajeado Energia S.A. (formerly Rede Lajeado Energia S.A.) and Investco S.A., and also by Rede Power do Brasil S.A., of the respective stakes in societies Lajeado Energia S.A. and Tocantins Energia S.A.

As from September 1, 2008, Energias do Brasil took control of Investco S.A., from Lajeado Energia S.A. and Tocantins Energia S.A., with advantages and also strengthening of both the groups involved, it being that, in the case of Energias do Brasil, their current society position ensures that this company has the position of controlling shareholder and manager of Investcom, the company exploiting the Luís Eduardo Magalhães Hydroelectric Harnessing Unit - Lajeado, in Tocantins, with an installed capacity of 902.5 MW and assured energy of 527 MW on average. Lajeado Energia S.A. has 45.4% of the voting capital of Investco, while Energias do Brasil, through EDP Lajeado S.A., already has 27.7%.

Through the 27th Annual General Meeting held on July 17, 2008, the shareholders of Energias do Brasil approved the deal, with the shareholders of Energias do Brasil being assured the following rights:

- (a) Preference rights for the acquisition of Enersul shares, proportional to the shares they may have in Energias do Brasil, as according to Article 253, I, of Law No. 6,404/1976, as later amended. To exercise this right of preference, the values as stipulated by contract for the respective assets as objects of the transaction shall be applied, based on appraisals prepared by BES Investimento do Brasil S.A., available to the company shareholders, the National Securities Commission (CVM) and the São Paulo Stock Exchange (Bovespa);
- (b) Withdrawal rights are guaranteed to any dissident shareholders that do not agree with the decision approving the transaction, taken at a Special General Meeting, should this deal be approved. For purposes of payment, by the Company, of the reimbursement for the shares held by any dissident shareholders, there shall be the application of the market value of the shares or the accounting asset value of the ordinary shares issued by the Company, corresponding to the last business year, closed on December 31, 2007, at the disposal of the company shareholders, the National Securities Commission (CVM) and the São Paulo Stock Exchange (Bovespa). The time frame for exercising recess rights for Energias do Brasil shareholders, as mentioned in item "b" above, finished on October 13, 2008, with this right having been exercised with reference to 13,110,225 shares, corresponding to a cash value of R\$ 312,286, based on the accounting asset value, with the financial liquidation thereof having occurred on October 27, 2008.

1.2 - ALIENATION OF INVESTMENTS IN ESC 90 TELECOMUNICAÇÕES LTDA.

On August 29, 2008, Energias do Brasil celebrated a Private Contract of Purchase and Sale of Social Quotas with Net Serviços de Telecomunicações S.A. and others, regarding the alienation of quotas that they have in the capital stock of ESC 90 Telecommunications Ltd.

In the terms of the Contract, Energias do Brasil has agreed to sell, to Net Serviços de Telecomunicações S.A., of all the ESC 90 quotas in their possession, representing 48.51% of the capital stock thereof, this company operating in the segment of provision of cable television services and broadband Internet, through concession in the cities of Vitória and Vila Velha, both in the state of Espírito Santo.

The total value of the contracted operation (for 100% of the capital stock) was R\$ 94,624, subject to readjustment, either upwards or downwards, according to the criteria established in the Contract, with the liquidation thereof taking place after obtaining all approvals and permits, the most important of these being the approval by the National Telecommunications Agency (ANATEL).

Considering that the operation includes the recovery of credits held by Energias do Brasil S.A. against ESC 90, and also allows the reversal of provisions previously established, we estimate that there will be a positive impact on the profits of Energias do Brasil by some R\$ 125,000, subject to the adjustment as mentioned above, and recognition in the business year when the approvals as mentioned above are obtained and the resulting conclusion of the operation.

1.3 - EXCHANGE OF CONTROLLED COMPANY DIFERENCIAL FOR ASSETS OF MPX ENERGIA S.A.

After the compliance with all conditions suspensive on the accomplishment thereof, on October 14, 2008 there was the conclusion of the corporate acts for the operation of exchange of assets, for the transfer of corporate participations, agreed in the business year of 2007, between Energias do Brasil S.A. and MPX Energia S.A., in which Energias do Brasil has transferred all its participation in the company Diferencial Energy Developments and Participations S.A. - owner of the UTE Maranhão project - to MPX Energia S.A., in exchange receiving from this Company a 50% stake in Porto de Pecém Energy Generation S.A., owner of the project for the UTE at Porto do Pecém.



FINANCIAL STATEMENTS

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS ON DECEMBER 31, 2008 AND 2007

Values shown in R\$ thousand, unless otherwise stated

2 - PRESENTATION OF FINANCIAL STATEMENTS

The financial statements, whose completion was authorised at a Board Meeting held on February 20, 2009, have all values shown in thousands of Brazilian Reals, unless otherwise stated, and have been prepared in accordance with Brazilian accounting practices, based on the provisions contained in the Share Companies Law ("Lei das Sociedades por Ações"), as also in statements, guidance and interpretations produced by the Accounting Statements Commission, and also the regulations established by the National Securities Commission (CVM) and specific legislation produced by the National Electrical Energy Agency (ANEEL).

The Company and its subsidiaries have adopted the accounting plan contained in the Accounting Manual for the Public Electricity Service, implemented by Resolution No. 444 of October 26, 2001, provisions established in Circular Memorandum No. 2,775/2008-SFF/ANEEL and later amendments.

In the preparation of the individual and consolidated financial statements for 2008 and 2007, the Company and its subsidiaries have for the first time adopted the changes in corporate legislation introduced by Law No. 11,638 approved on December 28, 2007, with respective changes introduced by Provisional Measure No. 449 of December 3, 2008. Law No. 11,638/07 and Provisional Measure No. 449/08 make changes to Law No. 6,404/76 in aspects concerning the preparation and disclosure of financial statements.

The adjustments made to the initial adoption of Law No. 11,638/07 and Provisional Measure No. 449/08 are presented in Explanatory Note No. 3.1.

As a result of the exchange of assets mentioned in note No. 1.1, the statements of results and cash flows, and the explanatory notes, contained in the financial statements of December 31, 2008, consider the balances and transactions through the method of full consolidation of the former subsidiary Enersul, to August 31, 2008, of new subsidiaries Tocantins Energia and Lajeado Energia as from September 2008, and, for controlled company Investco, to August 31, 2008 by the proportional consolidation method, with full consolidation as from September 1, 2008. The shared subsidiary Porto do Pecém is being consolidated by the proportional method, as from October 14, 2008.

3 - SUMMARY OF MAIN ACCOUNTING PRACTICES

3.1 - INITIAL ADOPTION OF LAW NO. 11,638/07

The Company and its subsidiaries have decided to prepare their transitional asset statements as at January 1, 2007, which is the starting point for the accounting record of the effects of the modifications in corporate legislation, introduced by Law No. 11,638/07 and Provisional Measure No. 449/08. The changes introduced by the aforementioned legislation can be characterised as changes in accounting practices, and all adjustments with an impact on results previous to the years mentioned have been made against accumulated profits or losses.

For purposes of disclosure of the comparative financial statements, the Company and its subsidiaries have followed CVM Deliberation No. 506 of June 19, 2006, considering the retrospective effects of the change to the aforementioned legislation, hence re-presenting the financial statements of 2007.

We now present the asset adjustments arising from the initial adoption of Law No. 11,638/07 and Provisional Measure No. 449/08, the summary of accounting practices changed by the aforesaid legislation that have given rise to these adjustments and also the summary of the effects on the results for 2008 and the net worth for the business years ending on December 31, 2008 and 2007 arising from the adoption of this legislation.

3.1.1 - ADJUSTMENTS OF THE INITIAL ADOPTION OF LAW No. 11,638/07 IN THE ASSET STATEMENT ON THE TRANSITION
DATE - JANUARY 1, 2007

	Balance on 12/31/2006	Adjustments	Balances on 01/01/2007
Net Worth	3.705.592	(28.720)	3.676.872
Capital Stock	3,182,716		3,182,716
Capital Reserves	35,348		35,348
Profit Reserves	487,528		487,528
Accumulated Profits (Losses)		(28,720) (a)	(28,720)
Summary of Adjustments			
(a) Adjustments against Accumulated Profits			(28.720)
(a1) Asset Equivalence			(28,368)
Financial Instruments Appraised at Fair Value Through Results - Derivatives			(21,531)
Intangible Assets			(8,550)
Adjustments at Present Value			(12,902)
Deferred Income Tax			14,615
(a2) Financial Instruments Appraised at Fair Value Through Results - Derivatives			(352)

3.1.2 - SUMMARY OF ACCOUNTING PRACTICES MODIFIED THROUGH THE INITIAL ADOPTION OF LAW No. 11,638/07 AND PROVISIONAL MEASURE No. 449/08 - FINANCIAL INSTRUMENTS - CPC 14 AND CVM DELIBERATION No. 566 OF DECEMBER 17, 2008

The Company and its subsidiaries have hired financial instruments, whose balances, on the transition date, have been reclassified into (i) financial asset liability measured at a fair value through the results; (ii) loans and receivables; and (iii) available for sale. With certain exceptions, the financial liabilities are first acknowledged at the fair value attached to possible transaction costs, and subsequent measurements are made based on the amortised cost. As permitted by the terms of CPC 13 - Initial Adoption of Law No. 11,638/07 and Provisional Measure No. 449/08, approved by CVM Deliberation No. 565 of December 17, 2008, the balances of the financial instruments available for sale, measured at fair values through results and also by the amortised cost method, have been remensurated for the fair value on the transition date. We now present the cash balances of the aforesaid financial instruments on the transition date:

	Consolidated		
	Accounting Value (A)	Fair Value (B)	Difference (B) - (A)
Financial Instruments			
Measured at Fair Value Through Results	(116,404)	(138,287)	(21,883)

The difference between the accounting value and the fair value of the financial instruments as measured based on the fair value, as also the differences between the values recorded and the new values calculated for the appraised instruments through the amortised cost method has been allocated to the accumulated profit and loss account on the transition date.

Deferred Assets

The consolidated balance of deferred assets on December 31, 2008, present in the proportionally controlled Porto do Pecém, shall be maintained up to the moment of its total realisation through amortisation or write-off, against results, as permitted by Technical Procedure CPC 13 - Initial Adoption of Law No. 11,638/07 and Provisional Measure No. 449/08.

Certain deferred assets in the subsidiaries, whose balance on December 31, 2007 came to a total sum of R\$ 544, have been reclassified into other groups of assets, in the consolidated statements.



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Intangible Assets - CPC 04 and CVM Deliberation No. 553 of November 12, 2008

Certain intangible assets existing in the subsidiaries and acknowledged before the initial adoption of Law No. 11,638/07 and Provisional Measure No. 449/08, and that meet the specific requirements established in Technical Statement CPC 04 - Intangible Assets, approved by Deliberation No. 553 of the Securities Commission (CVM), have been reclassified from the accounts group of fixed intangibles to the specific account of intangible assets.

The intangible assets in subsidiaries Bandeirante and Escelsa, which do not meet the requirements of this specific Statement, have been written off against accumulated profits and losses, for a total of R\$ 8,550. Other intangible assets that do meet the requirements of the specific Statement, but which had not been previously recorded as assets, have not been considered.

Adjustments at Present Value - CPC 12 and CVM Deliberation No. 564 of December 17, 2008

Certain receivables, both short and long term, have been adjusted to present value, based on specific interest rates that reflect the nature of these assets with regard to the time frame, risk, currency and preset conditions for receipt, based on the initial cash balance on the transition date, as permitted by Technical Statement CPC 13 - Initial Adoption of Law No. 11,638/07 and Provisional Measure No. 449/08.

The effects of the adjustments of present value, arising from the initial adoption of Law No. 11,638/07 and Provisional Measure No. 449/08 were registered against accumulated profits or losses, and those concerning transactions made after this date were recorded against the results of the business year.

Donations and Subventions - CPC 07 and CVM Deliberation No. 555 of November 12, 2008

Subventions (Income Tax incentives - ADA) received by subsidiary Enerpeixe before the initial adoption of Law No. 11,638/07 and Provisional Measure No. 449/08 were put down in a capital reserve account within net worth, which shall be maintained until the destination, and subventions received as from the business year of 2008 were acknowledged in the results of the business year.

Effects of the Initial Adoption of Law No. 11,638/07 and Provisional Measure No. 449/08

We now present a conciliation of the results for 2008 and net worth on December 31, 2008, considering the effects of the initial adoption of Law No. 11,638/07 and Provisional Measure No. 449/08, with the result that would have been obtained had the changes in accounting practices regarding such legislation not been adopted.

	Controller	
	2008	2007
Profit for business year ending December 31	388,329	446,889
Adjustment of effects arising from the initial adoption of Law No. 11,638/07 and Provisional Measure No. 449/08		
Financial Instruments measured at fair value based on results		(352)
Result of asset holding equivalence	(3,238)	(10,302)
Net Profit without the effects of Law No. 11,638/07	385,091	436,235
Total Net Adjustment Arising from the adoption of Law No. 11,638/07 and Provisional Measure No. 449/08	(3,238)	(10,654)
	12/31/2008	12/31/2007
Net Worth on December 31	3,538,913	3,892,259
Adjustments on the transition date, recorded as accumulated profits or losses		28,720
Difference between the net result of the business year and the adjusted result	(3,238)	(10,654)
Net Worth on December 31, without the effects of Law No. 11,638/07 and Provisional Measure No. 449/08	3,535,675	3,910,325

	Consolidated	
	2008	2007
Profit for business year ending December 31	388,779	450,444
Adjustment of effects arising from the initial adoption of Law No. 11,638/07 and Provisional Measure No. 449/08		
Financial Instruments measured at fair value based on results	(6,536)	(10,440)
Cost of intangible asset and amortisation of intangibles	(3,039)	(3,743)
Adjustment of Receivables to Present Value	3,641	(1,779)
Temporary and Permanent Differences of Income Tax (IR) and CSLL	2,696	5,308
Net Profit without the effects of Law No. 11,638/07 (adjusted net result)	385,541	439,790
Total Net Adjustment Arising from the adoption of Law No. 11,638/07 and Provisional Measure No. 449/08	(3,238)	(10,654)
	12/31/2008	12/31/2007
Net Worth on 31 December	3,542,918	3,895,814
Adjustments on the transition date, recorded as accumulated profits or losses		28,720
Difference between the net result of the business year and the adjusted result	(3,238)	(10,654)
Net Worth on December 31, without the effects of Law No. 11,638/07 and Provisional Measure No. 449/08	3,539,680	3,913,880

The tax effects of the adjustments arising from the initial adoption of Law No. 11,638/07 and Provisional Measure No. 449/08, when applicable, have been recorded on the net worth accounts in which the corresponding adjustments have been written, against asset accounts of deferred tax assets or liabilities.

3.2 - SUMMARY OF MAIN ACCOUNTING PRACTICES

a) Cash Available (Note 5)

This item essentially includes cash held in bank accounts and includes financial investments with immediate availability, this last item being increased to account for the financial yield obtained up to the date of the statement of account, thus representing the fair value.

b) Consumers and Concessionaires (Note 6)

Accounts to receive from clients are recorded at the values invoiced by the subsidiaries, adjusted to the present value when applicable, including respective direct taxes of the responsibility of these parties, including:

- (i) The sums invoiced to final consumers, concessionaires, distributors and commercialising companies, as also income obtained from energy consumed and not invoiced for (note 6);
- (ii) The calculation of the present value is made in the case of spreading debts of consumers of the controlled distribution companies, based on the rates of capital remuneration, as regulated by ANEEL and applied to the fees due by the distributors of the public electricity service, through the regulatory WACC in force. The compensation of the adjustments to the present values of accounts to receive is against the results of the business year (Note 6.4);
- (iii) The sums receivable as payment for energy commercialised at the Electrical Energy Commercialisation Chamber (CCEE) (Note 6.1);
- (iv) Sums receivable for Special Rate Recomposition - Loss of Income and Free Energy (Note 4.1);
- (v) Provision of bad credits - the sums have been appropriated as according to Accounting Instruction 6.3.2, from the Accounting Manual for the Public Electricity Service:

Class of Clients	Outstanding for more than
Residential	90 days
Commercial	180 days
Other Classes	360 days



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c) Stock

The materials held in stock are registered for the average acquisition cost, which does not exceed the market value, with those applicable to operation and maintenance being considered within the Current Assets, and those for projects and works being considered Non-Current Assets, in the Fixed category.

d) Compensation of Variation in Costs of Part "A" - CVA (Note 8)

These costs are appropriated into the results as the corresponding income is invoiced to the consumers, as set forth in Interministerial Directives No. 296 and No. 116, of October 25, 2001 and April 4, 2003 respectively, in Law No. 10,438 of April 26, 2002, and in the complementary resolutions passed by ANEEL.

e) Investments (Note 15)

Investments in subsidiaries and sister companies with a participation of more than 20% in the voting capital or with other significant influence and, in other societies that are part of the same group or which are under common control, are assessed through asset holding equivalence. Other investments that do not fit in the category below are assessed at acquisition cost, with deduction of provisions for devaluation, when applicable.

f) Fixed (Note 16)

Registered at acquisition or construction cost and subject to monetary correction up to December 31, 1995, with the deduction of accumulated depreciation, calculated by the linear method, based on the accounting balances registered in the respective Registration Units (Unidades de Cadastro - UC), as established by DNAEE Directive No. 815 of November 30, 1994, at the annual rates given in the table attached to ANEEL Resolutions No. 02 of December 24, 1997 and No. 44 of March 17, 1999.

The main depreciation rates practiced by the Company and its subsidiaries are the following:

Distribution Activities			
Type of Equipment	%	Type of Equipment	%
Parallel capacitor bench of less than 69 kV	6.7	Voltage regulator of 69 kV or over	3.5
Bench of capacitors in series	5.0	Reconnector	4.3
Switch of less than 69 kV	6.7	Distribution Transformer	5.0
Reactive Compensator	3.3	Power Transformer	2.5
Conductor of less than 69 kV	5.0	Measurement Transformer	3.0
Circuit Breaker	3.0	Transformer for auxiliary services	3.3
Building - energy house	2.0	Parallel capacitor bench of 69 kV or more	5.0
Building - Others	4.0	Switch of 69 kV or more	3.3
Structure (post, tower) of less than 69 kV	5.0	Conductor of 69 kV or over	2.5
Measurement Device	4.0	Structure (post, tower) of 69 kV or over	2.5
Panel, command table and cubicle	3.0	Voltage Regulator of less than 69 kV	4.8
Generation Activities		Other Activities	
Type of Equipment	%	Type of Equipment	%
Lock	3.3	Building	4.0
Building - energy house	2.0	General Equipment	10.0
Building - Others	4.0	Vehicles	20.0
Generator	3.3		
Reservoir, dam and tubing	2.0		
Hydraulic Turbine	2.5		
Landscaping and Improvements	4.0		

Due to the provisions established in the Accounting Instructions of the Accounting Manual for the Public Electricity Service and also CVM Deliberation No. 193 of July 11, 1996, the financial payments regarding financing obtained from third parties, actually invested in ongoing fixed capital, are registered in this subgroup as costs of the respective work. The same procedure was followed for the interest on own capital (when applicable) up to 1997 at Bandeirante and up to 2001 at Escelsa, which financed the ongoing work as set forth in the specific legislation of the Public Electricity Service.

The Obligations linked to the Concession, shown as correction factors of the Fixed Capital, refer mainly to the funds received from consumers for the execution of new developments necessary to meet orders for supply of electrical energy. These obligations are directly connected to the Concession of the Public Electricity Service and, according to Normative Resolution No. 234 of October 31, 2006 and Circular Memorandum SFF/ANEEL No. 1,314/2007 of June 27, 2007, they started to be amortised as from the 2nd Regular Rate Review, at a rate set by ANEEL corresponding to the average rate of depreciation of assets in current user, linked to the electricity distribution service and also in the proportion of the corresponding assets that have ceased being used.

In compliance with ANEEL requirements, through Statement No. 294 of February 1, 2008, taking effect as from January 1, 2008, the subsidiaries adopt the procedure of capitalisation of the parcel of ten per cent (10%) of expenses with central administration, based on the direct costs with personnel and third party services, appropriate for current orders (Note 16.3), mainly those related to the additions to current Fixed Assets, registering this in compensation, by transfer, to the credit of Statement of Results - Operational Expenses - General and Administrative. In the terms of current fee legislation, these expenses are considered as indirect additional costs that can be incorporated into fixed assets, constituent parts of the Base of Regulatory Remuneration of the subsidiary distributors and are therefore included in the calculation base for charges for the use of electricity and also of the distribution system.

Other expenses are capitalised only when there is a rise in the economic benefits of this item of fixed capital. Any other type of expense is considered in the result as an expense, when incurred.

g) Intangible Assets (Note 17)

Intangible assets include those assets acquired from third parties, including through business agreements, and also those generated internally by the Company and its subsidiaries, substantially represented by expenses on implementation of software packages. The following criteria are applied:

- Purchased from third parties through business agreements: The premium as calculated for acquisitions involving business agreements; and
- Intangible assets acquired from third parties: they are valued at the total acquisition cost, with the deduction of amortisation expenses.

Incorporated Premium - this refers to the split part of the premium incorporated in subsidiaries Bandeirante and Escelsa, arising from the acquisition of shares in these Companies, which has been put into the accounts as according to CVM Instruction Documents No. 319/99 and No. 349/99 and, as requested by ANEEL, is being amortised through the curve between the expected future results and the Companies' concession periods. The permanent passages are recorded at acquisition value.

h) Other Current and Non-Current Assets

These are shown at the cost or realisation value, including, when applicable, the yield obtained up to the date of the statement of accounts.

i) Suppliers (Note 18)

This item includes, mainly, the outstanding balances to be paid to suppliers of electricity and also fees for the use of electrical energy. Obligations in foreign currency are written at the fair value, through the results of the business year, readjusted in line with the foreign exchange rate for the currency concerned on the date of the Statement of Account, in line with the provisions of CPC 14.



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j) Loans and Financing, Fees on Debts and Debentures (Notes 19 and 20)

Loans and financing and also debentures in national currency are measured at the amortised cost, using the effective interest rate method.

Loans and financing in foreign currency that have swap operations have been acknowledged at the fair value from the results of the business year.

k) Provisions for Contingencies (Note 24)

These are included in the balance sheet as a result of a past event, and when it is probable that economic resources shall be needed to settle this obligation. The provisions are registered based on the best estimates of the risk involved.

l) Other Current and Non-Current Liabilities

These are shown at the known or exigible values, with the addition, when applicable, of the corresponding charges, monetary variations and exchange rate variations incurred up to the date of the statement of account.

m) Income Tax and Social Contributions (Notes 9, 10 and 30)

Current Income Tax and social contributions registered in the results are calculated, for subsidiaries CESA, Costa Rica and Pantanal, based on the assumed taxable results according to legislation currently in force, and, in the case of the controlling company and its other subsidiaries, the current income tax is calculated based on taxable results (adjusted profit) at the rates set by current legislation - 15%, plus 10% on the taxable results above R\$ 240 per annum, and the social contribution is calculated based on taxable results before income tax, by applying a rate of 9%, both considering compensation for tax losses and negative base for social contributions, respectively, capped at 30% of the real profit.

The deferred income tax and social contributions, as assets, have been recorded under Deferred Income Tax and Social Contributions, based on tax losses, negative base for social contributions and temporary differences, considering the current rates for these taxes and contributions, according to the provisions as established by CVM Deliberation No. 273 of August 20, 1998 and CVM Instruction No. 371 of June 27, 2002, and consider the track record of return and expectation for generation of future taxable profits, based on a technical feasibility study.

For purposes of calculation of taxable profit and the effects thereof on the financial statements, the Company and its subsidiaries have considered the adoption of the Transitory Tax Regime ("Regime Tributário Transitório - RTT"), as established in Provisional Measure No. 449/08, this option being confirmed when the Declaration of Income is handed over.

The subsidiary company Enerpeixe obtained from the Amazon Development Agency (ADA), on December 20, 2006, the right to a 75% reduction in the rate of Income Tax and non-returnable additional payments, calculated based on exploitation profits, for a period of 10 years as from the tax year of 2007. This Government subvention is recorded in the result for the tax year of 2008, according to the provisions of CPC-07 - Subventions and Government Assistance.

n) Post-Employment Benefits (Note 21)

The costs for sponsorship of pension plans and any possible deficits (surpluses) of the plans are also recorded in the accounts, in compliance with CVM Deliberation No. 371/00 and NPC No. 26 of IBRACON.

The costs, contributions and actuarial liabilities, when applicable, are established annually, based on an appraisal made by independent actuaries, the last being made for the base date of December 31, 2008.

Actuarial gains and losses are accounted for at the value which exceeds the limit of 10% of the total assets or liabilities of the plan, whichever is the larger (at the discretion of the accountant).

o) Reserve for Reversal and Amortisation

This item refers to resources from the Reserve for Reversal and Amortisation, established up to December 31, 1971 in the terms of the regulations of SPEE (Federal Decree No. 41,019/57), applied by company subsidiary Bandeirante in the expansion of the Public Electricity Service and, on the fund for reversal, interest is charged at 5% p.a. Its liquidation shall occur as established by the Conceding Power.

p) Shares Held by the Treasury (Note 25)

As established by CVM Instructions No. 10/80 and 358/02, the shares held by the Treasury are registered at the acquisition price.

q) Profit per Share

This is calculated considering the total number of shares on the date of the financial statement.

r) Calculation of Result

The income and the expenses are registered by the accounting regime of competence. The invoicing of electrical energy for all consumers and concessionaires is made on a monthly basis, according to the schedule of reading and supply contracts, respectively.

The energy supplied and not invoiced, corresponding to the period between the date of the last consumption reading and the closure of the statement of account, is estimated and then accounted for as non-invoiced income.

The income from services provided is acknowledged in the result as a function of its realisation. An item of income is not acknowledged if there is significant uncertainty about the realisation thereof.

s) Accounting Estimates

The preparation of financial statements according to the accounting practices followed in Brazil, based on the provisions contained in the Share Company Legislation, requires that the Management of the Company and of the subsidiaries base themselves on estimates for the accounting registration of certain transactions that affect assets, liabilities, income and expenses. The final results of these transactions and this information, when actually realised in surviving periods, may differ from the estimates as made, due to imprecision in the process of establishment thereof. The Company and its subsidiaries review the estimates and the assumptions at least once a quarter.

The main estimates concerning the financial statements refer to recording of the effects arising from:

- Provisions for bad credits;
- Income from supplies that have not been invoiced;
- Transactions within the Electrical Energy Commercialisation Chamber (CCEE);
- Loss or gain of income - low income;
- Regulatory assets and liabilities arising from revision and fee readjustments;
- Recovery of deferred income tax and social contributions on tax losses, negative bases, and temporary differences;
- Recovery of PIS/COFINS credits - COSIT 27;
- Special Obligations;
- Mensuration of financial instruments;
- Provisions for Contingencies; and
- Plans for post-employment benefits.

t) Reduction to Recoverable Value

The fixed assets, as also intangibles and deferred items, have their recoverable values tested at least once a year, should there be any sign of loss of value. The premium and intangible assets with undefined usable life have the recovery of their value tested once a year, regardless of whether there is evidence of loss of value.

u) Financial Instruments (Note 32)

Non-derivative financial instruments include financial investments, investments in debt instruments and assets, accounts receivable and other receivables, cash and cash equivalents, loans, financing and debentures, as also accounts to be paid and other debts.

Non-derivative financial instruments are first acknowledged for the fair value, with the addition of deduction of any transaction costs which can be directly attributed. After the first acknowledgement, the non-derivative financial instruments are measured as described below:



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· Instruments Kept to Maturity

If the Company or its Subsidiaries has the intention and the capacity of keeping their debt instruments to maturity, these are classified as being kept to maturity. Investments kept to maturity are valued at the amortisation cost using the effective interest rate method, with the deduction of possible reductions in the recoverable value.

· Instruments Available for Sale

The investments made by the Company or its Subsidiaries in asset instruments and also certain assets regarding debt instruments are considered available for sale. After the initial acknowledgement, they are appraised at a fair value and the fluctuations thereto, except for reductions in the recoverable value, as also differences in foreign currency with regard to such instruments, are recorded directly in net worth, net of tax effects. When an investment is no longer recorded, then the accumulated profit or loss in the net worth is transferred to the result.

· Financial Instruments at Fair Values Through Results

An instrument is considered at its fair value through results if it is held for negotiation, or, in other words, designated as such on the first accounting annotation. Financial instruments are designated at fair values through results if the Company manages these investments and if the decisions about purchases and sales are taken based on the fair value according to the investment and risk management strategy documented by the Company. After the first such acknowledgement, attributable transaction costs are recorded with the results when incurred. Financial instruments at fair values through results are measured at a fair value, and the fluctuations thereof are presented in the results.

· Others

Other non-derivative financial instruments are measured by the amortised cost using the effective interest rate method, reduced to account for possible reductions in the recoverable value.

· Derivative Financial Instruments

Subsidiaries Bandeirante, Energest and Cesa have derivative financial instruments to protect risks with regard to foreign currencies and interest rates. The derivatives are first recorded at fair value; attributable transaction costs are included in the result when incurred. After the first acknowledgement, the derivatives are appraised at the fair value and alterations are included in the results for the business year.

FOREIGN CURRENCY

The functional currency of the Company and its subsidiaries is the Brazilian Real, according to regulations established in CPC-02 - Effects on Changes to Exchange Rates and Conversion of Account Statements, approved by CVM Deliberation No. 534.

Transactions in foreign currencies, which are all those not carried out in the functional currency, are converted at the exchange rate of the date of each transaction. Monetary assets and liabilities in foreign currency are converted to the functional currency at the rate on the date of closure. Gains and losses through variations of currency exchange rates on monetary assets and liabilities are shown in the statement of result. Non-monetary assets and liabilities either acquired or hired in foreign currency shall also be converted based on the exchange rates of the dates of the transactions or the dates of assessment of fair value, when this is used.

3.3 - CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared according to the regulations set by CVM Instruction No. 247 of March 27, 1996, and later amendments thereto, including EDP - Energias do Brasil S.A., its subsidiaries (as listed in Note 1) and the joint subsidiary Porto do Pecém, as from October 14, 2008. The accounting criteria used in the reckoning of such statements have been applied in uniform fashion for all the different companies within the Group.

The most important consolidation practices that have been adopted are the following:

- Elimination of investments by the Controlling Company in the Subsidiaries;
- Elimination of cash balances of accounts between the Controlling Company and the Subsidiaries included in the consolidation, as also the accounts kept between these Subsidiaries;
- Highlighting of the participation of the minority shareholders in the asset balance sheets and also in the statements of results.

The conciliation of the results of the business year and the net worth is shown below:

	12/31/2008	
	Net Worth	Net Profit
Controlling Company	3,538,913	388,329
AFAC Enercouth Provision (*)	4,005	450
Consolidated	3,542,918	388,779

(*) Refers to provisions for loss of advance payment for future capital increase at Enercouth.

3.4 - INVESTMENT IN JOINTLY CONTROLLED COMPANY - PORTO DO PECÉM

The asset statement of December 31, 2008, of the jointly controlled company in the pre-operational phase, is now shown:

Summary of Asset Statement on 12/31/2008			
Assets		Liabilities	
Current	26,862	Current	675,948
Long-Term Realisable	126,552	Non-Current	131,168
Fixed	814,004	Net Worth	160,310
Intangible	8		
Total	967,426	Total	967,426

4 - REGULATORY ASSETS AND LIABILITIES

We now present the position of regulatory assets and liabilities within the consolidated Asset Statements:

	Note	Consolidated			
		Current		Non-Current	
		12/31/2008	12/31/2007	12/31/2008	12/31/2007
Consumers and Concessionaires	6				
Special Rate Recomposition - free energy			1,196		
Light for All ("Luz para Todos") Programme		17,992	16,489		
PIS and COFINS of Generation Companies			93		
Other regulatory assets		46,524	24,560	15,246	11,292
Other Credits	14				
Fee Mode - low income		53,927	43,063		
Expenses paid in advance	7				
PIS and COFINS - rate increase		5,793	6,528		1,385
Supply not invoiced - fee postponement			31,136		10,379



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	Note	Consolidated			
		Current		Non-Current	
		12/31/2008	12/31/2007	12/31/2008	12/31/2007
Compensation Account for Variation of costs of parcel "A"	8				
Parcel "A"		34,725	165,453		
CVA - Active		81,871	131,603	94,563	33,579
Total Regulatory Assets		240,832	420,121	109,809	111,255
Suppliers	18				
Free Energy		(5,343)	(25,473)		
Compensation Account for Variation of costs of parcel "A"	8				
Parcel "A"		(21,078)			
CVA - Active		(51,779)	(131,321)	(51,289)	(36,879)
Fee Reimbursement			31,136		10,379
Fee Reimbursement - BRR 2003			(137,354)		(45,785)
Other Accounts Payable	14				
PLS and COFINS of Generation Units		(1)	(438)		
Fee Mode - low income		(47,766)	(127)		
Other regulatory liabilities		(4,476)	(4,610)	(13,455)	
Total regulatory liabilities		(130,443)	(299,323)	(64,744)	(82,664)
Total regulatory assets (-) liabilities		110,389	120,798	45,065	28,591

4.1 - COMPOSITION OF RTE AS CERTIFIED BY ANEEL, REPRESENTATIVE OF PARCEL "A"

Item	Number of Certification Instrument	Value Certified	Total Remuneration	Value Amortised	Balance to be Amortised	
					12/31/2008	12/31/2007
Parcel "A"	Resolutions N ^{os} 480/02, 481/02 and 01/04	99,704	176,137	(262,194)	13,647	220,073

The Special Fee Recomposition ("Recomposição Tarifária Extraordinária - RTE") refers to the values applicable to each concessionaire of electrical energy distribution, through the special price readjustment of 2.9% applicable to residential consumers (except those of low income), rural users and also Public Lighting, and 7.9% for the other consumers, which sought to neutralise the effects of loss of income at the distributors and also reimburse costs with free energy supplied at the generators, during the Programme for Reduction of Electricity Consumption (PERCEE), which was in effect between June 2001 and February 2002 and also to compensate for deficits in non-manageable fee costs within parcel "A" at the distributors, between January 1 and October 25, 2001.

With the end of the maximum time frame for the reimbursement of the sums as agreed by ANEEL, corresponding to the parts of loss of income and free energy, in April 2007, for subsidiary Bandeirante, and in October 2007, for subsidiary Escelsa, there was the start of the amortisation of the value agreed corresponding to parcel "A", this being without a permanence limit for full reimbursement, in line with the provisions of Normative Resolution No. 1 of January 12, 2004, republished on June 1, 2004. In the case of controlled company Bandeirante, the balance of parcel "A" was fully amortised by August 2008 and, for values subsequently charged of the consumers until the date of fee readjustment, on October 23, 2008, there was a regulatory liability of R\$ 21,078, to be included in the next fee readjustment scheduled for October 2009.

As a result of differences of criteria for amortisation of Recombination of Income and Free Energy, in line with ANEEL Normative Resolution No. 1, controlled company Bandeirante has made a formal consultation to ANEEL requesting clarification about the procedures for the amortisation of parcel "A" for 2001, with regard to the inclusion, or otherwise, of PIS and COFINS.

4.2 - READJUSTMENTS AND REGULAR RATE REVIEW

Rate Review 2008 - Bandeirante

At a public meeting held on October 21, 2008, ANEEL approved the report which authorised an average rise in rates for electricity and use of the distribution system of 14.48% for the period between October 2008 and September 2009, including all consumer classes (residential, industrial, commercial, rural and others).

Considering financial adjustments already included in Bandeirante rates, together with the recovery regarding past periods, the actual average rate increase in electrical services invoices was 15.14%, with 15.45% for consumers using low voltage (below 2.3 kV) and 14.82% for high voltage consumers (more than 2.3 kV).

In the process of rate readjustment of the distribution concessionaires, ANEEL considers the variation of costs that the companies have experienced during the previous twelve months. The calculation formula includes manageable costs, on which there is application of the IGP-M price index, adjusted by the X Factor, and also non-manageable costs, such as energy bought from generating companies, Bill for Fuel Consumption (CCC), Global Reversal Reserve (RGR), inspection fee and transmission fees, apart from financial readjustments authorised by ANEEL in the Account for Variation of Items in Parcel "A" (CVA) and other Instruments.

In the composition of the readjustment applied to Bandeirante in 2008, we highlight the purchase of energy with 5.5%, Parcel "B" with 2.88% due to the IGP-M of 12.31%, and financial adjustments with 2.59%.

Rate Review 2007 - Bandeirante

The modelling of the Rate Review which involves, among others, the Reference Company and Remuneration Base, is dependent on the validation of the new methodology submitted to Process of Public Hearing No. 52/2007.

In this rate increase, ANEEL has proceeded with a partial review of the index of rate repositioning as established in the 2nd Periodical Rate Review of subsidiary Bandeirante in 2007, changed from -8.8% to -9.02%. Possible effects that may arise as a result of the Defined Review of 2007, if any, shall be reflected in the asset and financial position of the subsidiary, in subsequent periods.

Rate Review 2008 - Escelsa

At a public meeting held on August 5, 2008, ANEEL approved the report which authorised an average rise in rates, for the subsidiary Escelsa, of 12.17% for the period between August 2008 and July 2009, including all consumer classes (residential, industrial, commercial, rural and others). Considering financial adjustments already included in Escelsa rates, together with the recovery regarding past periods, the actual average rate increase in electrical services invoices shall be 7.13%, with 6.96% for consumers using low voltage (below 2.3 kV) and 7.48% for high voltage consumers (more than 2.3 kV).

In the composition of the readjustment applied to Escelsa in 2008, we highlight the purchase of energy with 2.77%, Parcel "B" with 3.52% due to the IGP-M of 15.12%, and financial adjustments with 4.69%.

Rate Review 2007 - Escelsa

In this rate readjustment, there has been due consideration of the alterations made in the 4th Regular Rate Review in August 2007, which went from -6.92% to -4.90%, due to adjustments in the values of irrecoverable losses and also rate cover for consumers of the Low Income residential subclass, as also the recalculation of the X Factor, which rose from 1.45% to 2.03%. It is also worth mentioning that the results of the 4th Regular Rate Review conducted by Escelsa remain provisional.



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In the financial adjustments of 4.69%, there was the inclusion of about R\$ 12,000 to cover the retroactive effects of the adjustments to the values of irrecoverable losses and rate cover for consumers of the Low Income residential subclass.

The repositioning is the most important result of the rate review, and arises from ANEEL's reckoning of efficient operational costs, through the Reference Company (ER) methodology, of assessment of prudent investment, through the Regulatory Remuneration Base (BRR) and also the recording of non-manageable costs, Parcel "A". In the case of controlled company Escelsa. ER was maintained as provisional as there are some components still being assessed by ANEEL.

5 - CASH AVAILABLE

	Controlling Company		Consolidated	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007
Bank Accounts for Transactions	47,307	82,831	279,372	248,931
Financial Investments - Fixed Income	32,136	10,082	272,141	440,223
Total	79,443	92,913	551,513	689,154

The short-term financial investments, of high liquidity, are readily convertible into a known cash sum.

These financial investments refer essentially to bank deposit certificates ("Certificados de Depósito Bancário - CDB") and also fixed-income funds, remunerated at rates that range from 98% to 104.1% of the Interbank Deposit Certificates ("Certificados de Depósito Interbancário - CDI").

6 - CONSUMERS AND CONCESSIONAIRES

	Consolidated					Net balance on 12/31/2008	Net balance on 12/31/2007
	Balance Due	Overdue up to 90 days	Overdue more than 90 days	Total	PCLD		
Current Consumers							
Invoiced Supply							
Residential	74,090	73,450	18,209	165,749	(21,213)	144,536	184,576
Industrial	22,534	10,134	14,134	46,802	(8,707)	38,095	57,438
Commerce, services and other activities	29,029	14,742	19,032	62,803	(16,315)	46,488	73,445
Rural	7,566	4,835	2,222	14,623	(317)	14,306	22,242
Government							
Federal	3,208	213	261	3,682	(279)	3,403	8,323
State	4,398	500	766	5,664	(564)	5,100	11,279
Municipal	4,454	2,798	5,242	12,494	(1,181)	11,313	16,005
Public Lighting	7,398	2,924	10,625	20,947	(5,324)	15,623	21,313
Public service	4,935	5,017	3,628	13,580	(91)	13,489	19,144
Free clients	6,121			6,121		6,121	32,000
Non-invoiced Supply	214,571			214,571		214,571	245,879
Spreading payment of debts	39,311	5,147	24,103	68,561	(32,865)	35,696	58,377
(-) Adjustment to Present Value	1,570			1,570		1,570	12
Other Credits	33,526			33,526		33,526	39,241
Regulatory Assets							
Free Energy							1,196
Other regulatory assets	53,869			53,869		53,869	37,715
	506,580	119,760	98,222	724,562	(86,856)	637,706	828,185

Consolidated							
	Balance Due	Overdue up to 90 days	Overdue more than 90 days	Total	PCLD	Net balance on 12/31/2008	Net balance on 12/31/2007
Concessionaires							
Supplies - conventional	167,546			167,546	(65,753)	101,793	34,873
Short-term Energy	10,072			10,072		10,072	24,225
PLS and COFINS of Generation Companies							93
Charges for use of electricity network	8,234			8,234		8,234	10,289
Regulatory Assets	10,647			10,647		10,647	3,334
Others	10,849			10,849		10,849	3,270
	207,348	-	-	207,348	(65,753)	141,595	76,084
Total Current	713,928	119,760	98,222	931,910	(152,609)	779,301	904,269
Non-Current							
Consumers							
Industrial	17,764			17,764		17,764	24,182
Commerce, services and other activities	54			54		54	54
Government							
Municipal	3			3		3	12
Spreading payment of debts	72,782			72,782		72,782	49,983
Other Credits							
(-) Adjustment to Present Value	(16,335)			(16,335)		(16,335)	(11,133)
Other Credits							7,247
Other regulatory assets	15,246			15,246		15,246	11,292
	89,514	-	-	89,514	-	89,514	81,637
Concessionaires							
Short Term Energy	13,542			13,542		13,542	12,957
Others	20,170			20,170		20,170	20,169
	33,712	-	-	33,712	-	33,712	33,126
Total Non-Current	123,226	-	-	123,226	-	123,226	114,763

The provision for doubtful credits - PCLD is considered, by the Company Board and Subsidiaries, as sufficient to cover possible losses in the realisation of these assets.

6.1 - SHORT TERM ENERGY

This item refers mainly to transactions of sale of energy, conducted within the scope of the Electrical Energy Commercialisation Chamber (CCEE).

Part of the values of the assets of the distribution subsidiaries are subject to change, depending on the decision made in legal cases currently under way, taken out by companies of this segment, concerning the interpretation of the market rules currently in effect.

6.2 - CONCESSIONAIRES - OTHERS

The sums of R\$ 20,169 (R\$ 20,169 in 2007) in Non-Current Assets and R\$ 18,953 (R\$ 19,154 in 2007) in Current and Non-Current Liabilities (Note 18) refer to sums to be received and paid, respectively, between subsidiary company Bandeirante Energia S.A. and the Piratininga Light and Power Company (Piratininga), as a result of the partial spinoff of Bandeirante which occurred on October 1, 2001, as according to the terms established in the spinoff protocol.

There is no disagreement between the Parties with regard to the balances as currently registered, to receive and to pay, which shall be settled as soon as possible.



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6.3 - CONCESSIONAIRES - CONVENTIONAL SUPPLY

This includes values invoiced by subsidiary company Enertrade against Ampla Energia e Serviços S.A. - AMPLA, both falling due and overdue, for a total of R\$ 64,514 (R\$ 56,841 in 2007), with the sum of R\$ 65,753 (R\$ 52,168 in 2007) being under discussion between the Parties, there being a disagreement between the price as agreed by Ampla with Enertrade and the value authorized by ANEEL for passing on to the rates paid by the final consumers served by Ampla.

In this discussion, Enertrade obtained an injunction suspending the effects of the ANEEL circular, not acknowledging the price value agreed by Ampla, and also understands that the contract had already been fully approved by ANEEL, in terms of items 3 and 4 to Article 1 of ANEEL Resolution No. 22/1999. In non-compliance with the terms of this injunction, Ampla has made only partial payments of the invoices issued by Enertrade, the payment corresponding to the part of the total rate hired that, according to ANEEL, would be the value passed on by Ampla to their final consumers.

Subsidiary Enertrade recorded a provision for bad credits, corresponding to the sum under discussion, registered on the statement of results of the period in the Expenses with Sales category, for a total of R\$ 13,585 (R\$ 12,012 in 2007).

6.4 - ADJUSTMENTS TO PRESENT VALUE

The adjustments to present value, as regulated by Statement CPC-12, was calculated based on the regulatory WACC rate, applied by ANEEL for the rate reviews of the distributors. This fee is compatible with the nature, time frame and risks of similar transactions under market conditions and, on December 31, 2008, worked out at 15.07% p.a. (15.07% p.a. in 2007), having a negative effect on the results for the consolidated business year, before the effects of taxation, of R\$ 3,641 (R\$ 1,779 in 2007) and also having a negative effect on consolidated net worth, by R\$ 9,745 in 2008 (R\$ 7,340 in 2007).

7 - EXPENSES PAID IN ADVANCE

	Controlling Company		Consolidated			
	Current		Current		Non-Current	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007	12/31/2008	12/31/2007
PIS/COFINS - rate increase			5,793	6,528		1,385
Non-invoiced Supply - rate postponement				31,136		10,379
Insurance Premiums	48	46	1,714	1,374	1,376	
Others		207	900	3,359	1,232	1,126
Total	48	253	8,407	42,397	2,608	12,890

7.1 - PIS AND COFINS - RATE INCREASE

The balance on December 31, 2008 is represented by a regulatory asset constituted at subsidiary Lajeado Energia (in 2007 in the distributor subsidiaries), due to changes introduced by Laws No. 10,637/02 and 10,833/03, which raised the rate of PIS from 0.65% to 1.65%, and COFINS from 3% to 7.6%, and the financial effects thereof have been passed on to the price and/or electricity rates.

8 - COMPENSATION ACCOUNT FOR VARIATION OF COSTS OF PARCEL "A" - CVA

	Consolidated							
	Assets				Liabilities			
	Current		Non-Current		Current		Non-Current	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007	12/31/2008	12/31/2007	12/31/2008	12/31/2007
Bandeirante								
1/1/2001 to 1/25/2001		75,802			21,078			
9/24/2005 to 9/23/2006		3,683				1,071		
9/24/2006 to 9/23/2007	6,635	31,692			10,728	46,031		
9/24/2007 to 9/23/2008	57,920	2,286	680	8,170	21,602	3,826		11,479
9/24/2008 to 9/30/2008			47,557				7,572	
	64,555	113,463	48,237	8,170	53,408	50,928	7,572	11,479
Escelsa								
1/1/2001 to 10/25/2001	34,725	55,008		33,005				
7/8/2004 to 7/7/2005		4,148						
7/8/2005 to 7/7/2006		6,283				1,854		
7/8/2006 to 7/7/2007	5,724	47,700			3,461	35,461		
7/8/2007 to 7/7/2008		27,849		25,090	7,824	32,567		24,369
7/8/2008 to 9/30/2008	11,592		46,326		8,164		43,717	
	52,041	140,988	46,326	58,095	19,449	69,882	43,717	24,369
Enersul								
1/1/2001 to 10/25/2001		34,643		21,615				
3/8/2002 to 3/7/2003		680				172		
3/8/2006 to 3/7/2007		6,963				2,266		
3/8/2007 to 3/7/2008		319		319		8,073		1,031
	-	42,605	-	21,934	-	10,511	-	1,031
Total	116,596	297,056	94,563	88,199	72,857	131,321	51,289	36,879

The contracts for the concession of distribution of electrical energy establish, in the composition of the rates practiced by the concessionaires, specific values for each item of exogenous costs, ascribable to operational expenses, as constituent parts of the variable known as Parcel "A" of the formula of the Rate Readjustment Index ("Índice de Reajuste Tarifário - IRT"), as shown below:

- Fare for transfer of power coming from Itaipu Binacional;
- Fare for transport of electrical energy from Itaipu Binacional;
- Quota for payment to the Fuel Consumption Account (Conta de Consumo de Combustíveis - CCC);
- Fee for the use of transmission equipment within the basic network;
- System Service Charges (ESS);
- Purchased Energy;
- Quota of the Global Reversal Reserve - RGR;
- Fee for the inspection of the Electricity Service;
- Connection Charges;
- Energy Development Account (Conta de Desenvolvimento Energético - CDE);
- Contract for Purchase of Energy in a Regulated Environment - CCEAR; and
- Programme for Encouragement of Alternative Sources of Electrical Energy - PROINFA.



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The records for compensation of differences, whether positive or negative, between the sums paid for each item and the respective cover values considered in electricity prices, shall be made according to the competence regime, in the assets and/or liabilities, with compensation in the result according to the nature of the expense.

The variation of the CVA in the business year is the following:

Item	Balance on 12/31/2007	Appropriation	Monetary Correction	Amortisation	Write-off - Exchange of Assets (note 1.1)	Balance on 12/31/2008
Parcel "A"	220,073		13,327	(188,341)	(31,412)	13,647
CVA	(3,018)	111,266	(1,952)	(14,296)	(18,634)	73,366
	217,055	111,266	11,375	(202,637)	(50,046)	87,013

Parcel "A": from January 1 to October 25, 2001 - values corresponding to the Special Rate Recomposition (RTE), as mentioned in note 4.

9 - TAXES AND SOCIAL CONTRIBUTIONS

	Controlling Company		Consolidated			
	Current		Current		Non-Current	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007	12/31/2008	12/31/2007
Assets - Compensable						
Income Tax and Social Contributions	51,373	15,627	226,425	222,212		
Value Added Tax (ICMS)	53		26,970	38,710	31,084	56,732
PIS and COFINS	253	236	65,861	31,117		137
Income Tax (IRRF) on interest on own capital	23,343	22,227	23,343	22,227		
Others	3,399	26,784	18,319	52,687		
Total	78,403	64,874	360,918	366,953	31,084	58,869
Liabilities - to be paid						
Income Tax and Social Contributions			176,889	132,963		
ICMS on rate difference			3	6,775		
Value Added Tax (ICMS)			107,445	120,668		
PIS and COFINS			63,566	43,090	34,451	564
Service Tax (ISS)			30			
Income Tax (IRRF) on interest on own capital	14,777	18,766	42,274	40,993		
Others	835	509	11,761	26,264		
Total	15,612	19,275	401,968	370,753	34,451	564

9.1 - TAXATION OF OPERATIONS AT THE ELECTRICAL ENERGY COMMERCIALISATION CHAMBER - CCEE

As a result of the provisions set forth in Article 32 of Provisional Measure No. 66 of August 29, 2002, converted into Law No. 10,637 of December 30, 2002 and Normative Instruction No. 19 of September 12, 2002, the distributors of electrical energy, as agents within the Electrical Energy Commercialisation Chamber (CCEE), exercised their option for the special PIS and COFINS taxation regime, on income received through operations carried out within the scope of that Institution.

The main effects refer to the calculation base applicable to the net positive results and also the continuity of use of the rates of 0.65% and 3%, for PIS and COFINS respectively.

9.2 - PIS AND COFINS

The PIS and COFINS asset and liability balances on December 31, 2008 consider the recording, by the subsidiaries Bandeirante and Escelsa, of extemporaneous credits, totalling R\$ 40,054, arising from the interpretation given by the Inland Revenue in the Consultation Solution COSIT No. 27/2008, corresponding to credits calculated on expenses with materials applied or consumed within the activity of supply of electrical energy and also charges related to the depreciation of machines, equipment and other fixed assets, to be compensated by debits from these same contributions. As according to ANEEL Technical Note No. 115/2005, the subsidiaries do here recognise in the Current Liabilities, under the Others category, a similar sum to be returned to the consumers, as such credits affect the effective rate to be charged in the future (Note 14).

10 - INCOME TAX AND DEFERRED SOCIAL CONTRIBUTIONS

10.1 - ASSETS

The tax credits as here detailed, applicable to tax losses, negative calculation bases for social contributions and other values which are temporary differences, which shall be used for reduction of the tax burden in the future, are registered based on the track record of return on investments and also the expectations of generation of taxable profits in the forthcoming years, for subsidiaries Bandeirante, Escelsa, Enertrade, Energest, EDP Lajeado and Pantanal, for a maximum of 10 years.

	Consolidated			
	Current		Non-Current	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007
Income Tax (IR) on Tax Losses	38,747	22,383	114,221	249,084
CSLL on negative base	13,987	10,232	53,382	92,591
IR and CSLL on other temporary differences	61,796	142,607	71,871	83,623
IR and CSLL on provision for pension deficit - PSAP	3,113	3,279	24,900	29,512
IR and CSLL on incorporated tax credits - Premium	7,909	14,752	140,299	239,694
IR and CSLL on other temporary differences - RTT	669	1,877	7,701	7,429
Total	126,221	195,130	412,374	701,933

Based on technical studies of forecasts of taxable results, calculated according to the provisions set by CVM Deliberation No. 273 of August 20, 1998, we estimate that there shall be the recovery of the non-current tax credits in the following business years:

2010	2011	2012	2013	2014	2015 to 2017	2018 and 2019	Non-Current
201,902	81,069	41,856	42,418	31,257	12,217	1,655	412,374

The Boards of these Companies prepared, on December 31, 2008, a forecast of future taxable results, considering discounts at present value, showing the capacity for realisation of these tax credits in the periods as shown and, in the case of subsidiaries Bandeirante and Escelsa, as requested by CVM Instruction No. 371 of June 27, 2002, with the studies being approved by the respective Management Boards. These estimates are revised regularly, so that possible alterations in the outlook regarding recovery of these credits may be immediately considered in these financial statements.

10.1.1 - The tax credit arising from the Provision for Pension Debt - PSAP refers to the part of the benefits in excess of the assets regarding the pension plans of the defined benefit type, in subsidiary Bandeirante, whose provision on December 31, 2001 was made in compensation to net worth, deductible at the moment of monthly payments, with expected completion in 2017. The part concerning the calculation of the excess over the legal limit of deduction equal to 20% of the base salary payroll corresponds to the proportion of resources for payment to the active participants.

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10.1.2 - The tax credit of the premium is a result:

- a) In the case of subsidiary Bandeirante, from the incorporation, in 2002, of the split part of the previous controller Enerpaulo - São Paulo Energy S.A., represented by the premium paid by Enerpaulo at the moment of purchase of shares issued by Bandeirante;
- b) In the case of subsidiary Escelsa, from the incorporation, in 2005, of the split part of the controller EDP Energias do Brasil S.A., represented by the premium paid by incorporated companies EDP 2000 Participations Ltd. and EDP Investments Ltd., the moment of purchase of shares issued by IVEN, then the controlling company of Escelsa.

The values were accounted for according to CVM Instructions No. 319/99 and No. 349/99 and, as established by ANEEL, shall be amortised by the curve between the expected future results and the concession period of the Companies, which results in an average future annual tax credit realisation of R\$ 6,063 for Bandeirante through to the year 2027, and R\$ 1,942 for Escelsa until 2025.

10.1.3 - The projection of future taxable results shows that subsidiaries Bandeirante and Escelsa have a calculation base which is sufficient for recovery of the full balance of tax credits in the period, as shown. However, in relation to the credits of December 31, 2008 concerning PSAP and Premium, as mentioned in notes 10.1.1 and 10.1.2 above, these shall be financially realised up to 2017 and 2027 respectively, in line with the amortisation requirements for the sums associated with them.

10.2 - LIABILITIES

	Consolidated	
	12/31/2008	12/31/2007
Income Tax	1,448	17,641
Social Contributions	521	6,351
PIS		469
COFINS		2,168
Total	1,969	26,629
Current	1,969	6,817
Non-Current		19,812
Total	1,969	26,629

11 - RELATED PARTIES

The shareholders of the Company's controlling bloc are shown in note 25.1, and with these the only existing transaction is the payment of dividends, which in the business year came to a total sum of R\$ 119,826 (R\$ 88,852 in 2007).

In addition to the sums to be received as dividends from subsidiaries and sister companies, as shown in note 26, the other financial balances of assets and liabilities, as also transactions that have had a bearing on the results of the business year, arise from transactions realised under usual market conditions for the respective types of operation.

	Controlling Company						Consolidated			
	Assets		Liabilities		Income in Business Year		Assets		Income in Business Year	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007	2008	2007	12/31/2008	12/31/2007	2008	2007
Related Parts										
Bandeirante	351	124	371	182						
CESA	82,849	77,754			5,095	4,341				
Energest	35,793	35,733	4	4						
Enersul		267		41	8	107				
Enertrade	103									
ESC90	22,090	23,723			11,369	10,925	22,104	23,814	11,369	10,925
Escelsa	233	263	135	23		263				
Escelsapar	2,668	1,930			189	161				
Pantanal		14,892								
Total	144,087	154,776	510	250	16,661	15,797	22,104	23,814	11,369	10,925

The balances with subsidiaries Bandeirante, Escelsa and Enertrade refer to sharing of costs with personnel, materials and third party services, approved by ANEEL through Official Decision No. 2,194 of July 13, 2007, and with the other companies they refer basically to financial mutuals.

The remuneration of the key personnel of the Management in the business year of 2008, as required by CVM Deliberation No. 560 of December 11, 2008 reached the total of R\$ 5,805, with this value consisting only of short-term benefits. The annual and global remuneration of the members of the Administration Board, as also of the Committees and the Board of Directors, for the period between April 2008 and March 2009 was approved at a General Meeting held on April 8, 2008.

12 - BONDS AND LINKED DEPOSITS

	Note	Controlling Company				Consolidated			
		Current		Non-Current		Current		Non-Current	
		12/31/08	12/31/07	12/31/08	12/31/07	12/31/08	12/31/07	12/31/08	12/31/07
Judicial Deposits	24	2,080	2,080	2,944	2,551	2,080	2,080	132,067	192,106
Bonded Papers - National Secretariat for the Treasury									5,947
Bonds and linked deposits						23,225	13,941	21,565	23,839
Total		2,080	2,080	2,944	2,551	25,305	16,021	153,632	221,892

13 - ADVANCES FOR FUTURE INCREASES IN CAPITAL

	Controlling Company		Consolidated	
	Assets		Assets	
	12/31/2008	12/31/2007	12/31/2007	
Energest	35,040	35,040		
Enemova	7,700			
Investco				2,550
Total	42,740	35,040	2,550	



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14 - OTHER CREDITS - ASSETS AND OTHER ACCOUNTS PAYABLE - LIABILITIES

	Controlling Company				Consolidated			
	Current		Non-Current		Current		Non-Current	
	12/31/08	12/31/07	12/31/08	12/31/07	12/31/08	12/31/07	12/31/08	12/31/07
Other Credits - Assets								
Advances to Employees	105	118			2,594	2,465		
Advances to Suppliers	53	53			2,401	3,179		
Bounced Cheques						1,394		
Credits to Receive - Clients					466	1,883		
Low Income Standard						1,101		
Tariff modicity - Low Income					53,927	43,063		
Expenses to reimburse	405	533			5,166	8,398		
Energy Efficiency Programme					2,863	8,428	2,525	2,198
RGR to compensate					2,091	2,741		
Goods for alienation					20,051	60	84	84
Discontinuation in Progress					5,548	3,236		
Services in Progress	2,511	757			14,043	14,718		
Services provided to third parties					11,290	4,449	9,825	4,265
Taxes and consignations on payroll					1,551	549		
Discontinuations and alienations					236	2,820		
Sharing of infrastructure					72	1,710		
Miscellaneous prizes						2,064		
Subrogation CCC Res. 331/2005 and Aneel communication 2007						9,040		6,856
Advance UTE Resende and Norte Capixaba			6,462				6,462	
Advance for Purchase - Pecém				5,000				5,000
NDF - Nondeliverable Forward Contracts							60,669	
Collection Agreements					2,255			
Credit Assignment - Tangará Energia S.A.					1,820		19,954	
Credit Assignment - Caiuá Distribuição de Energia S.A.					3,347		4,435	
Others	170	900	765		14,924	26,343	8,921	3,961
Total	3,244	2,361	7,227	5,000	144,645	137,640	112,875	22,364

	Controlling Company				Consolidated			
	Current		Non-Current		Current		Non-Current	
	12/31/08	12/31/07	12/31/08	12/31/07	12/31/08	12/31/07	12/31/08	12/31/07
Other Accounts Payable - Liabilities								
Advances Received - alienation of goods and rights					9,837	6,470		
Contribution for street lighting					10,638	17,850		
Sums to pay Piratininga						202	18,953	18,952
Miscellaneous Creditors - Consumers					17,395	24,324		
Miscellaneous Creditors - Concessionaires					3,436	7,292		
Payroll		315			4,050	5,762		
Collaborators - PL/AUG84						7		1,457
Energy Efficiency Programme							2,846	
PIS and COFINS of Generators						438		
Other regulator liabilities					4,193	4,610	13,455	
Tariff modicity - Low Income					47,766	127		
Assignment of ICMS Credits					308	8,667		
Interest on compulsory loan					431	3,088		
City Hall - credits acquired through precatories						15		
Third Party collection to be passed on					2,525	8,647		
Sums to pay for Telephony and Cable TV					2,282	1,835		
Fare Return COSIT 27					40,054			
Financial Liquidations at the CCEE					430	457		
Others	2,208	518	25	4	18,187	23,057	6,051	711
Total	2,208	833	25	4	161,262	112,848	41,305	21,120

14.1 - TARIFF MODICITY - LOW INCOME

Law No. 10,438 of April 26, 2002 established guidelines for classification in the residential subclass of low income of the consumption unit with a monthly consumption of less than 80 kW, with Decree No. 4,336 of August 15, 2002 having extended the regulation for such categorisation to consumer units with a monthly consumption between 80 and 220 kW.

Subsidiary company Escelsa was in the process of inspection by ANEEL, that requested the examination and analysis of data and classification criteria of those clients with the benefits of a reduced social rate, for the periods after December 2006, having concluded the inspection work, making it possible to re-establish the monthly certifications and the receipt of the values of the low-income subvention.

The controlled company Bandeirante is also in the process of inspection by the Regulatory Body for Energy and Sanitation of the State of São Paulo - ARSESP, with the issuance of a Notification Document in which the Regulatory Body has requested the review of the criteria for classification of clients placed in the low-income rate bracket. As a result, there shall be the return of rates charged in excess, and in this category a liability of R\$ 47,640 was recorded. Considering that the legislation and regulation of this issue plans for the reimbursement of such values through the mechanism of subvention, the same amount was recorded in the assets as compensation.



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14.2 - ASSIGNMENT OF CREDITS - TANGARÁ ENERGY S.A.

This is the balance of the reagreement of the Credit Assignment contract, as agreed between controlled company Lajeado Energia S.A. and Tangará Energy S.A. on August 31, 2004, approved by ANEEL through Official Communications No. 457/2000-SFF/ANEEL and 1,706/2004-SFF/ANEEL, with the following conditions:

Time Frame for Payment: 120 months

Grace Period: 18 months

End: February 29, 2016

Remuneration: 100% of CDI

Value of Contract: R\$ 18,199

14.3 - ASSIGNMENT OF CREDITS - CAIUÁ ENERGY DISTRIBUTION S.A.

This is the balance of the consolidation and reagreement of the Credit Assignment contract, as agreed between controlled company Lajeado Energia S.A. and Caiuá Energy Distribution S.A. on December 31, 2006, approved by ANEEL through Official Decision No. 181/2000-SFF/ANEEL of January 29, 2007:

Time Frame for Payment: 86 months

Grace Period: 24 months

End: February 29, 2016

Remuneration: 100% of CDI plus 2% interest

Value of Contract: R\$ 23,532

15 - INVESTMENTS

15.1 - INVESTMENT OPERATIONS IN THE BUSINESS YEAR

Investments	Saldos em 12/31/2007	Additions	Controlling Company				Balance on 12/31/2008
			Asset Equivalence	Dividends/ JSCP	Transfer of Uncovered Liabilities	Exchange - Enersul Investco	
Bandeirante	749,766		206,492	(276,227)			680,031
Escelsa	776,363		122,449	(213,667)			685,145
Enersul	672,516		37,438			(709,954)	
Investco		22,875	2,550	(4,317)		21,451	42,559
EDP Lajeado	155,695		12,989	(13,481)			155,203
Lajeado Energia			10,842	(30,332)		244,690	225,200
Tocantins Energia			756			76,109	76,865
Enerpeixe	606,492		76,110	(51,335)			631,267
Energest	196,327		99,529	(94,553)			201,303
Enertrade	31,916		35,814	(35,813)			31,917
Enernova		1	(430)		429		
Porto do Pecém		80,156					80,156
Total	3,189,075	103,032	604,539	(719,725)	429	(367,704)	2,809,646
Discounts							
Escelsa Discount	(2,388)						(2,388)
Total	(2,388)	-	-	-	-	-	(2,388)
Other Investments							
Denerge		37,500					37,500
Others	149	171					320
Total	149	37,671	-	-	-	-	37,820
Total	3,186,836	140,703	604,539	(719,725)	429	(367,704)	2,845,078

Discounts	Consolidated			Balance on 12/31/2008
	Balance on 12/31/2007	Additions	Write-offs	
EDP Energias do Brasil S.A.				
Escelsa Discount	(2,388)			(2,388)
EDP Lajeado				
Investco Discount		(544)		(544)
Total	(2,388)	(544)	-	(2,932)
Other Investments				
EDP Energias do Brasil S.A.				
Denerge		37,500		37,500
Others	149	171		320
Bandeirante				
Others	681			681
Escelsa				
Others	4,982			4,982
EDP Lajeado				
Advance purchase of shares	2,159	665	(2,598)	226
Others	55			55
Enercouth				
Others	1,271			1,271
Total	9,297	38,336	(2,598)	45,035
Total	6,909	37,792	(2,598)	42,103

15.1.1 - In September 2008, the Company exchanged the former subsidiary Enersul for direct and indirect participation of subsidiaries Lajeado Energia, Tocantins Energia and Investco, as shown in Note 1.1.

15.1.2 - The addition to the "Other Investments" category, at a value of R\$ 37,500, refers to the purchase of 5.63% of the preferential shares, corresponding to 3.16% of the total shares of Denerge S.A., a closed capital society that has participation in companies of the Brazilian energy sector. Within the scope of this negotiation, Energia do Brasil shall have the option of converting these shares of Denerge into preferential shares in Rede Energia S.A. within a period of up to two years, at the price of a possible public offer or the unit price of R\$ 5.68 should such a public offer not take place.

15.1.3 - Seeking an increase in their economic participation in subsidiary company Investco, Energias do Brasil has acquired, in operations conducted privately, a total of 16,861,476 Class "C" preferential shares issued by Investco, for a total of R\$ 48,129, which corresponds to 2.33% of the total share holding.

15.1.4 - In October 2008, the Company exchanged former subsidiary Diferencial for direct participation in joint subsidiary Porto do Pecém, as shown in note 1.3.



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15.2 - DIRECT PARTICIPATION IN INVESTMENTS

Companies	Direct Participation			
	Investments		% Direct Participation	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007
EDP Energias do Brasil				
Bandeirante	680,031	749,766	100	100
Escelsa	685,145	776,363	100	100
Enersul		672,516		100
Energest	201,303	196,327	100	100
Enertrade	31,917	31,916	100	100
EDP Lajeado	155,203	155,695	59,93	59,93
Enerpeixe	631,267	606,492	60	60
Enernova (V)			100	
Tocantins Energia	76,865		50,88	
Lajeado Energia	225,200		47,23	
Investco (I)	42,559		4,53	
Escelsapar (III)			100	100
Enercoufo (III)			100	100
ESC90 (IV)			48,51	48,51
Porto do Pecém	80,156		50	
Other Investments	37,820	149		
Discount	(2,388)	(2,388)		
	2,845,078	3,186,836		
Energest				
Castelo Energy	77,017	64,352	100	100
Pantanal Energy	36,590	13,122	100	100
Costa Rica	8,834	8,708	51	51
Santa Fé	1	1	100	100
	122,442	86,183		
EDP Lajeado				
Investco (II)	239,559	231,018	23,34	23,06
Other Investments	278	2,213		
Discount	(544)			
	293,293	233,231		
Tocantins Energia				
Lajeado Energia	103,550		12,70	
Ipueiras	5		100	
	103,555	-		

	Direct Participation			
	Investments		% Direct Participation	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007
Lajeado Energia				
Investco (I)	400,334	-	39.07	
	400,334	-		
Others				
Other Investments	5,663	5,663		
Eliminations	(3,674,262)	(3,505,004)		
	(3,668,599)	(3,499,341)		
Consolidated Total	42,103	6,909		

- (I) Investco changed from proportional consolidation to a fully consolidated company as from September 2008 (note 1.1).
 (II) Escelsapar has a provision for uncovered liabilities totalling R\$ 1,942 (R\$ 201 in December 2007).
 (III) Enercoutho has a provision for uncovered liabilities of R\$ 418 (R\$ 373 in December 2007).
 (IV) ESC 90 is not consolidated and has a provision for uncovered liabilities totalling R\$ 51,383 (R\$ 56,685 in December 2007).
 (V) Enernova has a provision for uncovered liabilities of a total of R\$ 429.

16 - FIXED

	Average annual depreciation rates, %	Controlling Company			
		12/31/2008			12/31/2007
		Historical Cost	Accumulated Depreciation	Net Value	Net Value
Fixed in service - Intangibles					
Administration					
Buildings, civil works and improvements	10.00	8	(2)	6	7
Machines and Equipment	14.17	684	(367)	317	390
Vehicles	18.36	922	(777)	145	228
Furniture and Utensils	9.73	1,298	(566)	732	859
Total fixed in service		2,912	(1,712)	1,200	1,484
Fixed ongoing					
Administration		793	-	793	330
Total Fixed Ongoing		793	-	793	330
Total Fixed Intangible		3,705	(1,712)	1,993	1,814



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Consolidated					
		12/31/2008			12/31/2007
	Average annual depreciation rates, %	Historical Cost	Accumulated Depreciation	Net Value	Net Value
Fixed in Service - Tangibles					
Distribution					
Land Sites		49,005		49,005	50,014
Buildings, civil works and improvements	3.82	98,237	(57,002)	41,235	65,709
Machines and Equipment	3.82	3,465,075	(1,586,166)	1,878,909	2,541,590
Vehicles	8.61	18,258	(13,139)	5,119	3,915
Furniture and Utensils	8.51	6,067	(4,428)	1,639	1,335
		3,636,642	(1,660,735)	1,975,907	2,662,563
Generation					
Land Sites		127,196		127,196	40,135
Reservoirs, Dams and Pipings	1.98	1,646,935	(169,264)	1,477,671	1,048,937
Buildings, civil works and improvements	2.18	675,173	(110,667)	564,506	354,128
Machines and Equipment	2.89	1,375,912	(193,568)	1,182,344	950,836
Vehicles	15.32	3,114	(1,563)	1,551	854
Furniture and Utensils	8.69	954	(223)	731	881
		3,829,284	(475,285)	3,353,999	2,395,771
Transmission					
Land Sites		1		1	
Buildings, civil works and improvements	3.56	512	(155)	357	230
Machines and Equipment	3.02	72,912	(17,828)	55,092	24,399
		73,433	(17,983)	55,450	24,629
Commercialisation					
Land Sites		44		44	44
Buildings, civil works and improvements	3.88	4,125	(2,405)	1,720	1,880
Machines and Equipment	4.88	4,142	(2,616)	1,526	4,044
Vehicles	15.89	921	(462)	459	360
Furniture and Utensils	3.57	1,654	(1,411)	243	246
		10,866	(6,894)	3,992	6,574
Administration					
Land Sites		915		915	1,173
Buildings, civil works and improvements	3.27	14,031	(8,980)	5,051	16,423
Machines and Equipment	6.03	84,679	(54,344)	30,335	64,027
Vehicles	15.09	25,538	(14,130)	11,408	11,910
Furniture and Utensils	6.77	12,686	(6,901)	5,785	5,414
		137,849	(84,355)	53,494	98,947

Consolidated					
	Average annual depreciation rates, %	12/31/2008			12/31/2007
		Historical Cost	Accumulated Depreciation	Net Value	Net Value
Activities not connected with the concession					
Land Sites		273		273	365
Buildings, civil works and improvements					451
Machines and Equipment		17	(17)		12
Furniture and Utensils		382	(127)	255	293
		672	(144)	528	1,121
Total Fixed in Service		7,688,766	(2,245,396)	5,443,370	5,189,605
Fixed ongoing - Tangibles					
Distribution		262,067		262,067	400,911
Generation		684,560		684,560	66,833
Transmission		548		548	495
Commercialisation		170		170	235
Administration		7,499		7,499	37,163
		954,844		954,844	505,637
Obligations linked to the Concession		(380,122)	15,743	(364,379)	(614,980)
Total Tangible Fixed Assets		8,263,488	(2,229,653)	6,033,835	5,080,262

The operations of fixed assets in the business year are the following:

Controller						
	Net Value on 12/31/2007	Acquisitions	Transfer/ fixed in services	Depreciation	Write-offs	Net Value in 12/31/2008
Fixed in service - tangibles						
Buildings, civil works and improvements	7			(1)		6
Machines and Equipment	390		22	(95)		317
Vehicles	228		111	(242)	48	145
Furniture and Utensils	859			(126)	(1)	732
Total Fixed in Service	1,484	-	133	(464)	47	1,200
Fixed ongoing- tangibles	330	596	(133)			793
Net Total	1,814	596	-	(464)	47	1,993



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Controlling Company									
	Net Value on 12/31/2007	Acquisitions	Transfer to fixed in service	Depreciation	Write-offs	Additions (write-offs in asset exchange (note 1.1)	Acquisition of Companies	Changes of participation (Note 1.1)	Net Value on 12/31/2008
Fixed in service - tangible									
Land Sites	91,731		471		(90)	(2,234)		87,555	177,433
Reservoirs, dams and piping	1,048,937		30,341	(25,963)				424,356	1,477,671
Buildings, civil works and improvements	438,819		5,614	(16,705)	(239)	(37,012)		222,391	612,868
Machines and Equipment	3,584,912	25	457,372	(212,580)	(39,046)	(936,372)		293,897	3,148,208
Vehicles	17,040	3	14,091	(6,986)	(96)	(5,800)		287	18,539
Furniture and Utensils	8,166	1	1,789	(1,705)	(58)	(1,053)		1,511	8,651
Total Fixed in Services	5,189,605	29	509,678	(263,969)	(39,529)	(982,471)	-	1,029,997	5,443,370
Total Fixed Ongoing	505,637	656,646	(523,705)	-	(30,128)	(61,339)	366,206	41,527	954,844
Total Fixed - Intangibles	5,695,242	656,675	(14,027)	(263,939)	(69,657)	(1,043,810)	366,206	1,071,524	6,398,214
(-) Obligations related to the concession									
Contribution of consumers	(274,736)	(21,999)	(146)	10,018	3,164	40,032			(243,667)
Participation of Union, States and Municipalities	(160,197)	(4,863)	(152)	3,033	1,052	115,761			(45,366)
Donations and Subventions	(180,047)	(5,800)	298	5,777	1,948	102,478			(75,346)
	(614,980)	(32,662)	-	18,828	6,164	258,271	-	-	(364,379)
Total Líquido	5,080,262	624,013	(14,027)	(245,111)	(63,493)	(785,539)	366,206	1,071,524	6,033,835

16.1 - ASSETS LINKED TO THE CONCESSION

According to Articles 63 and 64 of Decree No. 41,019 of February 26, 1957, the assets and premises used for the generation, transmission and distribution (including commercialisation) are associated to these services and may not be withdrawn, alienated, assigned or given as mortgage guarantee without the prior written authorisation from the Regulatory Body.

ANEEL Resolution No. 20 of February 3, 1999 regulates the detachment of assets of the concessions of Public Electricity Services, granting prior authorisation for the detachment of goods under concession when assigned for alienation, also establishing that the product of such alienation shall be deposited in a linked bank account, to be invested in the concession.

16.2 - GOODS AND ASSETS OF THE UNION USED BY THE CONCESSIONAIRE

The goods owned by the Union and under the administration of the controlled company Escelsa are sites and old buildings that are now out of use, due to the fact that the use thereof is not practicable, and that are therefore unproductive, with the values thereof being registered in the special extra-asset system ("Sistema Extrapatrimonial").

16.3 - CAPITALISATION OF EXPENSES WITH CENTRAL ADMINISTRATION

As mentioned in note 3.2f, the sum of R\$ 17,535, recorded as transfer and in compensation to the Results of the Business Year in the Operational Expenses - General and Administrative Expenses category, has been incorporated into the Fixed Assets, by way of capitalisation of parts of expenses with central administration.

17 - INTANGIBLE ASSETS

Controlling Company					
	Average Amortisation Rates %	12/31/2008			12/31/2007
		Historic Cost	Accumulated Amortisation	Net Value	Net Value
Intangibles in service					
Administration					
Software	8.78	1,979	(1,693)	286	356
Total Intangibles in Service		1,979	(1,693)	286	356
Ongoing Intangibles					
Administration		181		181	95
Total Ongoing Intangibles		181	-	181	95
Premium on Acquisition of Investments					
Enersul and Pantanal		13,373	(2,311)	11,062	194,621
Bandeirante		38,143	(9,354)	28,789	30,246
Enerpeixe		3,837	(606)	3,231	3,348
Lajeado Energia and Investco		450,553	(7,234)	443,319	
Porto do Pecém		3,590		3,590	
Total Intangibles		509,496	(19,505)	489,991	228,215
Total Intangibles		511,656	(21,198)	490,458	228,666
Consolidated					
	Average Amortisation Rates %	12/31/2008			12/31/2007
		Historic Cost	Accumulated Amortisation	Net Value	Net Value
Intangibles in service					
Distribution					
Software	18.76	38,914	(28,295)	10,619	12,131
Permanent Passage		12,313		12,313	9,816
		51,227	(28,295)	22,932	21,947
Generation					
Software	18.14	2,089	(448)	1,641	548
Permanent Passage		310		310	541
		2,399	(448)	1,951	1,089
Transmission					
Software					26
Permanent Passage		126		126	126
		126		126	152
Commercialisation					
Software	19.99	53,852	(50,205)	3,647	14,551
		53,852	(50,205)	3,647	14,551
Administration					
Software	13.52	147,395	(79,949)	67,446	51,838
Others		935		935	1,324
		148,330	(79,949)	68,381	53,162
Total Intangibles in Service		255,934	(158,897)	97,037	90,901



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Consolidated					
	Average Amortisation Rates %	12/31/2008			12/31/2007
		Historic Cost	Accumulated Amortisation	Net Value	Net Value
Intangible Ongoing					
Distribution		1,907		1,907	4,845
Generation		479		479	1,575
Commercialisation		3,704		3,704	2,221
Administration		58,520		58,520	88,615
Total Intangibles Ongoing		64,610	-	64,610	97,256
Activities not linked to the concession					
Premium on incorporation of the controlling society		564,548	(128,642)	435,906	748,366
(-) Provision for maintenance of dividends		(564,548)	128,642	(435,906)	(748,366)
		-	-	-	-
Premium on the purchase of investments					
Enersul and Pantanal		13,373	(2,311)	11,062	194,621
Bandeirante		38,143	(9,354)	28,789	30,246
Enerpeixe		3,837	(606)	3,231	3,348
Lajeado Energia and Investco		1,176,791	(66,605)	1,110,186	209,233
Porto do Pecém		3,590		3,590	
		1,235,734	(78,876)	1,156,858	437,448
Total Intangibles		1,556,278	(237,773)	1,318,505	625,605

Controlling Company						
	Net Value on 12/31/2007	Input	Transfer to intangibles in service	Amortisations	Investco x Enersul exchange	Net Value on 12/31/2008
Intangible in Service	356		99	(169)		286
Intangible Ongoing	95	185	(99)			181
Premium on Acquisition of Investments	228,125	41,891		(147,819)	367,704	489,991
	228,666	42,076	-	(147,988)	367,704	490,458

Consolidated								
	Net Value on 12/31/07	Input	Transfer to intangibles in service	Amortisations	Write-offs	Investco x Enersul exchange	Change participation	Net Value on 12/31/08
Intangibles in Service	90,901		87,226	(43,621)	(54)	(37,598)	183	97,037
Intangibles ongoing	97,256	67,215	(73,199)		(674)	(26,594)	606	64,610
Premium in acquisitions of investments	437,448	42,106		(157,913)		835,217		1,156,858
	625,605	109,321	14,027	(201,534)	(728)	771,025	789	1,318,505

Permanent Passages are rights of way for transmission lines, associated with distribution within the area of concession of subsidiaries Bandeirante and Escelsa, and in private rural and urban areas, with compensation paid in favour of the owner of the property concerned. Being permanent, they are not amortised.

Software includes usage rights for intellectual property, consisting of acquisition of licences and other expenses with services complementary to the use of the software.

The premium has the economic grounds of expectations of future returns, such as concession rights, amortised for the remaining period of the respective concessions, whose recoverability tests conducted in the business year of 2008, for the usage value, was made according to CPC-01, not showing loss of value to be accounted for.

17.1 - As a result of the transaction involving exchange of assets as mentioned in note 1.1, a premium of R\$ 425,299 was recorded, supported by an opinion statement within a financial and economic assessment carried out by independent appraisers, and shall be amortised for the period of exploitation of the Luís Eduardo Magalhães Hydroelectric Plant, up to 2032.

Cost of Exchange	
Investment in Enersul on 08/31/2008	
Investment assessed by the asset worth equivalence method	709,954
Premium Balance - Net	44,549
Other costs established in the Contract	13,046
	767,549
Input of Investments	
Value of accounting net worth, duly adjusted, on August 31, 2008	
Investco	21,451
Lajeado Energia	244,690
Tocantins Energia	76,109
	342,250
	425,299
Premium Generated by the Exchange	425,299



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18 - SUPPLIERS

	Controlling Company		Consolidated		
	Current		Current	Non Current	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007	12/31/2007
Supply of Electrical Energy			215,181	203,319	
Free Energy			5,343	25,473	
CCEE (short-term energy purchase)			28,635	21,901	
Charges for use of electrical energy			48,123	58,811	
Charges for system services			8,794	6	
Other Regulatory Liabilities			169		
Materials and Services	13,093	16,611	150,434	137,044	199
Total	13,093	16,611	456,679	446,554	199

19 - DEBENTURES

Issuer	Date				Consolidated		
	Issue	Liquidation	Frequency	Series	Number of Papers	Remuneration	Sum
Bandeirante	03/01/2006	04/07/2006	3 rd	Single	25,000	104.4% of CDI	250,000
Escelsa	06/01/2006	07/05/2006	1 st	Single	26,400	104.4% of CDI	264,000
Escelsa	07/02/2007	07/10/2007	2 nd	Single	25,000	105.0% of CDI	250,000
Enersul (*)	05/02/2006	06/02/2006	1 st	Single	33,750	104.3% of CDI	337,500
Investco	11/01/2001	03/01/2002	1 st	Single	25,000	12.8% per annum	264,791

(*) The previous subsidiary Enersul was consolidated by the full method up to August 31, 2008.

19.1 - ISSUERS BANDEIRANTES AND ESCELSA

On January 30, 2006, the Administration Boards of Bandeirante and Escelsa approved the taking out of long-term financing lines, materialised through the issue of debentures, this being the third for Bandeirante and the first for Escelsa.

All debentures issued are of the simple type, nominative and in recorded form, for public subscription, in one single series and without guarantees (chirographa), not convertible into shares, with the absence of a clause for repactuation option, with a nominal unit value of R\$ 10,000.00, a term of validity of five years, payment of compensatory interest every semester and a grace period of three (3) years for the amortisation of the principal.

The final due dates shall be the following:

- Bandeirante: on March 1, 2011, with equal and successive annual amortisations, on March 1, 2009, 2010 and 2011.
- Escelsa: on June 1, 2011, with equal and successive annual amortisations, on June 1, 2009, 2010 and 2011.

By way of remuneration on the nominal value of the debentures there shall be compensatory interest as mentioned in the chart above, applied through the accumulation of the average daily rates of one-day interfinancing deposits - DIs, "over extra group", expressed as a percentage per annum, based on 252 business days, calculated and publicised daily by the Bonds Custody and Financial Liquidation Centre - CETIP (DI rates) calculated in exponential and cumulative "pro rata temporis" form for the business days elapsed.

The remuneration corresponding to the capitalisation periods are due every semester, starting on September 1, 2006 for Bandeirante and December 2, 2006 for Escelsa, and with the last payments coinciding with the respective dates of the 4 last amortisations.

The contracts presented have clauses that establish termination in any of the following cases:

- (i) Should the Company fail to comply with any pecuniary obligation as set forth in the Deeds, and not remedied within one (1) business day as from the date of the default;
- (ii) Should the Company fail to comply with the maintenance of financial indices (gross debt by EBITDA and EBITDA in the period considered, plus cash at the start of the calculation period together with lines of bank credit hired and not used at the end of the period considered, plus an increase in the total volume of debt disbursed during the calculation period, in relation to the gross financial expenditure in the calculation period, plus the part of the debt still to fall due during the calculation period, excluding the financial income from monetary variations and also lateness increases for energy sold during the calculation period excluded from the financial yield of hedge and swap operations within the period considered, fully complied with to this moment);
- (iii) A request for bankruptcy made by third parties against the Issuer, and not appropriately solved by the Issuer within the legally established time frame;
- (iv) A request for self-bankruptcy lodged by the Issuer;
- (v) Liquidation, dissolution or bankruptcy order against the Issuer or their direct parent company;
- (vi) In the event that the Company proposes an extrajudicial recovery plan to any creditor or group of creditors, regardless of whether there has been request for, or authorisation of, a judicial recovery for this Plan; or if the Company goes to Court with a request for judicial recovery, regardless of whether the processing of the recovery has been completed or of whether this has been granted by the competent Judge; and
- (vii) Loss of concession for the distribution of electrical energy.

19.2 - ISSUER ESCELSA

On June 14, 2007, the Administration Board of Escelsa approved the hiring of long-term financing lines, materialised by the 2nd issue of debentures.

On July 2, 2007, there was the issuance of the second batch of simple debentures, of recorded and nominative form, in one single series, for public subscription, of subordinate kind and not convertible into shares. The debentures of this issue are not subject to programmed repactuation.

A total of 25,000 debentures was launched, with a nominal unit value of R\$ 10,000.00, with full subscription at the total value of R\$ 25,000 with a validity period of seven (7) years, payment of compensatory interest every semester and a grace period of five (5) years for the amortisation of the principal, for which the final due date shall be on July 2, 2014, with the first amortisation, of 33.33%, occurring on July 2, 2012, the second, also of 33.33%, on July 2, 2013, and the third and last, of 33.34%, on 2 July 2014. The placing was completed on July 10, 2007.

By way of remuneration on the nominal value of the debentures, there shall be compensatory interest corresponding to 105% of the total accumulation of the average daily rates of the One Day Interfinancing Deposits (DIs), "over extra group", shown in a percentage per annum, based on 252 business days, calculated and publicised daily by the Bonds Custody and Financial Liquidation Centre - CETIP (DI rates) calculated in exponential and cumulative pro rata temporis form for the business days elapsed.

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The remuneration corresponding to the periods of capitalisation shall be due and paid every semester, with the first due period falling on December 2, 2007 and the last on July 2, 2014

The resources obtained on distribution have been fully channelled into the payment of the senior notes issued by the Issuer on July 15, 1997, with final maturity on July 15, 2007.

The Contract has Clauses establishing termination in the same cases as mentioned in note 19.1, for the first issue.

19.3 - ISSUER - INVESTCO

In February 2002, the first issue of simple debentures, not convertible into shares, was registered with the Securities Commission ("Comissão de Valores Mobiliários - CVM"), with 25,000 debentures at a nominal unit value of R\$ 10,000.00 with maturity set at 120 months after the date of issue (1 November 2001), readjustable as from the date of issue according to the IGP-M price index. The preset remuneration set at 12.82% per annum shall fall on the non-amortised balance of the nominal unit value, duly readjusted.

These debentures have joint and several guarantee from EDP Energias do Brasil and also from Energias de Portugal (EDP).

Integralisation took place on March 1, 2002, at a total value of R\$ 264,791.

On December 16, 2002, there was the preparation of the 3rd Addendum to the Deed for these Debentures, considering the alteration of item 4.5.1 of Clause IV of the deeds. As a result of these changes, the adjustment due on November 1, 2002 was capitalised at the nominal value of the debentures and is being paid with the amortisation as programmed between November 1, 2003 and November 1, 2011, at 11.11% p.a.

At an Administration Board meeting, held on October 16, 2006, there was a decision to use the General Market Price Index (IGP-M) for adjustment of the debentures, and these shall be entitled to payment of compensatory interest preset at 10.5% per annum, to take effect in the remuneration period, as from November 1, 2006.

These resources have been put into investments in fixed assets and also working capital, for the completion of the Luís Eduardo Magalhães UHE (UHE Lajeado).

The values are consolidated in Energias do Brasil, up to August 31, 2008, in proportion to the percentage of indirect participation held until then, of 23.0576% and, as from September 1, 2008, fully consolidated, within the scope of the terms of note 1.1.

19.4 - On December 31, 2008, the subsidiaries are in full compliance of all the restrictive clauses of the covenants set out in the debenture contracts.

19.5 - MATURITY OF THE PARCELS OF NON-CURRENT ASSETS:

Year	Value
2010	202,317
2011	202,770
2012	83,023
2013	83,023
2014	83,023
Total	654,180

19.6 - THE CHANGES IN THE DEBENTURES IN THIS BUSINESS YEAR ARE AS FOLLOWS:

	Consolidated	
	Current	Non-Current
Balance on 12/31/2007	24,252	1,120,343
Charges and monetary readjustments	126,579	
Amortisations	(174,814)	
Transfers to current assets	314,870	(314,870)
Amortisation of transaction costs	1,307	
Alienation of Enersul	(73,690)	(151,293)
Balance on 12/31/2008	218,504	654,180

20 - LOANS, FINANCING AND DEBT CHARGES

	Controller	
	December 31, 2008	
	Charges	Principal
National Currency	7,700	250,000
Bank Credit Bonds	7,700	250,000
Total	7.700	250.000

	Company	Consolidated					
		12/31/2008			12/31/2007		
		Charges Current	Principal Current Non-Current		Charges Current	Principal Current Non-Current	
Foreign Currency							
BID - Interamerican Development Bank	Bandeirante	531	27,054	34,100	1,130	47,556	46,351
Amortisation of Transaction Costs	Bandeirante		(1,438)	(3,116)		(1,438)	(4,554)
European Invest Bank	Enersul				28	2,802	193
STN-DMLP	Enersul				243	1,456	15,921
Santander Bank Brazil	Energest	966	24,786				
BNDES	Energest	5	471	393	5		
Santander Bank Brazil	CESA	537	13,771				
BNDES	CESA	6	418	1,080	6	311	1,113
BNDES	Pantanal	5	378	976	6	283	1,012
Itaú BBA S.A.	Enerpeixe				5	1,313	
Bank of Brazil S.A.	Enerpeixe				4	1,094	
BNDES	Enerpeixe				17	4,377	
Bradesco	Enerpeixe				4	1,104	
Unibanco	Enerpeixe				4	876	
Citibank	Pecém	431	184,623				
		2,481	250,063	33,433	1,452	60,085	60,680



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		Consolidated					
		12/31/2008			12/31/2007		
		Charges	Principal		Charges	Principal	
Company		Current	Current	Non-Current	Current	Current	Non-Current
National Currency							
BNDES-CVA	Bandeirante				18	2,070	2,572
Eletróbrás	Bandeirante		1,053	9,340	96	996	9,655
Bank Credit Bond	Bandeirante	918	20,400	81,600	764		102,000
Interest on Reversal Fund	Bandeirante	73			73		
BNDES FINAME	Bandeirante	12	1,565	1,015			
BNDES Bank of Brazil	Bandeirante	135	5,929	26,683			
BNDES Santander Bank	Bandeirante	135	5,929	26,683			
Eletróbrás	Escelsa	13	10,428	90,300	382	7,210	50,829
Bank Credit Bond	Escelsa	2,188		40,400	1,766		40,400
Interest on Reversal Fund	Escelsa				150		
BNDES	Escelsa	19	4,368	3,281	53	4,357	7,610
BNDES Bank of Brazil	Escelsa	121	5,538	24,922			
BNDES Santander Bank	Escelsa	121	5,538	24,922			
BNDES - RTE	Enersul				73	15,373	
Eletróbrás	Enersul				385	8,432	56,672
Bank Credit Bond	Enersul				347		46,400
Bank of Brazil FCO	Enersul				553	3,280	16,126
BNDES	Enersul				177	12,809	31,703
Enersul Foundation	Enersul				13	4,066	
Bank Credit Bond	Energest	2,460		48,000			
BNDES	Energest	50	4,388	3,292	61	4,380	7,664
BNDES	CESA	65	4,184	10,461	83	4,727	16,547
BNDES	Pantanal	59	3,783	9,457	56	3,220	11,271
Eletróbrás	Costa Rica	58	478	2,088	137	650	2,516
BNDES	Enerpeixe	1,776	56,386	343,013	182	46,874	398,434
Itaú Bank	Enerpeixe	542	17,199	104,630	55	14,062	119,530
Bradesco	Enerpeixe	452	14,333	87,190	46	11,719	99,609
Unibanco	Enerpeixe	361	11,466	69,754	36	9,375	79,687
Bank of Brazil	Enerpeixe	452	14,333	87,190	46	11,719	99,609
Bank of Amazonia	Investco	405	17,169	8,268			
BNDES	Investco	83	42,443	144,745	1,219	14,576	49,028
Leasing Safra S.A.	Investco		68	87			
Citibank	Pecém	988	96,000				
Bank Credit Bond	Energias	7,700	250,000				
		19,186	592,978	1,247,323	6,771	179,895	1,247,862

		Consolidated					
		12/31/2008			12/31/2007		
		Charges	Principal		Charges	Principal	
Company		Current	Current	Non-Current	Current	Current	Non-Current
Results of Swaps							
BID - Interamerican Development Bank	Bandeirante		12,688	11,196		39,600	31,501
J P Morgan	Bandeirante			955		4,696	949
Citibank	Bandeirante		400			452	452
Santander Bank Brazil	Energest		(5,764)				
Santander Bank Brazil	CESA		(3,202)				
Citibank	Pecém			63,056			
		-	5,077	74,252	-	44,748	32,902
Total		21,667	848,118	1,355,008	8,223	284,728	1,341,444

20.1 - FURTHER INFORMATION ABOUT THE DEBT SERVICE OF ENERGIAS DO BRASIL

Credit Bond - Contract signed in October 2008, for a value of R\$ 250,000, with the Bradesco bank. On the value of the loan, interest shall be levied at a rate of 132% of CDI, capitalised on a daily basis and paid quarterly between January and December 2009, with the principal being payable in one single payment in December 2009. The guarantee for this operation is the pawning of 13,110,225 shares of their ownership.

20.2 - FURTHER INFORMATION ABOUT THE DEBT SERVICE OF BANDEIRANTE

BID - Interamerican Development Bank - An external financing contract, with the participation of a consortium of Brazilian, Portuguese and Spanish banks, signed on March 5, 2004 for a total sum of US\$ 100 million, released during the business year of 2004, with a grace period of 2 years before starting to pay the principal and with final maturity in up to 8 years, as follows:

- Part "A" - US\$ 38.9 million, with the principal payable every quarter from May 15, 2006 to February 15, 2012, remunerated with interest calculated at the Libor rate plus an additional 4.375% per annum, payable quarterly as from May 15, 2004; and
- Part "B" - US\$ 61.1 million, with the principal payable every quarter from May 15, 2006 to February 15, 2009, remunerated with interest calculated at the Libor rate plus an additional 4% per annum, payable quarterly as from May 15, 2004.

This financing is for investment projects, with guarantee on Company receivables for the supply of electrical energy, with establishment of covenants (total debt compared with total debt plus net worth, total debt compared with EBITDA and cover rate of the debt service, among others of a non-financial nature), fully met up to the present moment, the non-compliance with which would result, fully or partly, in the bringing forward of the expiry date of the contract.

For this loan, foreign exchange swap operations have been carried out, with hedge characteristics, with the bank J P Morgan, this having been done on March 15, 2004, and also with Citibank on November 13, 2003, for the exchange of original financing charges at BID, for remunerations based on an interval between 98% and 109.7% of CDI and between 97.94% and 118.94% of CDI, respectively, with the due dates being the same as the dates of the financing contracts.



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Eletrobrás

(i) "Reluz" (Shine) Programme

- a) Contract signed on April 9, 2007. Funds cleared at a value of R\$ 61 and R\$ 547 on June 11, 2007 and August 29, 2007, respectively. On the outstanding balance to pay, interest shall be applied at 5% p.a. and also a management charge of 1.5% p.a., both payable monthly as from July 30, 2007. The outstanding balance shall be paid in 60 monthly installments, equal and in succession, with the first falling due on May 30, 2008 and the last on April 30, 2013. Guaranteed through promissory notes and also the attachment of own income.
- b) Contract signed on December 12, 2007. Funds cleared at a value of R\$ 391 on June 18, 2008. On the outstanding balance to pay, interest shall be applied at 5% p.a. which shall be capitalised by February 28 at a rate of 5% p.a. and also a management charge of 1.5% p.a., both payable monthly. The outstanding balance shall be paid in 60 monthly installments, equal and in succession, with the first falling due on March 30, 2009 and the last on February 28, 2014. Guaranteed through promissory notes and also the attachment of own income.
- c) Contract signed on December 12, 2007. Funds cleared at a value of R\$ 295 on June 18, 2008. On the outstanding balance to pay, interest shall be applied at 5% p.a. which shall be capitalised by February 20, 2009 and also a management charge of 1.5% p.a., both payable monthly. The outstanding balance shall be paid in 60 monthly installments, equal and in succession, with the first falling due on March 30, 2009 and the last on February 28, 2014. Guaranteed through promissory notes and also the attachment of own income.

(ii) "Luz Para Todos" (Light for All) Programme

- a) Contract signed on May 28, 2004. Credit line totalling R\$ 11,523 for financing and R\$ 1,773 as economic subvention. Funds released totalling R\$ 7,080 for financing and R\$ 1,089 as economic subvention. On the outstanding balance to pay, interest shall be applied at 5% p.a. and there shall also be a management fee of 1%, both payable monthly, as from July 30, 2004. The outstanding balance shall be paid in 120 monthly installments, equal and in succession, with the first falling due on August 30, 2006 and the last on July 30, 2016. On the balance not disbursed, there shall be a charge of 1% p.a. in credit reserve commission, to be paid on the 30th of each month, until the credit is terminated. Guarantee through promissory notes and attachment of own income.
- b) Contract signed on June 25, 2007. Credit line totalling R\$ 12,359. Funds released totalling R\$ 3,708. On the outstanding balance to pay, interest shall be applied at 5% p.a. and there shall also be a management fee of 1%, both payable monthly, as from October 30, 2007. The outstanding balance shall be paid in 120 monthly installments, equal and in succession, with the first falling due on October 30, 2009 and the last on September 30, 2019. On the balance not disbursed, there shall be a charge of 1% p.a. in credit reserve commission, to be paid on the 30th of each month, until the credit is terminated. Guarantee through promissory notes and attachment of own income.

Bank Credit Bonds - Contracts signed on December 5, 2006, for a total value of R\$ 102,000, of which R\$ 51,000 with the Bank of Brazil and R\$ 51,000 with Santander Bank Brazil. On the value of the loan, there shall be interest at 105% of the variation of the CDI, capitalised on a daily basis. The principal shall be paid in 5 annual installments, the first being due on December 5, 2009 and the last on December 5, 2013. This operation establishes a covenant for the gross debt/EBITDA ratio at not more than 3.5, which has been complied with so far. The contractual conditions are the same for both financial institutions.

BNDES Contract No. 88,425/Agent Bank of Brazil - Signed in December 2007, for the implementation of the Investment Programme for May 2006 to December 2007, with the 1st cash clearance being in February 2008, at a value of R\$ 16,146, and the 2nd in May 2008 at a value of R\$ 19,367, with funds from the BNDES (Finem/Finame) through the Bank of Brazil, amortisable in 72 monthly installments, the first falling due on July 15, 2008 and the last on June 15, 2014, with interest at 3.3% p.a. indexed to the TJLP. Guarantee with attachment of income equivalent to 130% of the value of the largest financing payment. This operation also establishes a covenant for the Gross Financial Debt/EBITDA ratio which shall not go over 3.5, which has been the case so far.

BNDES Contract No. 88,425/Agent Santander Bank Brazil - Signed in December 2007, for the implementation of the Investment Programme for May 2006 to December 2007, with the 1st cash clearance being in February 2008, at a value of R\$ 16,146, and the 2nd in May 2008 at a value of R\$ 19,367, with funds from the BNDES (Finem/Finame) through the Bank of Brazil, amortisable in 72 monthly installments, the first falling due on July 15, 2008 and the last on June 15, 2014, with interest at 3.3% p.a. indexed to the TJLP. Guarantee with attachment of income equivalent to 130% of the value of the largest financing payment. This operation also establishes a covenant for the Gross Financial Debt/EBITDA ratio which shall not go over 3.5, which has been the case so far.

Result of the Swaps

These financial operations are valued at their fair value, as described in note 32.4.

JP Morgan Swap - A hedge operation with the JP Morgan bank, with a swap of the monetary variation of the Euro, where at the passive point the Company pays 73.6% of CDI and at the active point the Bank pays 100% of the exchange variation of the Euro, signed on March 15, 2004 at a value of € 12,720 thousand, with final maturity on January 2, 2009. On July 11, 2005, this operation was subjected to repactuation with the reduction of the CDI percentage to 59.8%.

Hedge Operations at JP Morgan Bank with a swap of the monetary variation of the American Dollar, where at the passive point the Company pays 71.6% of CDI and at the active point the Bank pays 100% of the exchange variation of the American Dollar, signed on July 28, 2004 at a value of US\$ 586 thousand, with final maturity on January 2, 2009.

Citibank Swap - Hedge operations at Citibank with a swap of the monetary variation of the American Dollar, where at the passive point the Company pays 79.94% of CDI and at the active point the Bank pays 100% of the exchange variation of the American Dollar, signed on November 13, 2003 for a value of US\$ 490 thousand, with final maturity on January 29, 2009.

20.3 - FURTHER INFORMATION ABOUT THE DEBT SERVICE OF ECELSA

BNDES (National Currency) - Contract signed in August 2006, with transfer of funds through Banco Alfa, for the programme of investment in substations, transmission and distribution of electrical energy. In the business year of 2006, a total volume of funds of R\$ 17,320 was released. On the value of the principal, there shall be interest at a rate of 4.8% p.a. plus the TJLP, demandable monthly as from October 15, 2006, together with the payments of the principal, and with final maturity on September 15, 2010. The guarantee agreed is part of the monthly invoicing arising from provision of Electricity Services, at a value equivalent to at least 130% of the payments of the principal and debt accessories.

BNDES Contract No. 88,426/Agent Bank of Brazil - Contract signed in December 2007, for a loan aimed at the implementation of an Investment Programme for the expansion, modernisation and improvement of the electrical energy distribution network, with the 1st cash clearance being in January 2008, at a value of R\$ 27,054, and the 2nd in May 2008 at a value of R\$ 6,106, with funds from the BNDES (Finem/Finame) through the Bank of Brazil, amortisable in 72 monthly installments, the first falling due on July 15, 2008 and the last on June 15, 2014, with interest at 3.3% p.a. indexed to the TJLP. Guarantee with attachment of income equivalent to 130% of the value of the largest financing payment. This operation also establishes a covenant for the Gross Financial Debt/EBITDA ratio which shall not go over 3.5, which has been the case so far.

BNDES Contract No. 88,426/Agent Santander Bank Brazil - Contract signed in December 2007, for a loan aimed at the implementation of an Investment Programme for the expansion, modernisation and improvement of the electrical energy distribution network, with the 1st cash clearance being in January 2008, at a value of R\$ 27,054, and the 2nd in May 2008 at a value of R\$ 6,106, with funds from the BNDES (Finem/Finame) through the Bank of Brazil, amortisable in 72 monthly installments, the first falling due on July 15, 2008 and the last on June 15, 2014, with interest at 3.3% p.a. indexed to the TJLP. Guarantee with attachment of income equivalent to 130% of the value of the largest financing payment. This operation also establishes a covenant for the Gross Financial Debt/EBITDA ratio which shall not go over 3.5, which has been the case so far.



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Bank Credit Bonds - Contracts signed in February 2007, for a total value of R\$ 40,400, of which R\$ 20,200 with the Bank of Brazil and R\$ 20,200 with Santander Bank Brazil. On the value of the loan, there shall be interest at 105% of the variation of the CDI, capitalised on a daily basis. The principal shall be paid in 5 annual installments, the first being due on February 9, 2010 and the last on February 10, 2014, and there shall also be half-yearly interest as from August 9, 2007 until February 10, 2014.

This operation establishes a covenant for the Gross Financial Debt/EBITDA ratio which shall not go over 3.5, which has been the case so far.

The conditions are the same for both financial institutions.

Eletrobrás

- (i) "Luz para Todos" (Light for All) Programme - 1st Phase: Programme implemented by Decree No. 4,873 of November 11, 2003, co-ordinated by the Ministry for Mines and Energy and operationalised by Eletrobrás. Contract signed on May 21, 2004, with funds being released as follows: R\$ 10,720 in 2004, R\$ 7,147 in 2005, R\$ 4,788 in 2006, and R\$ 3,095 in 2008, giving a grand total of R\$ 25,750. On the value of the principal, there shall be interest at 5% p.a. and also an administration charge of 1% p.a., paid monthly as from October 30, 2004. The payments of the principal shall be made monthly between August 30, 2006 and July 30, 2016, with guarantee by attachment of own income and also promissory notes.
- ii) "Luz para Todos" (Light for All) Programme - 2nd Phase: Programme implemented by Decree No. 4,873 of November 11, 2003, co-ordinated by the Ministry for Mines and Energy and operationalised by Eletrobrás. Contract signed on November 20, 2005, with funds totalling R\$ 40,631 being released in 2006. On the value of the principal, there shall be interest at 5% p.a. and also an administration charge of 1% p.a., paid monthly as from April 30, 2006. The payments of the principal shall be made monthly between May 30, 2008 and April 30, 2018, with guarantee by attachment of own income and also promissory notes.
- iii) "Luz para Todos" (Light for All) Programme - 3rd Phase: Programme implemented by Decree No. 4,873 of November 11, 2003, co-ordinated by the Ministry for Mines and Energy and operationalised by Eletrobrás. Contract signed on June 25, 2007, with funds totalling R\$ 25,760 being released in 2008. On the value of the principal, there shall be interest at 5% p.a. and also an administration charge of 1% p.a., paid monthly as from April 30, 2008. The payments of the principal shall be made monthly between April 30, 2010 and March 30, 2020, with guarantee by attachment of own income and also promissory notes.
- iv) "Reluz" (Shine) Programme: Several contracts signed with Eletrobrás, with regard to the Programme for Financing of Projects of Energy Saving and Preservation, for the municipalities of Vila Velha, Serra, Ibirapu, Aracruz, João Neiva, Alfredo Chaves and Santa Maria de Jetibá, at a contracted value of R\$ 17,960, with funds totalling R\$ 14,085 being released. On the value of the contracts, there shall be interest at 5% p.a. and also an administration charge of 1% p.a., paid monthly on the outstanding balance, incorporated monthly during the grace period. The payments of the principal shall be made monthly as from the end of the grace period. The first payment falls due on July 30, 2002 and the last on November 30, 2013. Guarantee by attachment of own income and also promissory notes.
- v) "Reluz" I (Shine I) Programme: Contract No. ECF-181/2007 signed with Eletrobrás, for the Programme for Financing of Projects of Energy Saving and Preservation, at a value of R\$ 85,866, with the 1st amortisation falling due on March 30, 2010 and the last on March 30, 2020. Contract No. ECF-2488/2007 signed with Eletrobrás, for the Programme for Financing of Projects of Energy Saving and Preservation, at a value of R\$ 214, with the 1st amortisation falling due on October 11, 2007 and the last on December 2, 2013. Contract No. ECF-2500/2007 signed with Eletrobrás, for the Programme for Financing of Projects of Energy Saving and Preservation, at a value of R\$ 294, with the 1st amortisation falling due on October 11, 2008 and the last on December 2, 2013. On the value of the contracts, there shall be interest at 5% p.a. and also an administration charge of 1% p.a., paid on the outstanding balance, incorporated monthly during the grace period. The payments of the principal shall be made monthly as from the end of the grace period. The first payment falls due on July 30, 2002 and the last on November 30, 2013. Guarantee by attachment of own income and also promissory notes.

20.4 - FURTHER INFORMATION ABOUT THE DEBT SERVICE OF ENERPEIXE

The balance of loans and financing arises from the financial support of the BNDES, at a total value of R\$ 670,000, approved according to the terms of BNDES Board Decision No. 691/2003 of November 10, 2003, hired on May 21, 2004, of which R\$ 335,000 is paid directly and the other R\$ 335,000 paid through financial agents as shown in the table that follows:

Subcredit	Direct Part			Indirect Part			Total
	BNDES	Itaú BBA	Bank of Brazil	Bradesco	Unibanco	Total Indirect Part	
A	26,184	7,855	6,546	6,546	5,237	26,184	52,368
B	235,671	70,701	58,917	58,917	47,134	235,669	471,340
C	7,314	2,195	1,829	1,829	1,463	7,316	14,630
D	65,831	19,749	16,458	16,458	13,166	65,831	131,662
	335,000	100,500	83,750	83,750	67,000	335,000	670,000

The main conditions for financing are as follows:

(i) Amortisation:

- a) a) For subcredits A and C: 12 monthly and successive payments, with the first payment falling due on March 15, 2007 and the last on February 15, 2008, already settled;
- b) For subcredits B and D: 95 monthly and successive payments, with the first payment falling due on March 15, 2008 and the last on January 15, 2016.

(ii) Charges:

- a) a) For subcredits A and C: a variable rate readjusted quarterly based on the average weighted cost of all fees and expenses incurred by BNDES in the capture of funds in foreign currency, plus an additional 4.5% p.a., during the time in which the bond of indirect controller EDP - Energias de Portugal remains valid;
- b) For subcredits B and D: the Long-Term Interest Rate (TJLP), plus an additional 4.5% p.a., during the time in which the bond of EDP - Energias de Portugal remains valid;
- c) The above mentioned spreads may be 6% p.a. as from the date on which the bond of direct controller EDP - Energias do Brasil takes effect, as a replacement for the bond provided by EDP - Energias de Portugal, which may occur as from January 2008 only at the request of the Company and EDP - Energias do Brasil S.A.. This rate could be brought down to 5% p.a. should EDP - Energias do Brasil S.A. show a capitalisation index of not less than 38% and provided Enerpeixe present a cover index for the debt services covered, as in 1.3.

(iii) Guarantees and Obligations:

- a) a) Pawning of shares corresponding to 60% of the capital stock of the beneficiary, in the possession of EDP - Energias do Brasil S.A.;
 - b) b) Seizure of rights emerging from the concession, including, among others:
 - The credit rights of the beneficiary, arising from the sale of energy produced by the Peixe Angical UHE to the companies: Bandeirante Energy, Electrical Stations of Espírito Santo (Escelsa), Mato Grosso do Sul Electricity Company (ENERSUL) and Mato Grosso Electricity Company (CEMAT);
 - The guarantees mentioned in the Contract for Purchase and Sale of Energy (CCVEs).
 - c) Keep, in a reserve financial account, a sum corresponding to at least three months of the amortisation payment, together with interest and other charges, as also three months of payment of the O&M contract (Contract for Operation and Maintenance), during the amortisation phase;
 - d) A bond letter of EDP - Energias de Portugal, governed by the laws of Portugal.
- On December 31, 2008, the restrictive clauses of these Contracts were fully complied with.

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20.5 - FURTHER INFORMATION ABOUT THE DEBT SERVICE OF INVESTCO**BNDES**

- i) Financing contract through opening of credit, celebrated with BNDES, with the intervention of the Shareholders of Investco and the Controllers thereof, on September 21, 2000, for a total sum of R\$ 180,000, with an interest rate of 4% above the TJLP, payable every quarter on the 15th day of the months of January, April, July and October of each year, in the period between October 15, 2000 and October 15, 2002, and monthly, as from November 15, 2002. The principal is being amortised in 120 monthly and successive payments, calculated according to the Growing Amortisation System ("Tabela Price") as from November 15, 2002.
- ii) Contract for opening credit through transfer of a loan contracted with BNDES and celebrated by Itaú, Bradesco, BBA Creditanstalt and ABC banks, with the intervention of the Shareholders of Investco and the Controllers thereof, on September 21, 2000, for a total sum of R\$ 120,000, with an interest rate of 4% above the TJLP, payable every quarter during the grace period for the payment of the principal for the first 24 months, and, together with the principal, in 120 monthly and successive payments, as from November 15, 2002. As guarantees, part of the ordinary shares issued by Investco S.A., promissory notes and assignment of contract rights were given as bonds.

BASA

- (i) Financing contract celebrated on September 30, 1999, amortised monthly in 72 payments, between November 10, 2003 and October 10, 2009, for a total of R\$ 50,000, with interest at 14% p.a. payable monthly, while during the grace period there shall only be a requirement to pay 50% of these charges, with the remaining 50% being capitalised and added to the outstanding balance, for payment together with the payments of the amortisation of the principal. As according to an addendum signed in December 2007, as guarantee of this financing machines and equipment in fiduciary alienation and also a bank bond from Unibanco were given, totalling R\$ 18,937.
- ii) Financing contract celebrated on December 28, 2000, at a total of R\$ 44,300, with an amortisation period of 84 months, including a grace period of 36 months, with the first payment of the principal being required on February 10, 2004 and the last on January 10, 2011, with interest at 14% p.a. payable monthly, while during the grace period there shall only be a requirement to pay 50% of these charges, with the remaining 50% being capitalised and added to the outstanding balance, for payment together with the payments of the amortisation of the principal. As according to an addendum signed in December 2007, as guarantee of this financing machines and equipment in fiduciary alienation and also a bank bond from Unibanco were given, totalling R\$ 18,937.
- iii) Contract of working capital signed on October 30, 2007 at a value of R\$ 9,900, with an amortisation period of 14 months, including a grace period of 2 months. The first payment came due in January 2008 and the last payment shall be made in December 2008. The financial charges are equal to the variation of the CDI plus 1% p.a., payable every month. During the grace period no payment of fees was required, with this sum being incorporated into the balance outstanding for payment together with the amortisation of the principal. The guarantee given was a bond letter from Unibanco, liquidated on December 1, 2008.
- iv) Safra Leasing S.A. - On March 10, 2008, a contract for mercantile leasing was signed at a value of R\$ 198. The term for amortisation of this Contract is 36 months, with the first payment having been made on April 14, 2008 and the last due for payment on March 14, 2011. The asset leased by the company was a Minibus for the exclusive use of the plant employees.

20.6 - FURTHER INFORMATION ABOUT THE DEBT SERVICE OF CASTELO ENERGY S.A. - CESA AND PANTANAL ENERGY LTD

BNDES - Contract signed in February 2002 by CESA, for the implementation of three small hydroelectric power centres, Viçosa and São João in the State of Espírito Santo and Paraíso in the State of Mato Grosso do Sul. In the business year of 2002 funds totalling R\$ 39,280 were released, followed by R\$ 17,565 in 2004 and R\$ 5,635 in 2005. On the value of the principal, interest is charged at 4.5% p.a. plus the variation of the TJLP, payable monthly, together with the payments of the principal, with final payment due on July 15, 2012. The guarantees agreed are: (i) the attachment of receivables from authorisations granted by ANEEL, either by extinction of the authorisations, purchase and sale of electrical energy and the right to generate energy through the PCHs; (ii) the pawning of nominative ordinary shares, which include the total participation of Energest S.A. in the

Society. In the context of the transfer of the concession of PCH Paraíso from CESA to Pantanal, the balances of this financing concerning PCH Paraíso, as also the conditions established in the Contract, have been transferred to Pantanal.

Resolution 2770 - Contract for repassing foreign currency credit operation No. 231010028 signed on 14 March 2008 by CESA, with the Santander Bank, at a value of US\$ 5,892,404.69, equivalent to R\$ 10,000, for a period of 335 days, with final expiry on 12 February 2009, at a rate of 4.81% p.a. The amortisation and the interest shall be paid in one lump sum on the expiry of the Contract. The guarantee shall be a bond in the form of a promissory note in foreign currency.

For this loan, a foreign exchange swap operation was carried out, with hedge characteristics, at the Santander Bank, on March 14, 2008, for exchange of the original financial charges with the same bank, for the remuneration of 111.90% of CDI.

20.7 - FURTHER INFORMATION ABOUT THE DEBT SERVICE OF ENERGEST

BNDES - Contract signed in October 2001, with the transfer of funds through Itaú (leader), Alfa and Sudameris banks, for investments in the installation of the 4th generator unit at UHE Mascarenhas. In the business year of 2001, a total cash volume of R\$ 24,102 was released. On the value of the principal, interest is charged at 3.5% p.a. plus the variation of the TJLP (national currency) and 3.5 p.a. plus the variation of the UMBNDES (foreign currency), payable monthly, together with the repayments of the principal, until final expiry on October 15, 2010. The guarantee agreed is the attachment of income from the provision of Electricity Services, at a value equal to at least 1.4 (one point four) times the largest payment owed by the beneficiary. This operation establishes a covenant for the EBITDA/net financial debt ratio, which has been complied with so far.

Resolution 2770 - Contract for repassing foreign currency credit operation No. 231010058 signed on March 14, 2008 with the Santander Bank, at a value of US\$ 10,606,328.44, equivalent to R\$ 18,000, for a period of 335 days, with final expiry on February 12, 2009, at a rate of 4.81% p.a. The amortisation and the interest shall be paid in one lump sum on the expiry of the Contract. The guarantee shall be a bond in the form of a promissory note in foreign currency.

For this loan, a foreign exchange swap operation was carried out, with hedge characteristics, at the Santander Bank, on March 14, 2008, for exchange of the original financial charges with the same bank, for the remuneration of 111.90% of CDI.

Bank Credit Bonds - Contract signed on February 2008, at a total value of R\$ 48,000, with the Bank of Brazil. On the value of the loan, there shall be interest charged at 106.6% of the variation of CDI, capitalised daily. The principal shall be paid in 5 annual payments, the first due on February 20, 2011 and the last on February 20, 2015, and there shall also be twice-yearly interest due between August 20, 2008 and February 20, 2015. This operation establishes a covenant for the net debt / EBITDA ratio, which shall be kept under 3.5.

20.8 - FURTHER INFORMATION ABOUT THE DEBT SERVICE OF COSTA RICA Eletróbrás-Financiamento

Eletróbrás Financing ECF-1,568/97 - Contract signed by Enersul on November 4, 1997, for a value of R\$ 5,375, for financing of the construction of the Hydroelectric Plant at Costa Rica, with funds from the Eletróbrás Investment Fund (FINEL), with interest at 6.5%, with end at May 31, 2014, amortisation in 180 monthly payments, equal and in succession, with guarantee through income and promissory notes. Contract transferred to Costa Rica Energy, through a "Private Contract for Promise of Debtor Clearance".

20.9 - FURTHER INFORMATION ABOUT THE DEBTS SERVICE OF THE JOINTLY CONTROLLED COMPANY PORTO DO PECÉM

Working Capital - A contract for bridge financing for the Pecém project, signed on January 31, 2008 with a syndicate of banks co-ordinated by Citibank, in national currency, for a total of R\$ 192,000, with due date on April 30, 2009, with the incidence of interest at CDI rate plus 0.75%, capitalised daily and paid monthly, with the principal to be paid in one single payment on April 30, 2009. On January 31, 2008 and April 8, 2008 the sums of R\$ 24,000 and R\$ 168,000 respectively were withdrawn. The guarantee here is a bond from the shareholders, each responsible for 50% of the total.

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Capital de Giro - A contract for bridge financing for the Pecém project, signed on 26 February 2008 with a syndicate of banks co-ordinated by Citibank, in foreign currency, for a total of US\$ 158,000,000, with due date on 30 April 2009, with the incidence of interest at the monthly Libor rate plus 0.75%, capitalised daily and paid monthly, with the principal to be paid in one single payment on 30 April 2009. On 4 March and 8 April 2008 the sums of R\$ 219,682 and R\$ 31,838 respectively were withdrawn. The guarantee here is a bond from the shareholders, each responsible for 50% of the total.

Distribution of Financing by Bank

Financial Institution	National	Foreign
Banco Espírito Santo	11,520	US\$ 9,480,000
WestLB	11,520	US\$ 9,480,000
Banco Comercial Português	42,240	US\$ 34,760,000
Bank of Brazil	42,240	US\$ 34,760,000
Citibank	42,240	US\$ 34,760,000
ING	42,240	US\$ 34,760,000
Total	192,000	US\$ 158,000,000

Results of the Swaps

Operation for protection at Citibank against Non-Deliverable Forwards (NDF), signed on October 17, 2007, for a total value US\$ 406,736,000, with due dates between January 2009 and January 2012, with the initial parity as contracted of R\$ 1.8138 to the dollar.

Swap operation at Citibank, taken out on October 16, 2007, at a value of US\$ 334,181,000, starting on April 2, 2012 and with final maturity on October 1, 2024, where at the passive point the Company pays the variation in the dollar rate plus an extra 5.82% p.a. and the Bank, at the active point, pays 100% of the Libor rate.

Swap operation at Citibank, taken out on 16 October 2007, at a value of US\$ 334,181,000, starting on April 2, 2012 and with final maturity on October 1, 2021, where at the passive point the Company pays the variation in the dollar rate plus an extra 5.79% p.a. and the Bank, at the active point, pays 100% of the Libor rate.

20.10 - DUE DATES OF PAYMENTS OF CURRENT AND NON-CURRENT ASSETS (PRINCIPAL AND CHARGES)

Due Date	Type of Currency		Total
	National	Foreign	
Current			
2009	612,162	257,623	869,785
	612,162	257,623	869,785
Non-Current			
2010	248,145	20,911	269,056
2011	248,032	18,833	266,865
2012	244,558	4,885	249,443
2013	202,790		202,790
2014	166,482		166,482
2015	137,800		137,800
2016	25,833		25,833
After 2016	36,739		36,739
	1,310,379	44,629	1,355,008
Total	1,922,541	302,252	2,224,793

21 - POST-EMPLOYMENT BENEFITS

Due Date	Consolidated			
	Current Liabilities		Non-Current Liabilities	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007
Bandeirante				
BSPS - Reserves to Amortise	21,003	13,669	63,678	82,774
Assistance Programmes	6,033	3,856		
Escelsa				
Incentive to Retirement - AIA			3,899	5,868
Medical plan and life insurance	3,835	3,835	40,525	37,444
Energest				
Incentive to Retirement - AIA				228
Medical plan and life insurance				1,033
Total	30,871	21,360	108,102	127,347

As established by CVM Deliberation No. 371 of December 13, 2000, as from January 1, 2002, open companies are required to record liabilities arising from post-employment benefits, based on the rules established in NPC Statement No. 26, of IBRACON.

To meet this requirement, the subsidiaries that offer post-employment benefits, which are Bandeirante, Escelsa and Energest, have hired independent actuaries to carry out an actuarial appraisal of these benefits, using the Forecast Unit Criterion Method.



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The main assumptions made in the actuarial assessment were the following:

	2008	2007
Economic		
Discount Rate	10.75% p.a.	10.75% p.a.
Expected Rate of Return from Assets	Between 11% and 11.50% p.a.	Between 11% and 12.45% p.a.
Future Salary Growth	5.55% p.a.	5.55% p.a.
Growth in social security benefits and benefits plan	4.50% p.a.	4.50% p.a.
Average long-term inflation	10% p.a. in 2008, linearly coming down to 5.5% p.a. by 2018	10% p.a. in 2006, linearly coming down to 5.5% p.a. by 2015
Inflation	4.50% p.a.	4.50% p.a.
Capacity Factor - salaries and benefits	100%	100%
Demographical		
Mortality Board	RP 2000 Gerational	RP 2000 Gerational
Disabled Mortality Board	RP 2000 Disability	RP 2000 Disability
Disability Entry Board	Wyatt 1985	TASA 27
Rotativity Board	Nil as from 3 years on the benefits plan	Nil as from 3 years on the benefits plan

21.1 - BANDEIRANTE

The Company is the sponsor of the CESP FOUNDATION, a multisponsored and closed private pension institution, without any profit aims, with the purpose of managing and administrating a set of pension benefit plans in favour of current and former employees of the Company, through the Supplementary Paid Benefit Plan (BSPS) and also the Mixed Benefits Plan, with the following main characteristics:

- (i) Supplementary Proportional Paid Benefit Plan (BSPS) - Corresponds to the proportional benefits of the employees, calculated based on the length of employment to March 1998. The sum of R\$ 84,681, calculated on December 31, 2008, according to CVM Deliberation No. 371 of December 13, 2000, corresponds to the current volume of benefits in excess of the plan's assets. The deficit is being paid off in 240 months, as from September 1997, based on a percentage of the payroll, and can be reviewed once a semester to make sure that the balance is paid off within the period mentioned above. This Plan was effective until March 31, 1998, and has the Defined Benefit feature, which grants a Supplementary Paid Benefit Plan (BSPS), as a lifelong income as a pension, to participants who signed up before March 31, 1998, of a sum proportional to the time spent with the company to the date mentioned, with compliance with the regulatory requirements for concession. The total responsibility for the cover of the actuarial insufficiencies of this Plan rests with the Company.
- (ii) Mixed Benefit Plans - BD and CD
 - BD Plan - Effective after March 31, 1998 - this is a plan of the Defined Benefit type which gives a reversible lifelong income, based on the time with the company after March 31, 1998, based on 70% of the average monthly real salary over the last 36 months of activity. In the case of death while on the job or entrance into a state of disability, then the benefits shall include all the time with the company (including any time prior to March 31, 1998) and, therefore, are not limited to the accrual period after March 31, 1998. The responsibility for covering actuarial insufficiencies rests equally with the Company and the Participants.

- CD Plan - Implemented together with the BD plan, effective after March 31, 1998 - this is a pension plan that, until the granting of a lifelong income, whether reversible (or not) to a pension, is of the Defined contribution variety, thus not generating any actuarial responsibility for the Company. Only after the lifelong income has been granted, whether reversible to a pension or not, does this pension plan become of the Defined Benefit type, meaning that it can generate actuarial responsibility for the Company.

The actuarial assessment conducted on December 31, 2008 has shown that, in the Defined Benefit type of pension plan, the present value of the actuarial obligations, net of the fair value of the assets, and non-recorded accounting losses, shows a deficit, as can be seen below:

	12/31/2008	12/31/2007
Present Value of actuarial obligations totally or partly covered	(422,199)	(406,171)
Fair Value of Assets	312,153	291,471
	(110,046)	(114,700)
Value of non-recorded actuarial losses	25,365	18,257
Deficit	(84,681)	(96,443)

In the business year there was a credit to the result of R\$ 11,762 (R\$ 1,572 of credit to the result in 2007), in compensation for the long-term exigible liabilities, in the light of the evidence of the reduction of the actuarial liabilities.

We now present a summary of the number of participants in the Plan.

	2008	2007
Active Participants	948	1,052
Assisted Participants		
With deferred benefits	149	156
Retirees and Pension Recipients	487	425
	636	581
Total	1,584	1,633

As a sponsor, Bandeirante has made a contribution, throughout the business year of 2008, of R\$ 16,648 (R\$ 16,413 in 2007), seeking to pay off installments of the contract for adjustment of reserves of the BSPS plan, and also help to pay the monthly cost of the present plans.

The net expenses with the Plans for Supplements to Retirement Pay and Pensions of Bandeirante (PSAP/Bandeirante), to be recorded in the result for 2009, shall have the following composition:

Cost of current service	983
Cost of interest payment	46,591
Expected rate of return of assets	(34,749)
Special contributions of employees	(2,608)
Total	10,217



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21.2 - ESCELSA

The Company has the following responsibilities in relation to post-employment benefits:

- (i) Sponsor of Plans for Supplementation of Retirement Pay and Pensions;
- (ii) Other post-employment benefits, such as Medical Assistance, Life Insurance and Incentive to Retirement - AIA.

21.2.1 - Plans for Supplements to Retirement Pay and Pensions

The Company has been the sponsor of EnerPrev since September 19, 2008, and is the current manager of the pension plans which until then had been managed by the ESCELSA FOUNDATION FOR SOCIAL SECURITY - ESCELSOS, a closed capital private pension institution, without profit aims, which has the aim of managing and administering a set of plans of pension benefits in favour of current and former collaborators of the Company, through two different benefit plans: Benefits Plan I, of the Defined Benefit type, and the Benefits Plan II, of the Defined Contribution type, converted into a defined benefit when it is changed into a lifelong income.

The actuarial assessment carried out on December 31, 2008 showed that, for these pension plans, the fair value of the assets is higher than the present value of the actuarial obligations, as shown in the table that follows:

	12/31/2008	12/31/2007
Present Value of actuarial obligations partly or totally covered	(120,453)	(124,413)
Fair value of assets	187,553	219,500
	67,100	95,087
Value of losses (gains) not recorded	16,109	(23,928)
Surplus	83,209	71,159

The fact that the Defined Benefit plans are showing a surplus helps to reduce the risk of a possible future actuarial liability for the Company. The Administration of the Company has not recorded this asset, given that the actual reduction of the contributions made by the Sponsor, or that there shall be a reimbursement in the future, are by no means certain.

In the role of Sponsor, Escelsa contributes with a monthly payment proportional to the contribution made by the participants of EnerPrev, according to the terms established in each benefit plan. In the business year, Escelsa contributed with R\$ 2,966 (R\$ 2,780 in 2007).

We now show the number of participants in the Plan.

	Plan I	Plan II	Total 2008	Total 2007
Active Participants	3	1,073	1,076	1,092
Assisted Participants - Retirees and Pension Recipients	716	191	907	908
Total	719	1,264	1,983	2,000

21.2.2 - Other Post-Employment Benefits

While still within the scope of the actuarial assessment as mentioned in note 21.2.1, there has been the measurement of the following obligations with other post-employment benefits:

- Medical Assistance and Life Insurance - Cover of expenses with medical assistance, dental treatment, medication, life insurance and, in proven cases, where there is a dependent with special needs, corresponding to a payment of 50% of the Company's base salary;
- Incentive to Retirement - AIA - This benefit is given to employees who entered the company up to December 31, 1981, and is payable at the moment of termination of the contract of employment, regardless of the reason. The AIA guarantees a special payment (pecúlio) whose value was calculated considering, for each employee, the proportionality of time contributing to the INSS until October 31, 1996, the remuneration and the INSS benefit on October 31, 1996. The actuarial assessment of December 31, 2008 showed that in the plans of Medical Assistance, Life Insurance and AIA, the present value of the actuarial obligations, net of non-recorded losses, adds up to R\$ 48,259, recorded in Current Liabilities and Non-Current, with the following composition:

	12/31/2008	12/31/2007
Present Value of fully uncovered actuarial obligations	(57,410)	(64,322)
Net value of actuarial losses not recorded	9,151	17,175
Total	(48,259)	(47,147)
Current	3,835	3,835
Non-Current	44,424	43,312

21.3 - ENERGEST

The Company is a sponsor of the Plan for Supplements to Retirement Pay and Pensions, managed by EnerPrev since September 19, 2008, this being the current manager of the plans that had previously been managed by the ESCELSA FOUNDATION FOR SOCIAL SECURITY (ESCELSOS) and by the ENERSUL FOUNDATION, a closed-capital private pension institution, without profit aims, with the aim of managing and administrating a set of pension benefit plans in favour of the current and former collaborators of the Company, through two different benefit plans: the Benefits Plan I, of the Defined Benefit variety, and the Benefits Plan II, of the Defined Contribution type, converted into a benefit which is defined at the moment of change to lifelong income.

The actuarial assessment carried out on December 31, 2008 showed that, for these pension plans, the fair value of the assets is higher than the present value of the actuarial obligations, as shown in the table that follows:

	12/31/2008	12/31/2007
Present Value of actuarial obligations fully or partly covered	(241)	(103)
Fair value of assets	369	226
	128	123
Value of actuarial losses (gains) not recorded	99	(38)
Surplus	227	85

The fact that the Defined Benefit plans are showing a surplus reduces the risk of a possible future actuarial liability for the Company. The Administration of the Company has not recorded this asset, given that the actual reduction of the contributions made by the Sponsor, or that there shall be a reimbursement in the future, are by no means certain.

In the role of Sponsor, Energest contributes with a monthly payment proportional to the contribution made by the participants of EnerPrev, according to the terms established in each benefit plan. In the business year, Energest contributed with R\$ 231 (R\$ 181 in 2007).



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21.4 - ENERPREV - PENSION PLAN OF THE DEFINED CONTRIBUTION TYPE

EnerPrev is a closed private pension institution, without profit aims, which was set up at the end of 2006 to manage, in a centralised way, the complementary pension plans of the Energias do Brasil Group. EnerPrev manages an own plan and also a private plan, through Bradesco Vida e Previdência, the pensions division of Bradesco, of the Defined Contribution type, with 171 participants, not generating any kind of actuarial responsibility for the Sponsors.

As Sponsors of this type of Plan, the companies of the Energias do Brasil Group have contributed the sum of R\$ 775 this business year (R\$ 302 in 2007).

22 - ESTIMATED OBLIGATIONS WITH PERSONNEL

	Controlling Company		Consolidated	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007
Payroll	3,902	6,409	41,546	58,505
INSS and FGTS	316	258	6,016	5,797
Total	4,218	6,667	47,562	64,302

The Payroll category includes, essentially, holiday pay and respective social contributions and also provisions for participation in profits and results for the year of 2008.

23 - REGULATORY AND SECTORIAL CHARGES

The obligations to be paid, resulting from charges established by the legislation of the electrical sector are the following:

	Consolidated	
	12/31/2008	12/31/2007
Quota of Global Reversal Reserve - RGR	2,717	3,646
Quota of Fuel Consumption Account - CCC	20,891	14,506
Energy Development Account - CDE	13,989	16,311
Financial Compensation for use of water resources	5,111	3,671
Fee charges (ECE/EAESEE)	33,226	34,151
Research and Development	44,547	45,806
Programme for Energy Efficiency	34,891	42,790
Use of Public Assets - UBP - Granting Rights	1,437	1,087
Inspection Fee - ANEEL	863	1,021
Total	157,672	162,989

23.1 - USE OF PUBLIC ASSETS - UBP - GRANTING RIGHTS

The subsidiaries Enerpeixe and Investco, as a form of retribution for the granting of exploitation rights for the hydroelectric potential of the Peixe Angical and Lajeado plants respectively, shall generate to the Union, throughout the validity of the concession contracts and for as long as the exploitation should continue, monthly payments equivalent to 1/12 (one twelfth) of the annual sum as defined in the concession contracts, annually readjusted based on the annual variation of the IGP-M

price index, calculated by the Getúlio Vargas Foundation (or any other index as may replace it) in the months of October and December, for Enerpeixe and Investco respectively.

The payment of this obligation is made monthly, and is compensated in the Other Operational Expenses and Financial Expenses categories.

The contractual commitments are as follows:

	Consolidated			
	Nominal Value updated until		Present Value	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007
UHE Lajeado	65,504	64,910	35,120	34,030
UHE Peixe Angical	384,056	354,502	189,226	170,960
	449,560	419,412	224,346	204,990

The calculation of the present value was made considering a discount rate of 10% per annum, which is compatible with the estimated long-term rate, not having any connection with the expected rate of return of the project or on the forecast of the IGP-M index.

These commitments, duly updated to December 31, 2008, are distributed thus:

	Consolidated	
	Nominal Value	Present Value
2009	17,661	16,884
2010	17,682	15,914
2011	16,810	14,312
2012	16,810	13,536
2013	16,810	12,801
After 2013	363,787	150,899
	449,560	224,346

In the business year, Investco and Enerpeixe paid the Granting Power the sums of R\$ 3,445 and R\$ 12,419 respectively, with R\$ 8,151 being the principal and the other R\$ 7,713 including monetary readjustment, recorded in the results of the business year.

24 - PROVISIONS FOR CONTINGENCIES AND DEPOSITS ASSOCIATED WITH LITIGATION - CURRENT AND NON-CURRENT

The Company and its subsidiaries are a party to judicial action and administrative procedures at several courts and Government organisations, as a result of the normal company operations, involving tax issues, labour issues, civil aspects and other issues.

The Management Teams of the Company and its subsidiaries, based on information supplied by the judicial advisors and also the analysis of outstanding judicial demands, have established financial provision of a sum that is sufficient to cover estimated losses that could result from the actions under way, as follows:



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Controlled Company									
Liabilities					Assets				
					Judicial Deposits (Note 12)				
	Balance on 31/12/2007	Additions		Balance on 12/31/2008	12/31/2008		12/31/2008	12/31/2007	
Labour								5	
Tax	42,251	22,145		64,396	2,944		2,546		
Others					2,080		2,080		
Total	42,251	22,145		64,396	5,024		4,631		
Current					2,080		2,080		
Non-Current	42,251			64,396	2,944		2,551		
Total	42,251			64,396	5,024		4,631		
Consolidated									
Liabilities					Assets				
					Judicial Deposits (Note 12)				
	Balance on 12/31/2007	Additions	Payments	Reversals	Acq./Alien. Investments (note 1.1)	Balance on 12/31/2008	12/31/2008	12/31/2007	
Labour	61,730	21,972	(6,036)	(5,914)	(28,773)	42,979	34,096	36,613	
Civil	77,841	16,349	(2,288)	(9,123)	(24,058)	58,721	10,059	9,880	
Tax	180,803	29,972		(24)	(46,494)	164,257	81,897	141,436	
Others		141		456	1,996	2,593	8,095	6,257	
Total	320,374	68,434	(8,324)	(14,605)	(97,329)	268,550	134,147	194,186	
Current	1,953					5,255	2,080	2,080	
Non-Current	318,421					263,295	132,067	192,106	
Total	320,374					268,550	134,147	194,186	

24.1 - LABOUR

24.1.1 - Bandeirante

Includes actions lodged corresponding to the periods after January 1, 1998, as according to the protocol of partial spinoff of São Paulo Electricity (Eletropaulo). Later, in the terms of the Protocol of Partial Spinoff of Bandeirante, which occurred on October 1, 2001, each Concessionaire (Bandeirante and Piratininga) is responsible for the obligations corresponding to the collaborators in the respective regions taken over by each company, while corporate legal action shall be taken on according to the percentage proportion of the controllers (Bandeirante and Piratininga), established in the respective Spinoff Protocol.

They also include several different actions that question, among others, payment of overtime, additional danger money and reintegration.

The balance set aside on December 31, 2008 came to R\$ 13,390 (R\$ 11,938 in 2007).

24.1.2 - Escelsa, Energest, Cesa, EDP Lajeado and Escelsapar

Several legal cases involving, among others, payment of overtime, additional danger money and reintegration.

The balance set aside on December 31, 2008 came to R\$ 29,589 (R\$ 49,792 in 2007).

24.2 - CIVIL

24.2.1 - Bandeirante

This item refers mainly to requests for reimbursement of sums paid for rate increases, made by industrial consumers as a result of the application of DNAEE directives No. 38 of February 27, 1986 and No. 45 of March 4, 1986 - Cruzado Plan, which were effective between March and November of that year. The original values are adjusted according to the system practiced within the scope of the Judicial Power. The balance on December 31, 2008 is R\$ 41,450 (R\$ 37,116 in 2007). This item also includes claims for moral and material damages.

24.2.2 - Enertrade

Action lodged by Enertrade, questioning the constitutional validity of the payment of the Energy Development Charge.

The balance set aside on December 31, 2008 is R\$ 3,589 (R\$ 3,589 in 2007).

24.3 - TAX

24.3.1 - Bandeirante

- (i) COFINS - The company is judicially querying the alterations made to the COFINS as a result of Law No. 9,718 of November 27, 1998. On July 1, 1999, the company obtained an injunction making it possible to pay this tax, until December 1999, in the manner set out in the previous legislation, which means 2% of total income, with effects retroactive to February 1999. The balance set aside for the additional 1% on December 31, 2008 is R\$ 55,915 (R\$ 53,298 on December 31, 2007). For this legal dispute, the Company has a judicial deposit at the value of this provision.
- (ii) Contesting the prohibition of deduction of the Social Contribution on Net Profit in calculation of the Income Tax for the years of 2001 and 2002. The provision held on December 31, 2008 is R\$ 8,764 (R\$ 8,254 in December 31, 2007). For this action, the Company has a judicial deposit for the value of this provision.

24.3.2 - Escelsa

- (i) Notifications promoted by the ISS, requiring payment of contributions on providers of continuous services, like the case of contracts with relationship of formal employment. The balance held on December 31, 2008 is R\$ 11,434 (R\$ 10,239 in 2007).
- (ii) Judicial dispute made by the Company, with regard to the constitutional validity of the application of Insurance against Accidents in the Workplace (SAT). The balance set aside on December 31, 2008 is R\$ 8,628 (R\$ 7,670 in 2007).
- (iii) Infringement document requesting the payment of the difference in the CSLL, due to the fact that the company did not add to their calculation base, regarding the profit found in the business year of 1995 and the months of January to April 1996, the expense corresponding to the depreciation charges, as also amortisation or the cost of the good written off, corresponding to the difference, in 1990, between the IPC and the National Treasury Bonus (BTNF). The balance set aside for this item on December 31, 2008 is R\$ 8,323 (R\$ 8,323 in 2007).

24.3.3 - EDP - Energias do Brasil

The company has gone to Court to dispute the charging of PIS and COFINS applicable to the income from interest on own capital (JCP), for the business years of 2005, 2006, 2007 and 2008, obtaining a Court injunction barring the requirement thereof. The balance set aside on December 31, 2008, after monetary adjustment, stands at R\$ 64,396 (R\$ 42,251 in 2007).

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24.4 - RISK OF POSSIBLE LOSS

In addition, there are some processes of labour, civil and tax nature for which the loss has been considered as probable, regularly readjusted, therefore not needing the establishment of provisions in the statements of accounts, shown as follows:

	Consolidated	
	12/31/2008	12/31/2007
Labour	46,411	42,395
Civil	101,731	100,451
Tax	107,230	119,701
Total	255,372	262,547

Among the main causes with possible risk of loss considered as quite possible we could mention the following:

24.4.1 - Bandeirante

Among the main causes with risk of loss considered possible, we could highlight the discussion at the administrative level about ICMS credits used by the company between July 2003 and December 2003, relating to sums of "Annulment/Return of Sale of Electrical Energy" totalling R\$ 58,710 and also a fine on undue accounting of invoices of acquisition of fuel, totalling R\$ 198. The Company has presented its case and now awaits trial.

24.4.2 - Escelsa

- **Income Tax** -The Inland Revenue is alleging the need to pay Income Tax on the profits accrued between December 1995 and April 1996, resulting from Infringement Document No. FM-00505, which questions the methodology that the Company used to deduct, from the calculation base for income tax, the values of depreciation charges, amortisation and costs of goods written off, regarding the difference in monetary correction for 1990, between the IPC and the BTNF. The sum allocated to this risk is R\$ 19,867 (R\$ 19,223 in 2007);
- **INSS** -The inspection department of the INSS has issued notifications for debt collection of pension deeds, on the non-consideration of freelance workers and also of other corporations, arguing that there is a relationship of employment between these service providers and Escelsa. These notifications tie up a total sum of R\$ 13,289 (R\$ 12,858 in 2007);
- **Municipal Taxes** - Different Town Halls demand collection of the ISSQN, between January 1991 and August 1995, apparently on the services of issue of second copies of bills and renotifications, among others. It also includes the request for payment for the space occupied by the lamppost system for the electricity network and public lighting. These legal cases involve a total of R\$ 6,942 (R\$ 7,269 in 2007); and
- **Civil Cases** - Rate Increases - Ordinary Lawsuit No. 97.0005229-0, referring to the increase in electricity prices, authorised by DNAEE Directives No. 38 and No. 45, of February 27 and March 4, 1996. These legal processes add up to a sum of R\$ 9,854.

24.4.3 - Investco

The judicial cases of a civil nature are mainly with regard to compensation sought by people who feel harmed by the filling of the reservoir of the plant or those who seek greater compensation received for such filling, for a total of R\$ 66,904 (R\$ 17,009 in 2007, in a proportional participation of 23.06%)

25 - NET WORTH**25.1 - CAPITAL STOCK**

The composition of the capital stock on December 31, 2008, September 30, 2008 and December 31, 2007 are shown in the following table:

Shareholder	12/31/2008		09/30/2008		12/31/2007		Controlled Shareholder
	Number of Shares	% Participation	Number of Shares	% Participation	Number of Shares	% Participation	
Energias de Portugal							
Investments and Services, Sociedad Limitada (1, 2)	38,234,188	24.08	38,234,188	23.17	38,234,188	23.17	Yes
Balwerk - Cons. Econ. Part. Soc. Unipessoal Ltda (1, 2)	24,928,914	15.70	23,545,820	14.27	23,545,820	14.27	Yes
EDP - Energias de Portugal S.A. (1, 2)	39,739,013	25.02	39,739,013	24.08	39,739,013	24.08	Yes
Herald Securities Inc (2)			1,383,094	0.84	1,383,094	0.84	Yes
Shares in Treasury (3, 4, 5)	15,780,225	9.94	6,211,400	3.51	861,322	0.52	
Others (6)	40,122,864	25.26	55,903,089	34.13	61,253,167	37.12	
Total	58,805,204	100	65,016,604	100	65,016,604	100	

- (1) Shareholder with more than 5% of the shares with voting rights.
- (2) Foreign-controlled company.
- (3) The Administration Board approved, on December 18, 2007, for a period of 365 days, the purchase of 6,211,426 shares of the Company to be held in the Treasury and later alienation and/or cancellation without reduction of capital stock. At a meeting held on April 15, 2008, the Administration Board approved the conclusion of the programme of acquisition of shares held by the Company itself, and this resulted in the repurchase of 6,211,378 ordinary shares, equal to 99.99% of the maximum limit allowed for such a purchase, for a cost of R\$ 156,244, which remained in the Treasury until the cancellation thereof, together with the 22 ordinary shares that were held by the Treasury prior to the start of this programme, as agreed at the Administrative Board Meeting of October 3, 2008. In line with CVM Instruction No. 10/80, changed by CVM Instruction No. 268/97, the number of shares in circulation on April 15, 2008, the date on which the Programme was ended, was 62,114,489 ordinary shares, which means there was a deduction only of those held by the controlling shareholder.
In line with the concept of Circulating Shares as set by the Listing regulations of the New São Paulo Stock Exchange, the number of shares in circulation on April 15, 2008 came to 55,903,053 ordinary shares, with the deduction, from the total of shares issued by the Company, of those held by the controlling shareholder, administrators and also those held by the Treasury.
- (4) The Administrative Board, on October 3, 2008, approved, for a period of 365 days, the purchase of 5,590,306 Company shares to be kept in the Treasury and later alienation and/or cancellation without reduction of capital stock, having by December 31, 2008 acquired a total of 2,670,000 shares, at a total cost of R\$ 60,164.
- (5) For exercising the right to recess of shareholders of Energias do Brasil, as mentioned in item b of note 1.1, the Company acquired 13,110,225 shares, corresponding to a sum of R\$ 312,286, with the financial settlement thereof having occurred on October 27, 2008, these having been kept in the Treasury to this date.
The shares held by the Treasury do not have any asset value.
- (6) There are 40,122,837 shares in circulation out of a total of 158,805,204, which works out at about 25.27% of the total shares. There are 27 shares in the possession of the administrators, with 17 from the Administration Board and 10 in the hands of the Directors. The Fiscal Commission has not convened since the Initial Public Offering on July 13, 2005.



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Calculation of the number of shares in circulation

	12/31/2008		09/30/2008		12/31/2007	
	Number of Shares	% Participation	Number of Shares	% Participation	Number of Shares	% Participation
Quantity of shares with controllers	102,902,115	64.80	102,902,115	62.36	102,902,115	62.36
Quantity of shares with reciprocal participation	15,780,225	9.94	6,211,400	3.51	861,322	0.52
Quantity of Shares with Board members and Directors						
Total shares not in circulation	118,682,367		109,113,542		106,763,504	
Total Shares	158,805,204		165,016,604		165,016,604	
Total Shares in Circulation	40,122,837	25.26	55,903,062	34.13	61,253,100	37.12

25.2 - DESTINATION OF PROFIT

The company's dividends policy, as decided by the 120th meeting of the Administration Board held on March 5, 2008, establishes the payment of a minimum value equal to fifty per cent (50%) of the net profit, duly adjusted, calculated in line with the provisions of Article 189 and subsequent articles of the Corporation Law, and can be reduced when this is required by legal or regulatory provisions or when it is recommended in the light of the Company's financial situation and/or future prospects.

The dividends to be distributed may have the application of the Interest on Own Capital (JCP) paid or credited, individually to the shareholders, as remuneration for own capital, thereby being a constituent part of the dividends to be distributed by the Company, for all legal effects and also in the terms of Law No. 9,249 of December 26, 1995, and later regulation.

	12/31/2008	12/31/2007
Net Profit for the Business Year	388,329	446,889
Adjustment of previous years + Law No. 11,638/07	(18,066)	(10,654)
Adjusted Net Profit	370,263	436,235
Constitution of Legal Reserve - 5%	(18,513)	(21,811)
	351,750	414,424
Destination of Profit		
Dividends	237,271	207,212
Intermediate Dividends - JCP	103,061	119,923
Complementary Dividends	134,210	87,289
Constitution of Reserve for Profit Withholding	114,479	207,212
Dividends per share - R\$	0.720580	0.730546
Dividends per share - complementary - R\$	0.938365	0.531747

On December 23, 2008, the Administration Board of the Company approved the credit of Interest on Own Capital, at a gross value of R\$ 103,061, which can be applied to the dividends to be distributed by the company on a payment date to be agreed, which have been put under Financial Expenses, as required by tax legislation. For the purposes of these Statements of Accounts, this interest has been reclassified to Net Worth, in line with CVM Deliberation No. 207/96.

To the total volume of complementary dividends of the business year of 2008, on the minimum value as established in the dividends policy of the Company, there has been the addition of the sum of R\$ 61,396, corresponding to the effect of the additional amortisation of the premium of the former subsidiary Enersul, registered in June 2008.

25.3 - RESERVES

	12/31/2008	12/31/2007
Capital Reserves		
Premium on incorporation of the controlling society	35,348	35,348
Total	35,348	35,348
Profit Reserve		
Legal	80,759	62,246
Profit Withholding	612,540	654,305
Total	693,299	716,551

25.3.1 - Reserve for Profit Withholding

The Reserve for profit withholding has been set up in line with Article 196 of Law No. 6,404/76, to make it feasible to introduce the Company Investment Programmes, planned in the capital budgets sent to the General Meetings.

26 - DIVIDENDS - ASSETS AND LIABILITIES

	Controlling Company		Consolidated	
	Assets	Liabilities	Liabilities	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007
Bandeirante	184,255	224,046		777
Escelsa	106,644	105,287		52
Enersul				21
Energest	92,748	19,492		
Enertrade	35,514	31,948		
EDP Lajeado	12,402	13,999		
Enerpeixe	13,175	10,471		
Investco	4,317			26,876
Lajeado	27,498			
EDP - Energy Production Management				188
EDP - Energias do Brasil S.A.				636
Shareholders of EDP Energias		223,451	189,821	223,451
Eletrobrás				53,518
Silea Participations Ltd				490
Furnas Electricity				8,783
Total	476,553	405,243	223,451	189,821
				313,118
				214,824



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27 - NET OPERATING INCOME

	Consolidated					
	No. of Consumers (*)		MWh (*)		R\$	
	2008	2007	2008	2007	2008	2007
Supply of Electrical Energy						
Residential	2,209,541	2,714,456	4,042,484	5,073,602	1,940,235	2,189,032
Industrial	20,098	23,500	4,156,413	4,482,490	1,319,111	1,362,659
Commerce, services and other activities	186,957	240,033	2,642,237	3,154,374	1,132,559	1,278,451
Rural	145,677	200,585	625,410	920,865	175,985	217,021
Government	16,508	22,563	471,473	612,169	218,489	253,898
Public lighting	1,780	2,764	521,436	689,525	131,348	160,397
Civil service	2,011	2,645	406,119	502,662	120,880	137,354
Own consumption	222	353	12,765	20,529		
Total invoiced supply	2,582,794	3,206,899	13,238,337	15,456,216	5,038,607	5,598,812
(-) Special Rate Recomposition (net of ICMS)						
Residential					129	(21,009)
Industrial					369	(32,283)
Commerce, services and other activities					214	(35,722)
Rural					18	(3,394)
Government					4	(7,579)
Public lighting					6	(1,560)
Civil service					30	(3,957)
Own consumption					1,160	(2,058)
					1,930	(107,562)
(-) ICMS						
Residential					(416,914)	(461,653)
Industrial					(260,814)	(270,106)
Commerce, services and other activities					(229,433)	(255,321)
Rural					(14,280)	(21,050)
Government					(32,960)	(43,972)
Public lighting					(26,200)	(31,342)
Civil service					(25,110)	(22,668)
					(1,005,711)	(1,106,112)
Total supply invoiced net of RTE and ICMS					4,034,826	4,385,138
Non-invoiced supply					20,204	(4,115)
Postponement and Amortisation of rate return						(53,952)
Invoiced supply to free clients					448,357	293,543
(-) ICMS on supply to free clients					(88,949)	(56,802)
Fee Return					(40,053)	(183,139)
PIS and COFINS of generators					7,569	9,607
Other regulator income					7,306	(20,444)
Tariff modicity - low income					51,154	38,022
Rate Recomposition					(27,709)	8,069
Supply of electricity		4	4,437,155	3,465,814	286,478	121,235
Commercialisation Supply					275,954	259,635
ECE and EAEEE					(40)	24,955
(-) ICMS on ECE and EAEEE					(5)	96
					4,975,092	4,821,848

	Consolidated					
	No. of Consumers (*)		MWh (*)		R\$	
	2008	2007	2008	2007	2008	2007
Transfer for rates for use of distribution system - regular clients					(2,890,930)	(3,208,559)
(-) ICMS on transfer for rates for use of distribution system - regular clients					558,200	637,348
					2,642,362	2,250,637
Availability of distribution and transmission system						
Rate for use of distribution system - others	105	124	8,563,206	9,196,691	661,506	757,470
(-) ICMS on rate for use of distribution system - others					(134,946)	(141,212)
Rate for use of distribution system - regular clients					2,890,930	3,208,559
(-) ICMS on rate for use of distribution system - regular clients					(558,200)	(637,348)
Connection Charges					1,054	775
					2,860,344	3,188,244
Other Operating Income						
Short-term energy					120,289	104,324
Paid services and others					100,408	61,269
Total other Operating Income					220,697	165,593
					5,723,403	5,604,474
(-) Deductions from Income						
PEE and R&D					(47,107)	(51,496)
CCC					(163,848)	(286,101)
CDE					(196,213)	(217,763)
RGR					(40,082)	(41,669)
PIS and COFINS					(371,012)	(454,192)
ECE and EAEEE - transfer by CBEE					4	(25,071)
ISS					(989)	(552)
					(819,247)	(1,076,844)
Total	2,582,900	3,207,027	26,238,698	28,118,721	4,904,156	4,527,630

(*) Not audited by independent auditors



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28 - OPERATIONAL EXPENSES

	Controlling Company			2007 Total
	2008 Operational Expenses			
	General and Administrative	Others	Total	
Manageable				
Personnel, Administrators and Private Pension Institutions	16,160		16,160	20,731
Materials	483		483	526
Third Party Services	29,333		29,333	16,616
Depreciation and Amortisation	148,449		148,449	15,068
Rents and Leasing	2,434		2,434	1,272
Others	685	6,659	7,344	6,299
Total	197,544	6,659	204,203	60,512

	Consolidated							2007 Total
	2008 Cost of Service				2008 Operational Expenses			
	With electricity	Operation	Provided to third parties	With sales	General and Administrative	Others	Total	
Non-manageable								
Electricity bought for resale								
Itaipu	437,128						437,128	586,031
Auction	663,629						663,629	598,309
PROINFA	55,629						55,629	47,061
Bilateral Contracts	9,072						9,072	7,411
Short-term energy - CCEE	156,719						156,719	59,211
Other suppliers	653,422						653,422	484,581
Net effect of CVA	175,171						175,171	99,994
Charges for use of electricity network								
Charges for usage and connection	484,822						484,822	514,292
Charges for system services	94,537						94,537	2,794
Net effect of CVA	(66,557)						(66,557)	21,383
Inspection Charge						13,620	13,620	13,218
Granting Rights - UBP						8,152	8,152	878
Financial Compensation						21,222	21,222	17,721
	2,663,572	-	-	-	-	42,994	2,706,566	2,452,884

	Consolidated							2007	
	2008								
	Cost of Service			Operational Expenses					
	With electricity	Operation	Provided to third parties	With sales	General and Administrative	Others	Total		
Manageable									
Personnel, Administrators and Private Pension Institutions		152,697	302		125,958	47	279,004	315,796	
Material		26,724	14,752		5,445	1	46,922	43,107	
Third Party Services		180,969	3,668	17,993	123,919	97	326,646	353,949	
Depreciation and Amortisation		269,817			176,829		446,646	313,568	
Provisions for bad credits and net losses				76,875		93	76,968	101,060	
Provisions for Contingencies						20,329	20,329	43,304	
Rents and Leases		8,786			8,061	1	16,848	19,875	
Others		36,023	225	1,124	21,934	8,143	67,449	74,608	
		-	675,016	18,947	95,992	462,146	28,711	1,280,812	1,265,267
Total	2,663,572	675,016	18,947	95,992	462,146	71,705	3,987,378	3,718,151	

29 - FINANCIAL RESULTS

	Controlling Company		Consolidated	
	2008	2007	2008	2007
Financial Income				
Return from financial investments	5,569	11,376	65,202	54,167
PIS and COFINS on financial investments			(1,101)	(82)
Monetary variation and lateness additions for energy sold			101,961	86,420
Monetary updates of regulatory assets			20,529	44,292
Monetary variation - national currency		177	1,469	1,613
Monetary variation - foreign currency	1	4	300	6,498
SELIC on compensable taxes and social contributions	4,918	3,393	15,100	11,229
SELIC on COFINS (widening of base)			2,549	2,415
Discounts obtained			1,631	3,759
Adjustments to Present Value			(3,641)	1,779
Other financial income	16,575	15,623	19,943	30,473
Interest on own capital	147,804	132,032		
	174,867	162,605	223,942	242,563
Financial Expenses				
Monetary variation and lateness addition for energy purchased			(63)	(116)
Charges on debts	(16,060)	(2,819)	(321,588)	(307,420)
Monetary variations - national currency		1,668	(2,705)	(5,746)
Monetary variations- foreign currency	(3)	2,950	(27,181)	61,506
Charges on tax obligations and contingencies	(13,673)	(12,213)	(21,883)	(10,622)
Swap and Hedge operations		(13,678)	15,302	(102,514)
Monetary adjustments of regulatory liabilities			5,784	19,927
CPMF	(82)	(1,386)	(1,017)	(34,541)
Market Marking (MTM)			(3,564)	2,589
Interest on own capital	(103,061)	(119,923)	(133,497)	(136,824)
Other financial expenses	(8,686)	(903)	(54,406)	(20,282)
	(141,565)	(146,304)	(544,818)	(534,043)
Total	33,302	16,301	(320,876)	(291,480)



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30 - INCOME TAX AND SOCIAL CONTRIBUTIONS

	Controlling Company			
	Income Tax		Social Contributions	
	2008	2007	2008	2007
Profit before IRPJ and CSLL	433,152	458,998	433,152	458,998
Rate	25%	25%	9%	9%
IRPJ and CSLL	(108,288)	(114,750)	(38,984)	(41,310)
Adjustments to reflect the actual rate				
IRPJ and CSLL on additions and permanent exclusions				
Donations	(45)	(135)	(16)	(49)
Non-deductible expenses	(60)	(39)	(22)	(14)
Tips to administrators	112	(579)	40	(209)
Results of asset equivalence	151,562	126,387	54,562	45,499
Others		(580)		(208)
Others				
Deferred and non-recorded IRPJ and CSLL	(43,279)	(10,304)	(15,581)	(3,709)
Adjustments to DIPJ for the previous business year	(7)		(74)	
Expenses with IRPJ and CSLL	(5)	-	(75)	-

	Consolidated			
	Income Tax		Social Contributions	
	2008	2007	2008	2007
Profit before IRPJ and CSLL	591,727	506,309	591,727	506,309
Rate	25%	25%	9%	9%
IRPJ and CSLL	(147,932)	(126,577)	(53,255)	(45,568)
Adjustments to reflect the actual rate				
IRPJ and CSLL on additions and permanent exclusions				
Donations	(2,431)	(1,977)	(884)	(712)
Depreciation	(84)	(40)	(30)	(14)
Non-deductible losses	(1,027)	815	(370)	293
Non-deductible fines	(36)	(76)	(12)	(28)
Non-deductible expenses	(409)	36	(148)	13
Tips to administrators	(413)	(1,895)	(150)	(683)
Excess Contributions - private pension plans	(54)	(236)	(20)	(84)
Provisions for losses - studies and projects		(395)		(142)
Provisions for doubtful debtors	(1,370)	(1,282)	(493)	(461)
Others	(1,043)	(124)	84	(43)
Others				
IRPJ and CSLL deferred and not recorded	(45,120)	(4,354)	(16,244)	(1,159)
Adjustments to the DIPJ of the previous business year	(2,199)	13,231	(2,001)	5,096
Adjustment for assumed profit	13,760	12,052	4,538	3,986
Tax incentives	29,752	22,003	615	
Expenses with IRPJ and CSLL	(158,606)	(88,819)	(68,370)	(39,506)

31 - INSURANCE COVER

The Company and its subsidiaries have insurance contracts with cover established as guided by specialists, taking into account the nature and the degree of risk, for sums considered sufficient to cover possible significant losses on their assets and responsibilities. The assumptions of risks as adopted, due to their very nature, are not part of the scope of an audit of financial statements and, as a result, have not been audited by our independent auditors.

The main sums at risk and covered by insurance are the following:

	Consolidated
	12/31/2008
Substations	641,006
Production Units	700,314
Storage Areas	31,017
Buildings and contents (own)	22,212
Buildings and contents (third party)	26,698
Civil responsibility	55,792
Transport (materials)	36,800
Transport (vehicles)	9,100
Personal Accidents	192,087

32 - FINANCIAL INSTRUMENTS

In compliance with the terms of CVM Deliberation No. 566 of December 17, 2008 and CVM Instruction No. 475 of December 17, 2008, the Company and its subsidiaries have made an assessment of their financial instruments, including derivatives.

32.1 - GENERAL COMMENTS

The Company and its subsidiaries have operations with financial instruments. The management of these instruments is made through operational strategies and internal control, seeking liquidity, security and return.

The taking out of financial instruments for protection is made through a regular analysis of exposure to financial risks (foreign exchange, interest rates and so forth), which is reported regularly through risk reports made available to the Administration. In compliance with the Policy for Management of Financial Risks of the Energias do Brasil Group, and also based on the regular analyses based on the risk reports, specific strategies are then set for mitigation of financial risks, these being approved by the societal bodies of the Company for approval and operationalisation of the aforesaid strategy. The control policy consists of permanent monitoring of the conditions as contracted for versus current market conditions through operational systems integrated with the SAP platform. The company and its subsidiaries do not invest speculatively, in derivatives or any other kind of risky investment. The results obtained with these operations are in line with the policies and strategies defined by the Administration of the Company.

The administration of the risks associated to these operations is made by applying policies and strategies set by the Administration and include the monitoring of levels of exposure to each market risk, forecasts of future cash flow, and setting exposure limits. This policy also establishes that the updating of information in operational systems, as also the confirmation and operationalisation of the transactions with the counterparts, with the due segregation of functions.

The Administration judges that, based on statistical tools of risk analysis and also the characteristics of the exposures mapped and the instruments hired for mitigation of risks, on December 31, 2008, the results of the operations with derivatives are substantially compensated by corresponding variations in the hedged items.



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In this way, the Administration understands that the derivative operations hired do not in any way expose the Company and subsidiaries to significant risks that could generate material losses from variations in exchange rates, interest or any other kind of variation.

The effects of the initial adoption of Deliberation No. 566 of December 17, 2008 are shown in note 3.1.

32.2 - OPERATIONAL RISKS

32.2.1 - Credit Risks

The financial instrument able to expose to credit risk, especially the subsidiaries Bandeirante and Escelsa, is represented by Accounts Receivable from consumers that is, nevertheless, softened by sale to a fragmented client base and also through the possibility of cutting the service of defaulting consumers. In addition, part of the sums to be received regarding sale transactions, purchase of energy and system charges, done within the scope of the CCEE, is subject to change depending on the decision made in judicial lawsuits still in progress, lodged by some companies of this segment, with regard to the interpretation of the market rules in force between June 2001 and February 2002, during the programme for rationing of electrical energy.

32.2.2 - Risk of Advance Maturity

Certain subsidiaries have, as shown in notes 19 and 20 above, debentures and loan and financing contracts with restrictive clauses that, in general, require the maintenance of economic and financial indices at certain levels (financial covenants) and other conditions. The non-compliance with these restrictions could lead to the anticipation of the maturity of the debts.

32.2.3 - Risk of shortage of electricity

The Brazilian energy park is basically from water resources, and a long period with little rain would reduce the volume of water in the dams of hydroelectric power units, which could in turn lead to a reduction of income through lack of availability of electricity, together with a rise in the cost of energy in the short term market and the increase in the values of System Charges resulting from the dispatch of thermoelectrical units. In an extreme situation, as the case in Brazil in 2001, there could be the adoption of a rationing programme which would also bring about a reduction in income.

32.3 - MARKET VALUE OF FINANCIAL INSTRUMENTS

The main financial instruments are described as follows:

Cash available, financial investments and Bonds and Attached deposits - are shown at their accounting value which is equivalent to the market value.

Regulatory assets and liabilities - They are shown at their amortisable cost which is the same as the recoverable cost.

Loans and Financing in national currency at BNDES and Eletrobrás - These are classified as non-measured financial liabilities at market value, and are accounted for at the amortisable cost, and correspond to loans with specific purposes for financing investments in distribution and generation of electrical energy, indexed to the Long-Term Interest Rate (TJLP) and also preset rates.

Loans and financing in national currency at the Bank of Brazil, the Santander Bank and Bradesco - These are considered as financial liabilities and are recorded at the amortisable cost. The market value is calculated based on the future cash flows of the operation through the interest curves of BM&F and then bringing these flows to present values, using the future DI also from BM&F.

Loans and financing in foreign currency with BID are considered to be financial liabilities and are initially measured, on the date of transaction, at the exchange rate of the functional currency and converted at the closing rate of exchange in the statement of account, while the foreign exchange effects are registered on the Financial Result.

Debentures in national currency - these shall be registered at the amortised cost and are classified as financial liabilities not measured, at market value, as these are debt issues on the capital markets with definition in the Private Instrument for Issue

of Debentures, in a specific clause for Advance Maturity which, should the event occur, shall be made at the nominal unit non-amortised value, added to the remuneration due until the date of the effective payment as calculated “pro rata temporis”.

Derivative financial instruments - these are operations with the aim of protecting against exchange rate variations in the fund captures made in foreign currency, without speculative character, and are recorded at the market value (fair value hedge).

The market value is calculated based on future flows (assets and liabilities) of the operation through interest curves of BNM&F and then bringing these flows to present value, making use of the future DI rate of the BM&F.

.....				
Controlling Company				
	Fair Value		Accounting Value	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007
Availabilities	79,443	92,913	79,443	92,913
Loans and Financing in national currency - Bradesco	247,543		257,700	
.....				
Consolidated				
	Fair Value		Accounting Value	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007
Availabilities	551.513	689.154	551.513	689.154
Regulatory Assets and Liabilities	155.454	149.389	155.454	149.389
Consumers and Concessionaires	779.301	904.269	779.301	904.269
Loans and Financing in National Currency BNDES and Eletrobrás	1.049.410	1.305.634	1.405.821	1.242.851
Loans and Financing in National Currency Bank of Brazil, Santander and Bradesco	386.388	132.981	453.666	191.677
Debentures in National Currency	852.691	1.124.739	872.684	1.144.595
Loans and Financing in Foreign Currency	267.858	90.615	285.977	122.217
Derivative Financial Instruments				
· Assets in US\$	430.049	101.580	430.049	101.579
· Assets in EUR	691	7.008	691	7.008
· Liabilities in US\$	366.739	175.033	366.739	175.032
· Liabilities in EUR	945	11.205	945	11.205

32.4 - SENSITIVITY ANALYSES

In the following tables, scenarios of rates and foreign currencies have been considered, with their respective impacts on Company results and those of the subsidiaries, with applicable exposure to fluctuation in currency exchange, interest rates and other indicators, to the due date of these transactions, with a probable scenario as that adopted by the Companies, mainly based on macroeconomic assumptions obtained from the Focus report of the Central Bank, the scenarios II and III, with 25% and 50% deterioration respectively, and scenarios IV and V, with 25% and 50% of appreciation respectively.



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Controlling Company				
12/31/2008				
Financial Instruments	Risk	Probable	Scenario II	Scenario III
Financial Assets				
Financial Investments	CDI	3,033	3,742	4,434
Financial Liabilities				
Bank Credit Bond	CDI	39,971	49,458	58,760
Reference for Financial Assets		Rate increased by	25%	50%
CDI%		12.80%	16.00%	19.20%
Reference for Financial Liabilities		Rate increased by	25%	50%
CDI%		12.80%	16.00%	19.20%

Consolidated				
12/31/2008				
Financial Instruments	Risk	Probable	Scenario IV	Scenario V
Financial Assets				
Financial Investments	CDI	3,033	2,306	1,559
Financial Liabilities				
Bank Credit Bond	CDI	39,971	30,293	25,378
Reference for Financial Assets		Rate decreased by	25%	50%
CDI%		12.80%	9.60%	6.40%
Reference for Financial Liabilities		Rate decreased by	25%	50%
CDI%		12.80%	9.00%	6.40%

Consolidated				
12/31/2008				
Financial Instruments	Risk	Probable	Scenario II	Scenario III
Financial Assets				
Financial Investments	CDI	37,234	45,934	54,417
Associated Values and Papers	CDI	12,127	14,960	17,722
Financial Liabilities				
Bank Credit Bonds	CDI	84,021	104,269	124,240
Debentures	CDI	231,415	287,216	340,972
Debentures	IGP-M	10,658	13,315	19,946
BNDES	TJLP	213,975	265,666	316,675
BID	US\$	3,735	4,668	5,602
Resolution 2770	US\$	1,726	2,157	2,589
Derivatives				
Swap - Passive Point - BID	CDI	16,219	20,198	24,156
Swap - Passive Point - Edinfor	CDI	744	963	1,196
Swap - Passive Point - Edinfor EUR	CDI	214	272	332
Swap - Passive Point - Res. 2770	CDI	180	222	263
Swap - Passive Point - NDF	US\$	135,927	169,909	270,123
Swap - Passive Point - (i)	LIBOR	419,067	523,833	646,431
Swap - Passive Point (ii)	LIBOR	367,921	459,902	552,120
Reference for Financial Assets		Rate increased by	25%	50%
CDI %		12.80%	16.00%	19.20%
Reference for Financial Liabilities		Rate increased by	25%	50%
CDI %		12.80%	16.00%	19.20%
TJLP %		6.25%	7.81%	9.38%
IGP-M		6.00%	7.50%	11.25%
US\$/R\$		2.337	2.921	3.506
LIBOR		1.68777%	2.10971%	2.53166%



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Financial Instruments	Risk	Consolidated		
		12/31/2008		
		Probable	Scenario II	Scenario III
Financial Assets				
Financial Investments	CDI	37,234	28,304	19,132
Associated Values and Papers	CDI	12,127	9,219	6,231
Financial Liabilities				
Bank Credit Bonds	CDI	84,021	63,483	53,102
Debentures	CDI	231,415	174,829	117,423
Debentures	IGP-M	10,658	7,998	5,335
BNDES	TJLP	213,975	161,584	108,472
BID	US\$	3,735	2,801	1,867
Resolution 2770	US\$	1,726	1,294	863
Derivatives				
Swap - Passive Point - BID	CDI	16,219	12,215	8,181
Swap - Passive Point - Edinfor	CDI	744	539	347
Swap - Passive Point - Edinfor EUR	CDI	214	158	103
Swap - Passive Point - Res. 2770	CDI	180	137	92
Swap - Passive Point - NDF	US\$	135,927	(35,090)	(139,924)
Swap - Passive Point - (i)	Libor	419,067	322,895	215,050
Swap - Passive Point (ii)	Libor	367,921	275,466	183,248
Reference for Financial Assets		Rate reduced by	25%	50%
CDI %		12.80%	9.60%	6.40%
Reference for Financial Liabilities		Rate reduced by	25%	50%
CDI %		12.80%	9.60%	6.40%
TJLP %		6.25%	4.69%	3.13%
IGP-M		6.00%	4.50%	3.00%
US\$/R\$		2.337	1.753	1.169
LIBOR		1.68777%	1.26583%	0.84389%

These sensitivity analyses have been prepared according to CVM instruction No. 475/2008, with the purpose of measuring the impact of changes in market variables on each Financial Instrument of Energias do Brasil and its subsidiaries. Nevertheless, the liquidation of the transactions involving these estimates may lead to different values for estimated variables due to the subjectivity contained within the process used in the preparation of these analyses.

32.5 - OPERATIONS WITH DERIVATIVES

In order to mitigate the exposure of all the debts in foreign currency to the oscillations of the foreign exchange rates and also interest rates, some companies within the EDP - Energias do Brasil Group have, on December 31, 2008, some hedge operations, as shown in note 20. The accounting value corresponds to the market value of these operations which, on December 31, 2008, stands at R\$ 79,329, and whose effects of gain or loss on the general results for the business year can be seen in the chart of note 29, in the Swap and Hedge Operations class.

The following chart shows all operations involving financial instruments, derivatives, taken out with financial institutions (note 20), as also the respective fair values thereof as calculated by the Administration of the Company and its subsidiaries.

Consolidated													
Description	Controlled Company	Counterpart	Start	End	Position	National US\$		National R\$		Fair Value		Effect on Results	
						2008	2007	2008	2007	2008	2007	2008	2007
"Swap"													
Asset	Energis S.A.	Santander Bank	03/14/2008	02/12/2009	US\$ + 4.81% p.a.	10,606		25,754		25,825		7,825	
Liability					111.90% of CDI					20,062		2,062	
Asset	Castelo Energética S.A.	Santander Bank	03/14/2008	02/12/2009	US\$ + 4.81% p.a.	5,892	14,308			5,763		5,763	
Liability					111.90% of CDI					14,348		4,348	
										11,146		1,146	
								3,202		3,202		3,202	
Asset	Bandeirante Energy	Citibank	03/19/2004	02/13/2009	Libor + 4% p.a.	2,038	18,330	7,221	35,351	4,829	18,685	2,061	(4,397)
Liability					97.94 % CDI					7,219	35,310	2,393	6,418
								(2,390)	(16,625)	(2,390)	(16,625)	(332)	(10,815)
Asset	Bandeirante Energy	Citibank	03/19/2004	02/13/2009	Libor + 4.375% p.a.	8,429	13,615	30,052	38,463	19,756	21,208	4,768	(3,794)
Liability					104.69% CDI					30,245	38,795	4,085	6,937
										(10,489)	(17,587)	683	(10,731)
Asset	Bandeirante Energy	Citibank	12/14/2004	02/14/2012	Libor + 4% p.a.	764	6,874	2,466	12,119	1,811	7,959	(163)	(681)
Liabilities					118.94% of CDI					2,473	13,531	(448)	3,503
										(662)	(5,572)	285	(4,184)
Assets	Bandeirante Energy	Citibank	12/14/2004	02/14/2012	Libor + 4.375% p.a.	3,161	5,106	10,148	13,053	7,433	7,009	2,755	(2,369)
Liabilities					118.94% of CDI					10,426	12,255	2,645	692
										(2,993)	(5,246)	110	(3,061)
Assets	Bandeirante Energy	JP Morgan	04/05/2006	02/13/2009	Libor + 4% p.a.	1,273	11,456	4,251	20,406	3,012	11,647	1,339	(2,777)
Liabilities					106.30% of CDI					4,256	20,493	1,395	3,168
										(1,244)	(8,846)	(56)	(5,945)
Assets	Bandeirante Energy	JP Morgan	04/05/2006	02/13/2009	Libor + 4.375% p.a.	5,268	8,510	16,124	20,189	12,581	13,274	3,192	(2,396)
Liabilities					109.70% of CDI					16,393	20,639	2,122	2,361
										(3,812)	(7,365)	1,070	(4,757)



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Values shown in R\$ thousand, unless otherwise stated

Consolidated													
Description	Controlled Company	Counterpart	Start	End	Position	Nacional US\$		Nacional R\$		Valor Justo		Efeitos no Resultado	
						2008	2007	2008	2007	2008	2007	2008	2007
"Swap"													
Asset	Bandeirante Energy	JP Morgan	04/05/2006	02/14/2012	Libor + 4% p.a.	4,215	6,808	11,528	14,541	10,065	10,619	2,554	(1,917)
Liability					109.50% of CDI					11,715	14,856	1,522	1,800
										(1,650)	(4,237)	1,032	(3,717)
Asset	Bandeirante Energy	JP Morgan	04/05/2006	02/14/2012	Libor + 4.375% p.a.	1,019	9,165	3,057	14,919	2,411	9,317	1,072	(2,221)
Liability					98% of CDI					3,056	14,899	1,009	2,322
										(645)	(5,582)	63	(4,543)
Asset	Bandeirante Energy	JP Morgan	07/28/2004	01/02/2009	US\$	293	586	1,386	2,415	684	1,014	190	(1,288)
Liability					71.60% of CDI					1,386	2,509	18	(2,049)
										(702)	(1,495)	172	761
Asset	Bandeirante Energy	JP Morgan	07/11/2005	01/02/2009	Euro	212	2,756	945	11,458	691	7,008	341	(7,320)
Liability					59.80% of CDI					945	11,206	644	(8,471)
										(254)	(4,198)	(303)	1,151
Asset	Bandeirante Energy	Citibank	02/11/2005	01/28/2009	US\$	245	490	971	1,770	571	847	157	414
Liabilities					79.94% of CDI					969	1,746	108	862
										(398)	(899)	49	(448)
Assets	Porto do Pecém	Citibank	04/02/2012	10/01/2024	US\$ + Libor	167,091		(430,740)		236,868			
Liabilities					US\$ + 5.79 % p.a.					205,174			
										31,694			
Assets	Porto do Pecém	Citibank	04/02/2012	10/01/2021	IS + Libor	167,091		367,684		193,873			
Liabilities					US\$ + 5.82% p.a.					162,510			
										31,363			
NDF													
Assets	Porto do Pecém	Citibank	10/17/2007	11/16/2011	US\$	203,368		68,179		394,496			
Liabilities					R\$					326,318			
										68,179			

The estimate of the fair value of the financial derivative instruments was made based on models of future flows discounted at present value, comparison with similar transactions agreed on dates close to the end of the respective periods, and also comparisons with average market parameters for the operations, through interest curves at BM&F Bovespa, using the future DI rate of BM&F.

During the business year, there was no change in the qualification of the derivative financial instruments.

The next chart presents the expiry dates of the derivative financial instruments:

	Net Swap
Maturity	
2009	(10,002)
2012	(6,251)
After 2012	63,056
Receive / (Pay)	46,783

32.6 - RISKS OF INTEREST RATES AND EXCHANGE RATES

Some of the loans and financing in national currency obtained by the companies of the Group, as shown in note 20, consist of financing obtained from Eletrobrás and the BNDES.

Considering that the market rate (or the cost of capital opportunities) is set by these Agents, bearing in mind the risk premium compatible with the activities of the segment and that, should it be impossible to seek other options or other market hypotheses and/or methodologies for these estimates, with regard to the business of the Group companies and the peculiarities of the segment, the market value for this segment of internal loans is close to the accounting value, as also the other financial assets and liabilities considered.

For financial transactions in foreign currency, the risk arises from the possibility of incurring losses and cash restrictions due to fluctuations in currency exchange rates, thereby increasing the sum in liabilities expressed in foreign currency.

The relative exposure to capture in foreign currency by some subsidiaries is covered by financial hedge operations, which allow the exchange of the original risks for the cost in relation to the CDI index. In addition, the subsidiaries that distribute are subject to exchange rate variations in their operations, due to the purchase of electricity from Itaipu. The compensation mechanism (CVA) protects the distributor subsidiaries from possible losses. These operations are recorded according to a competence regime and according to the conditions of the Instrument hired.

33 - SUBVENTIONS AND GOVERNMENT ASSISTANCE

As described in note 3.2n, Enerpeixe has obtained, from the Amazon Development Agency (ADA), on December 20, 2006, the right to a reduction of 75% on the rate of Income Tax and other non-refundable additional payments, calculated based on profit from the exploitation for 10 years, as from the business year of 2007.

This tax incentive is registered directly on the statement of financial results for the year, and the value of income tax is shown in net form, which is the total tax less the incentive obtained, at a value of R\$ 23,055 in 2008 (R\$ 18,546 in 2007).

Enerpeixe complies with all requirements for obtaining this kind of tax incentive.



FINANCIAL STATEMENTS

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS ON DECEMBER 31, 2008 AND 2007

Values shown in R\$ thousand, unless otherwise stated

34 - CASH FLOW STATEMENTS

Cash and cash equivalents consist of cash bank deposits and also short-term investments, as shown in Note 5.

During the business year, the company acquired, as mentioned in notes 1.1 and 1.3 above, the subsidiaries Tocantins Energia, Lajeado Energia, Investco and Porto do Pecém. The balance of cash acquired and alienated is shown below:

	2008
Incorporated Cash Holdings from:	
Lajeado Energia	37,781
Investco	28,289
Porto do Pecém	26,339
Tocantins Energia	1,180
Ipueiras	1
Total	93,590
Alienated Cash Holdings from:	
Enersul	(105,698)
Net Cash Holding acquired or (alienated)	(12,108)

The Company and its Subsidiaries have their activities divided into 3 business segments. We now show the cash flows generated by these Segments:

	Consolidated				
	2008				
	Distribution	Generation	Others	Elimination	Total
Cash Flows of:					
Operational activities	990,637	498,147	22,508		1,511,292
Investment activities	(551,924)	(151,067)	54,327	700,082	(1,348,746)
Financing activities	(610,256)	(338,725)	(51,288)	(700,082)	(300,187)
Total	(171,543)	8,355	25,547	-	(137,641)
	2007				
	Distribution	Generation	Others	Elimination	Total
Cash Flows of:					
Operational activities	1,227,738	319,200	92,121	(60,800)	1,578,259
Investment activities	(447,494)	(100,545)	88,116	(141,340)	(601,233)
Financing activities	(628,346)	(151,212)	(306,747)	202,110	(884,195)
Total	151,898	67,443	(126,510)	-	92,831

As mentioned in notes 1.1 and 1.3, the Company has made an exchange of investment assets, without return.

35 - SUBSEQUENT EVENT

On February 16, 2009, EDP Renováveis Brasil S.A., of which 45% is owned by the Company, completed the purchase of CENAEEL, the National Wind Energy Company ("Central Nacional de Energia Eólica S.A.") for R\$ 38,331, this being a company which is in possession of the wind energy parks at Água Doce and Horizonte, located in the state of Santa Catarina, with an installed capacity of 13.8 MW (23 wind generators of 600 kW each), as also the possibility of the expansion thereof by a further 70 MW.

This project for wind energy is the first private investment in the wind energy segment in Brazil. It started back in 2004 with the installation of the wind park at Horizonte (4.8 MW), whose remuneration is connected to a contract of purchase and sale of electricity with the Santa Catarina Electricity Company (Celesc), and then in 2006 there was the implementation of the park at Água Doce (9.0 MW), whose remuneration is connected to the PROINFA programme.

In 2008, CENAEEL generated 31 GWh, which represents a sale volume of R\$ 8,081.

ADMINISTRATION BOARD

Antônio Luis Guerra Nunes Mexia
President

Antônio Manuel Barreto Pita de Abreu
Vice-President

Board Members

**Nuno Maria Pestana de Almeida Alves | Ana Maria Machado Fernandes | Francisco Roberto André Gros
Pedro Sampaio Malan | Modesto Souza Barros Carvalhosa | Francisco Carlos Coutinho Pitella**

Board

Antônio Manuel Barreto Pita de Abreu · President
Miguel Dias Amaro · Finance and Investor Relations Vice-President
Luiz Otavio Assis Henriques · Generation Vice-President
João José Gomes de Aguiar · Distribution Vice-President
Miguel Nuno Simões Nunes Ferreira Setas · Commercialisation Vice-President
Miguel Dias Amaro · Management Control Vice-President
Sérgio Luiz da Silva Ribeiro · Accounting Consolidation - CRC 1 RJ - 078679/O-7 "S" SP
Ronaldo Masatoshi Nishimura · Superintendent Accounting Manager

Antônio Luis Guerra Nunes Mexia
President

Antônio Manuel Barreto Pita de Abreu
Vice-President



STATEMENT FROM INDEPENDENT AUDITORS

To the

Administration Board and Shareholders of EDP - Energias do Brasil S.A.
São Paulo - SP

1. We have examined the statement of accounts of EDP - Energias do Brasil S.A. (the "Company") and the consolidated asset balance sheet, as collected on December 31, 2008, and the respective statements of results, changes in net worth, cash flows and added value, corresponding to the business year ending on that date, prepared under the responsibility of the Company Board. Our responsibility is that of expressing an opinion about these financial statements.
2. Our examination has been conducted according to accounting standards applicable in Brazil, and included: a) the planning of the work, considering the relevance of financial balances, the volumes of transactions, and the accounting and internal control systems of the Company and its subsidiaries; b) the confirmation, based on tests, evidence and records that support the values and accounting information as here disclosed; and c) the assessment of the most representative accounting practices and estimates used by the Administration of the Company and its subsidiaries, as also the presentation of the financial statements taken as a whole.
3. In our opinion, the financial statements above do indeed adequately represent, in all relevant aspects, the financial position and worth of EDP - Energias do Brasil S.A. and also the consolidated financial and asset position of this Company and its subsidiaries on December 31, 2008, as also the results of the company operations, changes in net worth, cash flows, and added values, with regard to the business year ending on the said Date, according to accounting practices used in Brazil.
4. The financial statements for the year ending December 31, 2007, presented for the sake of comparison, have been audited by us, and we have given our opinion without reservations, dated February 25, 2008, based on our examination and also the opinion statement from other independent auditors with regard to the value of the investment and the result of worth equivalence at Investco S.A..
5. As mentioned in Explicative Note No. 3, the accounting practices followed in Brazil were altered on January 1, 2007. The financial statements for the business year ending on December 31, 2007, as mentioned above, presented together with the financial statements for 2008, are being re-presented according to the bases used in 2008, to acknowledge the effects of these alterations, as established in CVM Deliberation No. 506/06 - Accounting Practices, Changes in Accounting Practices and Error Correction. In addition, according to Law No. 11,638/07, the proof of origin and administration of resources, as shown in the financial statements of December 31, 2007, has been replaced by the cash flow statements.
6. As mentioned in explanatory note No. 4.2, as a result of the regular rate reviews of subsidiaries Escelsa and Bandeirante as set out in the concession contracts, ANEEL has approved, on a provisional basis, a fare repositioning of -6.92% for Escelsa and -8.80% for Bandeirante, to be applied to the periods starting on August 8, 2007 and August 23, 2007, respectively. In addition, as a result of the annual rate review of 2008, also planned in the concession contract, which occurred on August 5, 2008 at Escelsa and August 21, 2008 for Bandeirante, ANEEL has passed on the fare repositioning as previously defined, for Escelsa from -6.92% to -4.90%, and for Bandeirante between -8.80% to -9.02%, both on a provisional basis. The effects of the permanent fee review, if any, shall be reflected in the asset and financial position of the Company and shall be controlled in subsequent periods.



KPMG Auditores Independentes
CRC 2SP014428/O-6

São Paulo, February 20, 2009

José Luiz Ribeiro de Carvalho
Accountant CRC 1SP141128/O-2



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