



**ISA Capital do Brasil S.A.**  
Publicly-Traded Company  
Corporate Taxpayer ID ("CNPJ/MF") # 08.075.006/0001-30

### **MATERIAL FACT**

ISA Capital do Brasil S.A. ("ISA"), in compliance with the provision presented in the Brazilian Securities Exchange Commission ("CVM") Instruction # 358 of January 03, 2002, in accordance with the amendment thereof, wishes to publicly disclose that on July 30, 2008, it paid the State of São Paulo in reference to the purchase price adjustment of São Paulo State's Power Company namely Companhia de Transmissão de Energia Elétrica Paulista ("CTEEP"), arising from the liability contingency in reference to the application of State Law # 4,819/58, in the terms of item 1.5.2 of the Share Purchase Public Offer Notice ("OPA") of the *CTEEP* performed on January 09, 2007.

For this reason, in accordance with items 2.5, subparagraph (b), and 3.8.2 of the abovementioned Notice, *ISA* shall pay on August 29, 2008 to the former minority stockholders of the *CTEEP* who adhered to the *OPA* ("Selling Stockholders"), the amount of R\$ 0.1570550 per lot of one thousand shares corresponding to eighty percent (80%) of the value paid per lot of one thousand shares of the State of São Paulo on July 30, 2008. The payment shall be made with the intercession of the Brazilian Liquidation and Custody Company – *CBLC*, in the same form as the payment made on January 12, 2007, in the financial liquidation of the sale of stock in the ambit of the *OPA* of January 09, 2007. In other words, the credit shall be made into the same accounts of the Selling Stockholders' Custody Agents used then, as long as they are still active with the *CBLC*.

Any values that are not effectively transferred to the Custody Agents of the Selling Stockholders due to any banking data changes, termination of the formerly used current accounts, or for any other reasons, shall remain at the disposal of the Selling Stockholders without any readjustment, interest, correction or charges. The Selling Stockholders shall provide to the *ISA* proof of their participation in the ambit of the *OPA* in order to receive the abovementioned payment.

São Paulo, August 20, 2008.

Cristian Restrepo Hernandez  
CFO and Investor Relations