TRACTEBEL ENERGIA S.A.
A Publicly-Held Company– CNPJ 02.474.103/0001-19
NIRE 4230002438-4

MATERIAL FACT

TRACTEBEL ENERGIA S.A., a publicly-held company, with registered offices in the city of Florianópolis, state of Santa Catarina, at Rua Antônio Dib Mussi, 366, enrolled in the Brazilian corporate taxpayers' register (CNPJ) 02.474.103/0001-19 ("Tractebel"), in compliance with the requirements of the Brazilian Securities and Exchange Commission CVM Instruction 358/2002, hereby informs the stockholders and the market at large that its subsidiary Gama Participações Ltda., with registered offices in the city of Florianópolis, state of Santa Catarina, at Rua Antônio Dib Mussi, 366, parte, enrolled in the Brazilian corporate taxpayers' register (CNPJ) 09.212.990/0001-04, has agreed to acquire the total capital stock of Tupan Energia Elétrica S.A., with registered offices in the city of São Paulo, state of São Paulo, at Rua Dr. Veiga Filho, 350, 9º andar, conjunto 901, enrolled in the Brazilian corporate taxpayers' register (CNPJ) 02.800.821/0001-38 ("Tupan") and of Hidropower Energia S.A., with registered offices in the city of Rondonópolis, state of Mato Grosso, in the location named Ribeirão Ponte de Pedra – Rodovia BR 163, Km. 102 – Entrada 7 Placas mais onze quilômetros, setor 2, enrolled in the Brazilian corporate taxpayers' register (CNPJ) 05.261.707/0001-75 ("Hidropower") ("Operation"), according to the share purchase and other pacts agreement executed on July 8, 2008 ("Agreement"). The closing of the Operation is subject to certain conditions, including the ratification by the Board of Directors of Tractebel and the prior approval from Agência Nacional de Energia Elétrica - ANEEL and Centrais Elétricas Brasileiras S.A. - Eletrobrás.

Tupan has been authorized by ANEEL to run the Pequena Central Hidrelétrica Rondonópolis, with 26.6 MW of installed capacity, operating commercially since December 2007.

Hidropower has been authorized by ANEEL to run the Pequena Central Hidrelétrica Engenheiro José Gelazio da Rocha, with 23.7 MW of installed capacity, operating commercially since February 2007.

The total energy originated at those two plants is destined to Eletrobrás under PROINFA - Programa de Incentivo às Fontes Alternativas de Energia Elétrica - program.

The purchase price for Tupan and Hidropower is R$ 203,937,192.22. Additionally, the net debt of those two companies totals R$ 110,062,807.78. The Operation is another step taken by Tractebel in its strategy to grow in the Brazilian electricity industry, and will result in operational synergy with the Ponte de Pedra Power Plant, owned by Energia América do Sul Ltda., also controlled by Tractebel.

The Operation fits the provisions of article 256 of Law 6,404/76, and for that reason will be submitted to the adoption by a stockholders' meeting. The Operation will grant stockholders registered to date with Tractebel and who dissent from the resolutions of the stockholders' meeting to be held to ratify the Operation, the right of withdrawal, as provided in article 256 of Law 6.404/76. Further information on said right of withdrawal (such as the book value of the shares for the purpose of refund, timeline, and procedures to be followed by dissenting stockholders) will be provided in due time, when the stockholders' meeting is convened to ratify the Operation.

As required by law, the Operation will be submitted to the approval of the Conselho Administrativo de Defesa Econômica – CADE.

Florianópolis, July 9, 2008.

Marc Verstraete
Finance and Investor Relations Director

Manoel Arlindo Zaroni Torres
Chief Executive Officer