(A free translation of the original in Portuguese)

FEDERAL PUBLIC SERVICE
CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION
QUARTERLY INFORMATION - ITR **June 30, 2008** **Brazilian Corporate Law**
COMMERCIAL, INDUSTRIAL & OTHER TYPES OF COMPANY
Voluntary New Presentation

REGISTRATION WITH CVM SHOULD NOT BE CONSTRUED AS AN EVALUATION OF THE COMPANY. COMPANY MANAGEMENT IS RESPONSIBLE FOR THE INFORMATION PROVIDED.

01.01 – IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	**TRACTEBEL ENERGIA S.A.**	**02.474.103/0001-19**
4 - NIRE (Corporate Registry ID)		
42300024384		

01.02 - HEADQUARTERS

1 - ADDRESS			2 - DISTRICT	
RUA: ANTÔNIO DIB MUSSI, Nº 366			CENTRO	
3 - ZIP CODE	4 - CITY			5 - STATE
88015-110	FLORIANÓPOLIS			SC
6 - AREA CODE	7 - TELEPHONE	8 - TELEPHONE	9 - TELEPHONE	10 - TELEX
048	3221-7221	-	-	
11 - AREA CODE	12 - FAX	13 - FAX	14 - FAX	
048	3221-7002	-	-	
15 - E-MAIL				
previtali@tractebelenergia.com.br				

01.03 - INVESTOR RELATIONS OFFICER (Company Mailing Address)

1- NAME				
MARC VERSTRAETE				
2 - ADDRESS			3 - DISTRICT	
RUA: ANTÔNIO DIB MUSSI, Nº 366			CENTRO	
4 - ZIP CODE	5 - CITY			6 - STATE
88015-110	FLORIANÓPOLIS			SC
7 - AREA CODE	8 - TELEPHONE	9 - TELEPHONE	10 - TELEPHONE	11 - TELEX
048	3221-7060	-	-	
12 - AREA CODE	13 - FAX	14 - FAX	15 - FAX	
048	3221-7002	-	-	
16 - E-MAIL				
marc@tractebelenergia.com.br				

01.04 - ITR REFERENCE AND AUDITOR INFORMATION

CURRENT YEAR		CURRENT QUARTER			PREVIOUS QUARTER		
1 - BEGINNING	2 - END	3 - QUARTER	4 - BEGINNING	5 - END	6 - QUARTER	7 - BEGINNING	8 - END
1/1/2008	12/31/2008	2	4/1/2008	6/30/2008	1	1/1/2008	3/31/2008

09 - INDEPENDENT AUDITOR	10 - CVM CODE
DELOITTE TOUCHE TOHMATSU AUDITORES INDEPENDENTES	00385-9
11 - TECHNICIAN IN CHARGE	12 – TECHNICIAN'S CPF (Individual Taxpayer's Register)
ROBERTO PAULO KENEDI	898.355.657-91

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CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION
QUARTERLY INFORMATION - ITR **June 30, 2008** **Brazilian Corporate Law**
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Voluntary New Presentation

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1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

01.05 - CAPITAL STOCK

Number of Shares (Units)	1 – CURRENT QUARTER 6/30/2008	2 – PREVIOUS QUARTER 3/31/2008	3 – SAME QUARTER, PREVIOUS YEAR 6/30/2007
Paid-up Capital			
1 - Common	652,742,192	652,742,192	652,742,192
2 - Preferred	0	0	0
3 - Total	652,742,192	652,742,192	652,742,192
Treasury Stock			
4 - Common	0	0	0
5 - Preferred	0	0	0
6 - Total	0	0	0

01.06 - COMPANY PROFILE

1 - TYPE OF COMPANY Commercial, Industrial and Other Types of Company
2 - STATUS Operational
3 - NATURE OF OWNERSHIP Domestic private company
4 - ACTIVITY CODE 1120 - Electric energy
5 - MAIN ACTIVITY Electric energy generation and trading
6 - CONSOLIDATION TYPE Total
7 - TYPE OF REPORT OF INDEPENDENT AUDITORS Unqualified Review Report

01.07 - COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

1 - ITEM	2 - CNPJ (Corporate Taxpayer's ID)	3 - COMPANY NAME

01.08 - CASH DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER

1 - ITEM	2 - EVENT	3 - APPROVAL	4 - TYPE	5 - DATE OF PAYMENT	6 - TYPE AND CLASS OF SHARE	7 - AMOUNT PER SHARE
01	Board of Directors Meeting	12/05/2007	Interest on own capital	05/20/2008	Common shares	0.1348158600
02	Annual Shareholders Meeting	04/08/2008	Dividend	05/20/2008	Common shares	0.7005499732
03	Board of Directors Meeting	08/13/2008	Dividend	10/27/2008	Common shares	0.8890167318

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Voluntary New Presentation

June 30, 2008

Brazilian Corporate Law

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01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

01.09 - SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR

1 - ITEM	2 - DATE OF CHANGE	3 - CAPITAL STOCK (In R$ thousand)	4 - AMOUNT OF CHANGE (In R$ thousand)	5 - NATURE OF CHANGE	7 - NUMBER OF SHARES ISSUED (Units)	8 - SHARE PRICE WHEN ISSUED (In reais)

01.10 - INVESTOR RELATIONS OFFICER

1 - DATE	2 - SIGNATURE
08/13/2008	

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

02.01 - BALANCE SHEET - ASSETS (in thousands of reais)

1 - CODE	2 - DESCRIPTION	3 – 6/30/2008	4 - 3/31/2008
1	Total Assets	6,172,688	6,116,103
1.01	Current Assets	859,909	1,398,687
1.01.01	Cash and Cash Equivalents	414,046	904,998
1.01.01.01	Available Cash	1,612	1,174
1.01.01.02	Temporary Cash Investments	412,434	903,824
1.01.02	Credits	373,936	428,213
1.01.02.01	Clients	334,900	395,962
1.01.02.01.01	Consumers, Concessionaries and Permittees	334,900	395,962
1.01.02.02	Sundry Credits	39,036	32,251
1.01.02.02.01	Dividends Receivable from Subsidiaries	4,929	8,358
1.01.02.02.02	Recoverable Taxes	10,359	9,202
1.01.02.02.03	Collaterals and Restricted Deposits	0	640
1.01.02.02.04	Other	23,748	14,051
1.01.03	Inventories	46,550	42,148
1.01.04	Other	25,377	23,328
1.01.04.01	Prepaid Expenses	7,434	2,001
1.01.04.02	Deferred Tax Assets	13,403	15,030
1.01.04.03	Other	4,540	6,297
1.02	Noncurrent Assets	5,312,779	4,717,416
1.02.01	Long-term Assets	467,585	471,065
1.02.01.01	Sundry Credits	101,242	108,563
1.02.01.01.01	Concessionaries and Permittees	695	1,966
1.02.01.01.02	Sale of Assets and Rights	78,190	84,793
1.02.01.01.03	Recoverable Taxes	22,299	21,579
1.02.01.01.04	Other	58	225
1.02.01.02	Credits with Related Parties	0	0
1.02.01.02.01	Direct and Indirect Associated Companies	0	0
1.02.01.02.02	Subsidiaries	0	0
1.02.01.02.03	Other Related Parties	0	0
1.02.01.03	Other	366,343	362,502
1.02.01.03.01	Escrow deposits	155,287	150,343
1.02.01.03.02	Deferred Tax Assets	209,208	210,190
1.02.01.03.03	Other	1,848	1,969
1.02.02	Permanent Assets	4,845,194	4,246,351
1.02.02.01	Investments	1,341,198	711,239
1.02.02.01.01	In Direct and Indirect Associated Companies	0	0
1.02.02.01.02	In Direct and Indirect Associated Companies - Goodwill	0	0
1.02.02.01.03	In Subsidiaries	1,270,752	640,221
1.02.02.01.04	In Subsidiaries – Goodwill	39,634	40,206
1.02.02.01.05	Other Investments	30,812	30,812
1.02.02.02	Property, Plant and Equipment	3,481,772	3,511,116
1.02.02.03	Intangible Assets	2,115	2,809
1.02.02.04	Deferred Charges	20,109	21,187

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02.02 - BALANCE SHEET - LIABILITIES (in thousands of reais)

1 - CODE	2 - DESCRIPTION	3 - 6/30/2008	4 - 3/31/2008
2	Total Liabilities	6,172,688	6,116,103
2.01	Current Liabilities	1,061,340	1,193,427
2.01.01	Loans and Financing	481,164	80,690
2.01.02	Debentures	17,286	57,938
2.01.03	Trade Accounts Payable	150,288	176,652
2.01.04	Taxes Payable	256,187	188,433
2.01.05	Dividends Payable	2,875	532,997
2.01.05.01	Dividends and Interest on Capital	2,875	532,997
2.01.06	Provisions	45,041	49,534
2.01.06.01	Estimated Obligations	36,377	38,048
2.01.06.02	Reserves for Contingencies	8,664	11,486
2.01.07	Debts with Related Parties	0	0
2.01.08	Other	108,499	107,183
2.01.08.01	Post-employment Benefits	21,719	20,647
2.01.08.02	Research and Development	51,689	49,005
2.01.08.03	Other	35,091	37,531
2.02	Noncurrent Liabilities	1,683,654	1,714,311
2.02.01	Long-term Liabilities	1,683,654	1,714,311
2.02.01.01	Loans and Financing	348,745	394,741
2.02.01.02	Debentures	637,813	636,992
2.02.01.03	Provisions	79,675	74,266
2.02.01.03.01	Estimated Obligations	4,637	3,609
2.02.01.03.02	Reserves for Contingencies	75,038	70,657
2.02.01.04	Debts with Related Parties	0	0
2.02.01.05	Advance for Future Capital Increase	0	0
2.02.01.06	Other	617,421	608,312
2.02.01.06.01	Taxes Payable	3,993	10,664
2.02.01.06.02	Concession Fees Payable	260,398	247,453
2.02.01.06.03	Post-employment Benefits	314,733	311,931
2.02.01.06.04	Deferred Tax Liabilities	36,535	36,535
2.02.01.06.05	Other	1,762	1,729
2.02.02	Deferred Income	0	0
2.04	Shareholders' Equity	3,427,694	3,208,365
2.04.01	Paid-in Capital Stock	2,445,766	2,445,766
2.04.02	Capital Reserves	91,695	91,695
2.04.03	Revaluation Reserves	0	0
2.04.03.01	Own Assets	0	0
2.04.03.02	Subsidiaries/Direct and Indirect Associated Companies	0	0
2.04.04	Profit Reserves	279,392	279,392
2.04.04.01	Legal	249,496	249,496
2.04.04.02	Statutory	0	0
2.04.04.03	For Contingencies	0	0
2.04.04.04	Unrealized Profit	0	0
2.04.04.05	Profit Retention	29,896	29,896
2.04.04.06	Special Reserve for Undistributed Dividends	0	0

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01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

02.02 - BALANCE SHEET - LIABILITIES (in thousands of reais)

1 - CODE	2 - DESCRIPTION	3 - 6/30/2008	4 - 3/31/2008
2.04.04.07	Other Profit Reserves	0	0
2.04.05	Retained Earnings/Accumulated Losses	610.841	391.512
2.04.06	Advance for Future Capital Increase	0	0

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01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

03.01 - INCOME STATEMENT (in thousands of reais)

1 - CODE	2 - DESCRIPTION	3 - 4/1/2008 to 6/30/2008	4 - 1/1/2008 to 6/30/2008	5 - 4/1/2007 to 6/30/2007	6 - 1/1/2007 to 6/30/2007
3.01	Gross Revenue from Sales and/or Services	691,470	1,593,922	688,294	1,340,807
3.01.01	Electricity Sales to Distributors	600,056	1,400,706	595,979	1,168,497
3.01.02	Electricity Sales to Final Consumers	86,790	184,043	87,788	163,989
3.01.03	Other Revenues	4,624	9,173	4,527	8,321
3.02	Gross Revenue Deductions	(61,173)	(146,112)	(55,014)	(110,541)
3.02.01	PIS and COFINS (Taxes on Revenue)	(40,363)	(101,132)	(34,661)	(68,407)
3.02.02	ICMS (State VAT)	(15,093)	(31,917)	(13,916)	(29,637)
3.02.03	ISS (Service Tax)	(95)	(191)	(105)	(194)
3.02.04	Research and Development	(5,622)	(12,872)	(6,332)	(12,303)
3.03	Net Revenue from Sales and/or Services	630,297	1,447,810	633,280	1,230,266
3.04	Cost of Goods and/or Services Sold	(199,121)	(453,759)	(323,694)	(558,950)
3.04.01	Electricity Purchased for Resale	(30,049)	(105,848)	(98,549)	(195,097)
3.04.02	Transactions within CCEE	(26,728)	(39,666)	(90,665)	(134,810)
3.04.03	Electricity Production Cost	(140,464)	(303,188)	(131,963)	(224,523)
3.04.04	Cost of Services	(1,880)	(5,057)	(2,517)	(4,520)
3.05	Gross Income	431,176	994,051	309,586	671,316
3.06	Operating Revenues/Expenses	(101,859)	(97,257)	(33,617)	(59,369)
3.06.01	Selling	(52,488)	(99,214)	(45,374)	(88,509)
3.06.02	General and Administrative	(38,456)	(69,853)	(28,080)	(53,928)
3.06.03	Financial	(15,859)	(41,759)	(11,953)	(20,033)
3.06.03.01	Financial Revenues	30,605	57,187	16,841	36,164
3.06.03.02	Financial Expenses	(46,464)	(98,946)	(28,794)	(56,197)
3.06.04	Other Operating Revenues	686	78,601	2,151	2,888
3.06.04.01	Recovery of PIS/COFINS	0	76,431	0	0
3.06.04.02	Reversal of Operating Provisions, Net	686	2,170	2,151	2,888

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01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

03.01 - INCOME STATEMENT (in thousands of reais)

1 - CODE	2 - DESCRIPTION	3 - 4/1/2008 to 6/30/2008	4 - 1/1/2008 to 6/30/2008	5 - 4/1/2007 to 6/30/2007	6 - 1/1/2007 to 6/30/2007
3.06.05	Other Operating Expenses	0	0	0	0
3.06.06	Equity in the Earnings of Subsidiary and Associated Companies	4,258	34,968	49,639	100,213
3.06.06.01	Equity in Subsidiaries	4,830	36,855	51,326	103,587
3.06.06.02	Goodwill Amortization in Interest in Companies	(572)	(1,887)	(1,687)	(3,374)
3.07	Operating Income	329,317	896,794	275,969	611,947
3.08	Non-operating Income	(789)	(1,853)	(459)	(1,161)
3.08.01	Revenues	315	826	211	558
3.08.02	Expenses	(1,104)	(2,679)	(670)	(1,719)
3.09	Income before Taxes/Holdings	328,528	894,941	275,510	610,786
3.10	Provision for Income Tax and Social Contribution	(106,590)	(291,608)	(43,854)	(145,400)
3.10.01	Income Tax	(78,074)	(212,231)	(32,120)	(106,593)
3.10.02	Social Contribution Tax	(28,516)	(79,377)	(11,734)	(38,807)
3.11	Deferred Income Tax	(2,609)	7,508	(2,109)	6,263
3.11.01	Income Tax	(1,919)	5,520	(1,551)	5,259
3.11.02	Social Contribution Tax	(690)	1,988	(558)	1,004
3.12	Statutory Holdings/Contributions	0	0	0	0
3.12.01	Holdings	0	0	0	0
3.12.02	Contributions	0	0	0	0
3.13	Reversal of Interest on Own Capital	0	0	0	0
3.15	Income/Loss for the Period	219,329	610,841	229,547	471,649
	NUMBER OF SHARES EX-TREASURY (Units)	652,742,192	652,742,192	652,742,192	652,742,192
	EARNINGS PER SHARE (Reais)	0.33601	0.93581	0.35167	0.72257
	LOSS PER SHARE (Reais)				

1 – OPERATIONS

Tractebel Energia S.A (the "Company") is an independent utility concessionaire with its registered head office in the city of Florianopolis, State of Santa Catarina, engaged in the generation and sale of electricity, regulated by the ANEEL (National Electric Power Agency), which is linked to the Ministry of Mines and Energy.

The Company's installed capacity, including the interest in the consortium Itá and Machadinho is 6,057 MW, approximately 80% of which is derived from hydroelectric plants and 20% from thermoelectric plants. The Company's electricity supply capacity, including the long-term purchase agreement entered into with subsidiary Itá Energética S.A. - ITASA, is 6,094 MW.

Ponte de Pedra Energética S.A. – PPESA

As per Note 10, in April 2008, the Company, by means of its wholly-owned subsidiary Energia América do Sul Ltda - EAS, acquired all shares of Ponte de Pedra Energética S.A. – PPESA for the amount of R$644,919.

Merger of the Subsidiary Companhia Energética Meridional – CEM

As per Note 10, the merger by Tractebel Energia, of its wholly-owned subsidiary CEM was performed in March 2008, through the assignment of its net assets, based on a specialists appraisal.

The merger is intended to streamline the group's corporate structure, through a corporate and equity restructuring mainly involving the merger of CEM into Tractebel Energia, which not only would reduce the current organizational structure, reducing costs, increasing shareholders' value, streamlining and optimizing investments, but would facilitate the unification, standardization and enhancement of general business management of the companies, and allow the elimination of negotiation costs from maintaining two companies.

2 – PRESENTATION OF FINANCIAL STATEMENTS

The interim Financial Statements have been prepared in conformity with rules issued by Brazilian Securities and Exchange Commission – CVM applicable to the preparation of the financial statements in compliance with CVM Rule 469/08.

Figures presented in the Quarterly Information Report - ITR (text and tables) are expressed in thousands (of reais and other currencies), except when otherwise indicated.

Notes to the Financial Statements as of December 31, 2007 complement this Quarterly Information Report, presented as summary.

Non-financial information such as average MW, installed power and number of employees are not reviewed by the independent auditors.

Consolidated Quarterly Information

Intercompany balances, transactions and investments in investees are eliminated in consolidation.

The components of assets and liabilities, revenues and expenses of ITASA were consolidated in proportion to the Company's interest in this investee.

3 – AMENDMENT TO BRAZILIAN CORPORATE LAW – LAW 6404/1976

On December 28, 2007, Law No. 11638 was enacted, altering, revoking and adding new provisions to the Brazilian Corporate Law (Law No. 6404 as of December 15, 1976), especially with respect to chapter XV, Fiscal Year and Financial Statements, which came into force on January 1, 2008 and applies to the financial statements for the year started on January 1, 2008. Law No. 11638/07 was designed primarily to update accounting practices as contemplated in Brazilian corporate law, so as to enable the convergence of Brazilian accounting practices with accounting standards generally accepted in the international capital markets, and contemplates broad changes to accounting practices generally accepted in Brazil, as they related to statutory accounting practices and procedures. The Law also allows the Brazilian Securities Commission (CVM) to issue new accounting standards and procedures, applicable to public companies in Brazil, in conformity with such international accounting standards. Certain of these changes shall be applied as of the beginning of the Company's fiscal year, while others are subject to regulation by regulatory agencies.

The Company already presents the Statement of Cash Flows, individually and on a consolidated basis, the segregation of Intangible assets, in Permanent assets. The Company also discloses annually the Statement of Value Added as supplemental information. Additionally, the Company already adjusts the present value (AVP) of its long-term assets and liabilities (see Notes 9 and 18).

The Company adopted the provisions of Law No. 11638/07 in the preparation of the Quarterly Information based on guidelines issued by CVM and/or rules issued by the International Accounting Standards Board – IASB and, in view of such adoption, the company reclassified the Quarterly Information referring to previous periods, presented for the purposes of comparison. However, since the main changes introduced by said Law depend on regulation by Brazilian regulatory bodies the accounting information presented may require adjustments upon conclusion of the regulation process by Law No. 11638/07.

4 – TEMPORARY CASH INVESTMENTS

	Company		Consolidated	
	6.30.2008	3.31.2008	6.30.2008	3.31.2008
Citibank - Exclusive Investment Fund				
Repurchase agreement with federal government and private sector securities [1]				
National Treasury Notes (NTN)	152,065	610,302	167,215	641,856
Debentures	70,830	37,025	77,887	38,939
	222,895	647,327	245,102	680,795
Bank Certificates of Deposit (CDB)	50,240	21,438	55,245	22,546
National Treasury Bills (LTN)	44,008	44,856	48,393	47,175
Treasury Bills (LFT)	95,291	190,203	104,785	200,037
	412,434	903,824	453,525	950,553
Financial Institutions [2]				
Bank Certificates of Deposit (CDB)	-	-	3,876	-
Repurchase agreements with private sector securities[1] - Debentures	-	-	15,665	25,599
	-	-	19,541	25,599
	412,434	903,824	473,066	976,152
Banco Santos				
Bank Certificates of Deposit (CDB)	2,603	2,603	2,603	2,603
(-) Provision for losses	(2,603)	(2,603)	(2,603)	(2,603)
	412,434	**903,824**	**473,066**	**976,152**

[1] Sale of securities with repurchase commitments assumed by the seller, concurrent with the resale commitment assumed by the buyer. These transactions have immediate liquidity, yield fixed interest and are backed by federal government and private securities.

[2] Banco Safra, Banco Bradesco, Banco Itaú, Banco UBS Pactual, Banco Santander, Banco HSBC and UNIBANCO.

The Company structured its temporary cash investments to concentrate its funds in an exclusive, balanced investment fund, the shares of which can be redeemed at any time without impairing its yield.

Exclusive funds do not entail significant financial obligations, which are limited to asset management, investment transaction and audit fees, in addition to general and administrative expenses.

As of June 30, 2008, the fund's portfolio includes interest futures transactions (DI Futuro BMF), intended to convert fixed interest into CDI-indexed interest. Net gains or losses on these transactions compose the securities yields on said securities' portfolio in the corresponding month. The consolidated balance of these transactions on June 30, 2008 is R$24,989 (R$24,327 on March 31, 2008).

	Amount	Maturity	Hedged portfolio	Maturity
ID Future	**24,989**	7/1/2008	LTN	7/1/2008

The provision for losses on temporary cash investments was recognized to cover possible losses on investments in CDB that the Company has in Banco Santos, whose bankruptcy was declared in 2005.

5 – CONSUMERS, CONCESSIONAIRES AND PERMITTEES

	Company				
	6.30.2008				3.31.2008
	Current	Past-due		Total	Total
		Up to 90 days	Over 90 days		
Current assets					
Concessionaries	160,672	6	-	160,678	174,328
Sellers	112,753	-	-	112,753	96,400
Free Consumers	30,537	30	6	30,573	31,520
Exports	19,861	-	740	20,601	740
Transactions within CCEE/MAE					
- Current	394	501	36	931	81,898
- Installments	9,255	-	-	9,255	10,795
- Extraordinary tariff adjustment - RTE	109	-	-	109	281
- Agents with lawsuits or in default	110,498	-	12,076	122,574	122,574
	120,256	501	12,112	132,869	215,548
	444,079	**537**	**12,858**	**457,474**	**518,536**
(-) Allowance for doubtful accounts	(110,498)	-	(12,076)	(122,574)	(122,574)
	333,581	**537**	**782**	**334,900**	**395,962**

04.01 – NOTES TO THE FINANCIAL STATEMENTS

	Consolidated				
	6.30.2008				3.31.2008
	Current	Past-due		Total	Total
		Up to 90 days	Over 90 days		
Current Assets					
Concessionaries	188,109	132	-	188,241	190,884
Sellers	65,117	-	-	65,117	75,325
Free Consumers	96,208	336	6	96,550	97,306
Exports	19,861	-	740	20,601	740
Transactions within CCEE/MAE					
- Current	1,833	719	36	2,588	82,040
- Installments	9,255	-	-	9,255	10,795
- Extraordinary tariff adjustment - RTE	109	-	-	109	281
- Agents with lawsuits or in default	110,498	-	13,944	124,442	124,442
	121,695	719	13,980	136,394	217,558
	490,990	**1,187**	**14,726**	**506,903**	**581,813**
(-) Allowance for doubtful accounts	(110,498)	-	(12,076)	(122,574)	(122,574)
	380,492	**1,187**	**2,650**	**384,329**	**459,239**

The term for collecting amounts related to electricity invoices is up to 45 days.

Amounts past-due for more than 90 days for transactions within MAE refer to debts of agents in default during the 1st settlement of the MAE, on December 30, 2002. Such amounts are under bilateral negotiations. However, due to uncertainties as to their credit, the Company maintains an allowance for doubtful accounts, regardless of the actions applicable to the case.

The allowance for doubtful debtors related to outstanding amounts was recognized due to the uncertainties as to the realization of receivables arising from transactions made within Wholesale Energy Market - MAE (current, Electric Power Trade Chamber - CCEE) in the period September 2000-September 2002, whose debtor agents filed lawsuits because they disagreed with the interpretation adopted by MAE in connection with the Overall Agreement for the Electric Energy Sector.

6 – RECOVERABLE TAXES

	Company		Consolidated	
	6.30.2008	3.31.2008	6.30.2008	3.31.2008
Current				
ICMS (state VAT)	45,186	43,856	45,608	44,076
Income Tax	-	-	1,791	1,102
Social Contribution tax	-	-	454	123
COFINS (tax on revenue)	3,423	2,843	3,423	2,911
PIS (tax on revenue)	738	617	738	632
INSS (social security contribution)	1,150	2,024	1,150	2,024
	50,497	**49,340**	**53,164**	**50,868**
(-) Allowance for losses on ICMS credits	(40,138)	(40,138)	(40,138)	(40,138)
	10,359	**9,202**	**13,026**	**10,730**
Noncurrent				
ICMS	4,525	4,597	8,065	8,112
COFINS (tax on revenue)	8,228	7,984	8,228	7,984
PIS (tax on revenue)	1,812	1,733	1,812	1,733
INSS (social security contribution)	7,734	7,265	7,734	7,265
	22,299	**21,579**	**25,839**	**25,094**

The provision for losses on the realization of accrued ICMS credit is related to the purchase of natural gas for production of electricity in the William Arjona thermoelectric plant, in the State of Mato Grosso do Sul, and was recognized due to the difficulties to offset all credits in that State, since the substantial part of the sale of electricity occurred with deferred ICMS.

7 – DEFERRED TAX ASSETS

	Company				
	6.30.2008				3.31.2008
Type of credit	Tax basis	Income tax	Social contribution tax	Total	Total
Interest on property, plant and equipment in progress	146,550	36,637	-	36,637	36,637
Post-employment benefits	199,606	49,901	17,965	67,866	66,378
Allowance for doubtful accounts	122,574	30,643	11,032	41,675	41,675
Reserve for contingencies	111,799	27,950	10,062	38,012	37,659
Provision for losses on ICMS credits	40,138	10,035	3,612	13,647	13,647
Supplementary depreciation of W. Arjona thermoelectric plant	23,520	5,880	2,117	7,997	8,281
Management and special bonus	2,987	747	269	1,016	2,102
Discount to present value of receivables	15,664	3,916	1,410	5,326	6,312
Incorporated goodwill	21,496	5,374	1,935	7,309	7,831
Other	9,194	2,299	827	3,126	4,698
		173,382	**49,229**	**222,611**	**225,220**
Classification of deferred tax assets:					
Current		10,825	2,578	13,403	15,030
Noncurrent		162,557	46,651	209,208	210,190
		173,382	**49,229**	**222,611**	**225,220**

	Consolidated				
	6.30.2008				3.31.2008
Type of credit	Tax basis	Income tax	Social contribution tax	Total	Total
Interest on property, plant and equipment in progress	146,550	36,637	-	36,637	36,637
Post-employment benefits	199,606	49,901	17,965	67,866	66,378
Allowance for doubtful accounts	122,574	30,643	11,032	41,675	41,675
Reserve for contingencies	127,186	29,030	11,446	40,476	37,864
Provision for losses on ICMS credits	40,138	10,035	3,612	13,647	13,647
Supplementary depreciation of W. Arjona thermoelectric plant	23,520	5,880	2,117	7,997	8,281
Management and special bonus	2,987	747	269	1,016	2,102
Discount to present value of receivables	15,664	3,916	1,410	5,326	6,312
Incorporated goodwill	21,496	5,374	1,935	7,309	7,831
Other	24,240	3,430	2,181	5,611	5,810
		175,593	**51,967**	**227,560**	**226,537**
Classification of deferred tax assets:					
Current		10,855	2,589	13,444	15,071
Noncurrent		164,738	49,378	214,116	211,466
		175,593	**51,967**	**227,560**	**226,537**

Deferred tax assets deriving from temporary differences will be realized upon the payment of the provisions recognized or, where applicable, upon realization of accrued losses.

The estimated realization of deferred tax assets through the generation of future taxable income is as follows:

	Company	Consolidated
Recorded deferred tax assets		
2008 (July to December)	7,487	7,567
2009	20,173	21,013
2010	15,063	17,335
2011	22,663	22,892
2012	40,208	40,408
2013 to 2015	82,111	82,493
2016 to 2018 (January to June)	34,906	35,852
	222,611	**227,560**
Unrecorded deferred tax assets		
2018 (July to December)	1,832	1,832
2019	3,492	3,492
2020	734	734
2021	734	734
2022	734	734
2023 to 2025	2,202	2,202
2026 to 2028	2,202	2,202
2029 and thereafter	1,686	1,686
	13,616	**13,616**
	236,227	**241,176**

The unrecorded deferred tax assets refer to Interest on property, plant and equipment in progress and its realization is made proportionally to the depreciation of the underlying assets, which currently exceeds 10 years, resulting in unrecorded deferred tax assets, in compliance with CVM Rule 371/02, as of June 27, 2002.

8 – TAX RECONCILIATION

	Company							
	2008				2007			
	2nd Quarter		Accumulated		2nd Quarter		Accumulated	
	Income tax	Social Contribution tax	Income tax	Social Contribution tax	Income tax	Social Contribution tax	Income tax	Social Contribution tax
Income before taxes	**328,528**	**328,528**	**894,941**	**894,941**	**275,510**	**275,510**	**610,786**	**610,786**
Permanent Differences								
Additions								
Amortization of Goodwill	572	-	1,887	-	1,687	-	3,374	-
Donations	620	620	1,516	1,516	317	317	717	717
Other	1,212	200	1,793	286	1,513	75	2,214	119
Deductions								
Equity in subsidiaries	(4,830)	(4,830)	(36,855)	(36,855)	(51,326)	(51,326)	(103,587)	(103,587)
Reversal of amortized goodwill in the merger of subsidiary	-	-	(23,032)	-	-	-	-	-
Interest on capital	-	-	-	-	(88,000)	(88,000)	(88,000)	(88,000)
Interest on property, plant and equipment in progress	(3,663)	-	(7,327)	-	(3,664)	-	(7,308)	-
Tax basis	**322,439**	**324,518**	**832,923**	**859,888**	**136,037**	**136,576**	**418,196**	**420,035**
Tax rates	25%	9%	25%	9%	25%	9%	25%	9%
Income and social contribution taxes	**(80,610)**	**(29,206)**	**(208,230)**	**(77,389)**	**(34,009)**	**(12,292)**	**(104,549)**	**(37,803)**
Complement to deferred income tax of interest on property, plant and equipment in progress	-	-	-	-	-	-	2,471	-
Tax Incentives	632	-	1,528	-	332	-	732	-
Other	(15)	-	(9)	-	6	-	12	-
Income and social contribution taxes - statement of income	**(79,993)**	**(29,206)**	**(206,711)**	**(77,389)**	**(33,671)**	**(12,292)**	**(101,334)**	**(37,803)**
Breakdown of taxes in the statement of income:								
Current	(78,074)	(28,516)	(212,231)	(79,377)	(32,120)	(11,734)	(106,593)	(38,807)
Deferred	(1,919)	(690)	5,520	1,988	(1,551)	(558)	5,259	1,004
	(79,993)	**(29,206)**	**(206,711)**	**(77,389)**	**(33,671)**	**(12,292)**	**(101,334)**	**(37,803)**

04.01 – NOTES TO THE FINANCIAL STATEMENTS

	Consolidated							
	2008				2007			
	2nd Quarter		Accumulated		2nd Quarter		Accumulated	
	Income tax	Social Contribution tax	Income tax	Social Contribution tax	Income tax	Social Contribution tax	Income tax	Social Contribution tax
Income before taxes	**330,977**	**330,977**	**918,715**	**918,715**	**301,624**	**301,624**	**667,913**	**667,913**
Permanent Differences								
Additions								
Donations	620	620	1,516	1,516	317	317	867	867
Other	9,844	(871)	12,033	(529)	3,395	76	5,845	132
Deductions								
Interest on capital	-	-	-	-	(88,000)	(88,000)	(88,000)	(88,000)
Reversal of amortized goodwill in the merger of subsidiary	-	-	(23,032)	-	-	-	-	-
Interest on property, plant and equipment in progress	(3,663)	-	(7,327)	-	(3,664)	-	(7,308)	-
Adjustment in subsidiary taxed based on deemed income	(41)	272	(644)	(14)	(682)	(307)	(2,152)	(1,415)
Tax basis	**337,737**	**330,998**	**901,261**	**919,688**	**212,990**	**213,710**	**577,165**	**579,497**
Tax rates	25%	9%	25%	9%	25%	9%	25%	9%
Income and social contribution taxes	**(84,433)**	**(29,789)**	**(225,315)**	**(82,773)**	**(53,247)**	**(19,233)**	**(144,291)**	**(52,154)**
Income and social contribution taxes for previous periods	899	1,328	(1,510)	460	28	10	(2,372)	(854)
Complement to deferred income tax of interest on property, plant and equipment in progress	-	-	-	-	-	-	2,471	-
Tax Incentives	322	-	1,218	-	332	-	882	-
Other	25	-	46	-	33	-	54	-
Income and social contribution taxes - statement of income	**(83,187)**	**(28,461)**	**(225,561)**	**(82,313)**	**(52,854)**	**(19,223)**	**(143,256)**	**(53,008)**
Breakdown of taxes in the statement of income:								
Current	(81,731)	(30,029)	(231,725)	(86,624)	(51,182)	(18,623)	(147,750)	(53,739)
Deferred	(1,456)	1,568	6,164	4,311	(1,672)	(600)	4,494	731
	(83,187)	**(28,461)**	**(225,561)**	**(82,313)**	**(52,854)**	**(19,223)**	**(143,256)**	**(53,008)**

9 – SALE OF ASSETS AND RIGHTS

	Company and Consolidated	
	6.30.2008	3.31.2008
Nominal Value	105,867	103,357
(-) Discount to present value	(15,664)	(18,564)
	90,203	**84,793**
Classification in balance sheet:		
Current (*)	12,013	-
Noncurrent	78,190	84,793
	90,203	**84,793**

(*) *The amount classified in current assets is presented in sundry credits – other.*

The aforementioned balances correspond to receivables from Elétrica Jacuí S.A. – ELEJA for the sale of the Jacuí thermoelectric project. ELEJA is a special purpose entity controlled by an owner of exploration rights of coal mines in the Jacuí project's region, which, pursuant to the agreement, assumed the responsibility for completing the project.

As a guarantee for the fulfillment of the contractual obligations, including the payment of the purchase price, ELEJA granted Tractebel Energia liens on the rights, goods and machinery and mortgage on the properties and related accessories sold under the agreement entered into by the parties.

According to terms of the agreement, the sale amounts are adjusted based on the IGP-DI (general price index – domestic supply) and will be received in 36 installments beginning with the commencement of operations of the Jacuí thermoelectric plant or four years after the sale date. As contractual amounts are at future prices, the Company discounted the price to present value based on the discount rate of 10% p.a.

In June 2008, the Company received the first installment in the amount of R$967.

Up to the first quarter this year, the total amounts receivable from Eleja were presented in the long term. As of this quarter, the Company started presenting in current assets the installments falling due.

The Company started a negotiation sales process of said credit to a company prospect interested in investing in ELEJA. However, due to the current status of negotiations and uncertainties as to its conclusion, no adjustment to the realization amount of the asset was made by the Company.

10 – INVESTMENTS

a) Breakdown

	Company		Consolidated	
	6.30.2008	3.31.2008	6.30.2008	3.31.2008
Investments in subsidiaries:				
Accounted for under the equity method				
Equity in subsidiaries	1,270,752	640,221	-	-
Goodwill	39,634	40,206	-	-
Accounted for at acquisition cost	28,796	28,796	28,796	28,796
Assets and rights for future use	1,895	1,895	1,895	1,895
Other Investments	121	121	121	121
	1,341,198	**711,239**	**30,812**	**30,812**

In accordance with the accounting practices adopted in Brazil, assets and liabilities recorded in the opening balance sheet of the entity acquired are acknowledged as an investment by the acquiring company, and goodwill or negative goodwill ascertained in acquisitions correspond to the difference between the amount paid and the amount of assets and liabilities recorded in the entity acquired. This procedure was adopted by the Company in the individual balance sheets of Tractebel Energia and its subsidiaries, used as a vehicle to acquire companies.

In order to prepare the consolidated balance sheet, the Company considered that the goodwill paid in acquisitions is based on the fair value of power generation plants recorded in property, plant and equipment and, therefore, the Company chose to allocate them jointly with the amount of each concession as part of these assets.

b) Investments in subsidiaries

b.1) Accounted for under the equity method

	6.30.2008					6.30.2007	3.31.2008
Subsidiaries	Thousand shares	Advance for future capital increase	Ownership interest (%)	Net income (loss)	Shareholders' equity	Net income (loss)	Shareholders' equity
Itá Energética S.A. – ITASA	253,607	-	48.75	17,936	594,325	19,447	592,704
Companhia Energética Meridional – CEM [1]	-	-	-	11,122 (*)	-	47,971	-
Companhia Energética São Salvador – CESS [2]	268,943	-	99.99	-	268,943	-	268,943
Lages Bioenergética Ltda.	30,530	-	99.99	1,679	42,024	3,368	41,469
Tractebel Energia Comercializadora Ltda.	4,200	-	99.99	21,949	26,149	42,781	19,711
Delta Energética S.A. [3]	20,960	-	99.99	(68)	20,830	(13)	20,837
Lagoa Formosa Bioenergética Ltda.	270	-	99.99	-	270	-	270
Energia América do Sul Ltda [4]	1	629,369	99.99	(6,571)	627,559	-	46

(*) *Net Income on February 29, 2008.*
[1] *The subsidiary CEM was incorporated by Tractebel Energia on February 29, 2008, as mentioned on Note 1.*
[2] *Under pre-operational phase.*
[3] *Special Purpose Entity used as vehicle to acquire Seival Participações S.A..*
[4] *Special Purpose Entity used as vehicle to acquire Ponte de Pedra Energética S.A. – PPESA..*

Changes in investments

Equity in subsidiaries

Subsidiaries	Balance as of 12.31.2007	Merger of subsidiary	Advance for future capital increase	Equity in subsidiaries	Balance as of 3.31.2008
ITASA	284,419	-	-	4,524	288,943
CEM	443,744	(454,866)	-	11,122	-
CESS	268,943	-	-	-	268,943
Lages Bioenergética	40,345	-	-	1,124	41,469
Tractebel Energia Comercializadora	4,200	-	-	15,511	19,711
Delta Energética	20,898	-	-	(61)	20,837
Lagoa Formosa	50	-	220	-	270
Other	3	-	240	(195)	48
	1,062,602	**(454,866)**	**460**	**32,025**	**640,221**

Subsidiaries	Balances as of 3.31.2008	Advance for future capital increase	Equity in subsidiaries	Dividends	Balances as of 6.30.2008
ITASA	288,943	-	4,220	(3,429)	289,734
CESS	268,943	-	-	-	268,943
Lages Bioenergética	41,469	-	555	-	42,024
Tractebel Energia Comercializadora	19,711	-	6,438	-	26,149
Delta Energética	20,837	-	(7)	-	20,830
Lagoa Formosa	270	-	-	-	270
Energia América do Sul	46	629,129	(6,376)	-	622,799
Other	2	1	-	-	3
	640,221	**629,130**	**4,830**	**(3,429)**	**1,270,752**

Goodwill – Company

Subsidiaries	Balance as of 3.31.2008	Amortization	Balance as of 6.30.2008
ITASA	5,149	(572)	4,577
CESS	35,057	-	35,057
Company	**40,206**	**(572)**	**39,634**

As per item ‘a’ of this Note, for the purposes of consolidation, the Company recorded goodwill paid in its acquisitions as part of property, plant and equipment.

Merger of Subsidiary Companhia Energética Meridional – CEM

On March 28, 2008, Tractebel Energia merged its wholly-owned subsidiary CEM, through the assignment of its net assets, on base date February 29, 2008, based on a specialists appraisal, as shown below:

ASSETS		LIABILITIES AND SHAREHOLDERS' EQUITY	
CURRENT ASSETS		**CURRENT LIABILITIES**	
Cash and cash equivalents	28,344	Trade accounts payable	5,811
Concessionaire – Parent Company	31,962	Proposed dividends	25,104
Transactions within CCEE	187	Financing and debentures	29,053
Collaterals and restricted deposits	1,643	Taxes	4,445
Other	1,072	Accounts payable – Parent Company	13,988
TOTAL CURRENT ASSETS	**63,208**	Other obligations	9,578
		TOTAL CURRENT LIABILITIES	**87,979**
NONCURRENT ASSETS		**NONCURRENT LIABILITIES**	
Long-term assets		**Long-term liabilities**	
Escrow deposits	24,487	Financing and debentures	125,845
Deferred tax assets	1,613	Concession fees payable	244,614
Other	798	Reserve for contingencies	3,165
	26,898	**TOTAL NONCURRENT LIABILITIES**	**373,624**
Permanent assets			
Property, plant and equipment	753,618		
Intangible assets	72,745		
	826,363		
TOTAL NONCURRENT ASSETS	**853,261**	**NET ASSETS**	**454,866**
TOTAL ASSETS	**916,469**	**TOTAL LIABILITIES**	**916,469**

Ponte de Pedra Energética S.A. – PPESA

On April 29, 2008, the Company, by means of its wholly-owned subsidiary Energia América do Sul Ltda., became the controlling shareholder of Ponte de Pedra Energética S.A. – PPESA, for the total amount of R$644,919, R$613,229 of which related to the contracted amount adjusted up to the acquisition date and R$31,690 corresponding to the difference between the net financial position of PPESA projected for December 31, 2007 and on the acquisition date.

The amount paid by the Company exceeding the book value of PPESA's shareholders' equity is based on the fair value of the generation plant recorded in property, plant and equipment, and it is allocated in the consolidated balance sheet as part of these assets, being amortized over the remaining term of the concession, which ends in September 2034.

PPESA holds the concession of the hydroelectric plant Ponte de Pedra, a hydroelectric plant with installed capacity of 176.1 MW and guaranteed average energy of 131.6 MW, in a commercial operation since September 2005, located in the Correntes River in the State of Mato Grosso.

The Company, due to the fact the Plant is located in an incentive area of SUDAM – Amazon Development Superintendence is partly exempt from income tax for a 10-year period as from 2006.

The balance sheet as of the April 29, 2008 acquisition date is as follows:

ASSETS		LIABILITIES AND SHAREHOLDERS' EQUITY	
CURRENT ASSETS		**CURRENT LIABILITIES**	
Cash and cash equivalents	53	Trade accounts payable	300
Temporary cash investments	43,291	Loans and financing	42,023
Concessionaire	12,743	Taxes	6,798
Recoverabel taxes	3,262	Estimated obligations	2,505
Prepaid expenses	166	Research and Development	2,394
Other	157	Concession fees payable	444
TOTAL CURRENT ASSETS	**59,672**	Other obligations	949
		TOTAL CURRENT LIABILITIES	**55,413**
NON-CURRENT ASSETS		**NON-CURRENT LIABILITIES**	
Long-term assets		**Long-term liabilities**	
Deferred tax assets	911	Loans and financing	252,135
Other	39	ANEEL concession	318,004
	950	Provision for contingencies	13,803
		TOTAL NON-CURRENT LIABILITIES	**583,942**
Permanent assets		**SHAREHOLDERS' EQUITY**	
Property, plant and equipment	1,187,364	Paid-in capital stock	219,770
Intangible assets	4,598	Capital reserves	9,327
	1,191,962	Profit reserve	2,300
		Retained earnings	381,832
TOTAL NON-CURRENT ASSETS	**1,192,912**	**TOTAL SHAREHOLDERS' EQUITY**	**613,229**
TOTAL ASSETS	**1,252,584**	**TOTAL LIABILITIES**	**1,252,584**

11 – PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

	Company				
	6.30.2008				3.31.2008
	Average depreciation rates	Adjusted cost	Accumulated depreciation/ amortization	Net	Net
In service					
Hydroelectric generation					
Salto Santiago plant	2.5	641,437	(513,236)	128,201	131.370
Salto Osório plant	2.7	331,037	(235,586)	95,451	71.363
Passo Fundo plant	2.4	119,757	(92,942)	26,815	27.491
Cana Brava plant	3.0	960,955	(147,762)	813,193	819.874
Machadinho plant (consortium)	3.2	180,071	(28,603)	151,468	152.904
Itá plant (consortium)	3.6	1,233,883	(243,066)	990,817	1.001.820
		3,467,140	**(1,261,195)**	**2,205,945**	**2.204.822**
Thermoelectric generation					
Jorge Lacerda Complex	4.5	2,513,816	(1,399,971)	1,113,845	1.136.017
Charqueadas plant	6.5	58,808	(50,999)	7,809	8.050
Alegrete plant	3.6	8,289	(7,333)	956	967
William Arjona plant	4.3	174,657	(77,380)	97,277	98.310
		2,755,570	**(1,535,683)**	**1,219,887**	**1.243.344**
General and other equipment	10.0	**50,989**	**(21,996)**	**28,993**	**28.607**
		6,273,699	**(2,818,874)**	**3,454,825**	**3.476.773**
Property, plant and equipment in progress					
Hydroelectric generation		7,315	-	7,315	22,616
Thermoelectric generation		26,705	-	26,705	18,226
General and other equipment		2,426	-	2,426	3,008
		36,446	**-**	**36,446**	**43,850**
Total property, plant and equipment		**6,310,145**	**(2,818,874)**	**3,491,271**	**3,520,623**
Special obligations		**(9,499)**	**-**	**(9,499)**	**(9,507)**
		6,300,646	**(2,818,874)**	**3,481,772**	**3,511,116**

04.01 – NOTES TO THE FINANCIAL STATEMENTS

	Consolidated				
	6.30.2008				3.31.2008
	Average depreciation rates	Adjusted cost	Accumulated depreciation/ amortization	Net	Net
In service					
Hydroelectric generation					
Salto Santiago plant	2.5	641,437	(513,236)	128,201	131.370
Salto Osório plant	2.7	331,037	(235,586)	95,451	71.363
Passo Fundo plant	2.4	119,757	(92,942)	26,815	27.491
Cana Brava plant	3.0	960,955	(147,762)	813,193	819.874
Ponte de Pedra plant	3.7	1,249,665	(45,066)	1,204,599	-
Machadinho plant (consortium)	3.2	180,071	(28,603)	151,468	152.904
Itá plant (consortium)	3.6	1,800,231	(362,567)	1,437,664	1.451.865
		5,283,153	**(1,425,762)**	**3,857,391**	**2.654.867**
Thermoelectric generation					
Jorge Lacerda complex	4.5	2,513,816	(1,399,971)	1,113,845	1.136.017
Charqueadas plant	6.5	58,808	(50,999)	7,809	8.050
Alegrete plant	3.6	8,289	(7,333)	956	967
William Arjona plant	4.3	174,657	(77,380)	97,277	98.310
Lages cogeneration unit	4.3	74,179	(13,192)	60,987	61.794
		2,829,749	**(1,548,875)**	**1,280,874**	**1.305.138**
General and other equipment	10.0	**51,201**	**(22,104)**	**29,097**	**28.689**
		8,164,103	**(2,996,741)**	**5,167,362**	**3.988.694**
Property, plant and equipment in progress					
Hydroelectric generation					
São Salvador plant		773,626	-	773,626	689,002
Other plants (construction works)		16,183	-	16,183	24,666
Thermoelectric generation		28,393	-	28,393	19,885
General and other equipment		2,426	-	2,426	3,008
		820,628	**-**	**820,628**	**736,561**
Total property, plant and equipment		**8,984,731**	**(2,996,741)**	**5,987,990**	**4,725,255**
Special obligations		**(9,624)**	**-**	**(9,624)**	**(9,632)**
		8,975,107	**(2,996,741)**	**5,978,366**	**4,715,623**

b) Changes in property, plant and equipment

	Company			Consolidated		
	In service	In progress	Total	In service	In progress	Total
Balance at 12.31.2007	**2,670,671**	**64,027**	**2,734,698**	**4,015,759**	**720,626**	**4,736,385**
Additions						
Cana Brava plant	825,608	476	826,084	-	-	-
São Salvador plant	-	-	-	-	38,368	38,368
Other plants	-	8,230	8,230	-	8,467	8,467
Transfers	28,883	(28,883)	-	30,900	(30,900)	-
Depreciation	(46,811)	-	(46,811)	(56,387)	-	(56,387)
Write-offs	(1,578)	-	(1,578)	(1,578)	-	(1,578)
Balance at 3.31.2008	**3,476,773**	**43,850**	**3,520,623**	**3,988,694**	**736,561**	**4,725,255**
Additions						
São Salvador plant	-	-	-	-	84,624	84,624
Ponte de Pedra plant	-	-	-	1,211,814	7,110	1,218,924
Other plants	-	23,479	23,479	-	23,766	23,766
Transfers	30,883	(30,883)	-	31,433	(31,433)	-
Depreciation	(51,726)	-	(51,726)	(63,406)	-	(63,406)
Write-offs	(1,105)	-	(1,105)	(1,173)	-	(1,173)
	3,454,825	**36,446**	**3,491,271**	**5,167,362**	**820,628**	**5,987,990**
Special obligations	(9,499)	-	(9,499)	(9,624)	-	(9,624)
Balance at 6.30.2008	**3,445,326**	**36,446**	**3,481,772**	**5,157,738**	**820,628**	**5,978,366**

Allocation of financial charges

Financial charges linked to financing of Companhia Energética São Salvador – CESS, which amounted to R$10,092 in the second quarter of 2008 (R$9,060 in the first quarter of 2008), are being capitalized in property, plant and equipment in progress.

12 – INTANGIBLE ASSETS

	Company				
	6.30.2008				3.31.2008
	Average amortization rates	Adjusted cost	Accumulated amortization	Net	Net
In service					
Software license	20.0	10,593	(8,748)	1,845	2,471
		10,593	**(8,748)**	**1,845**	**2,471**
In progress					
Software license	-	270	-	270	338
		10,863	**(8,748)**	**2,115**	**2,809**

	Consolidated				
	6.30.2008				3.31.2008
	Average amortization rates	Adjusted cost	Accumulated amortization	Net	Net
In service					
Acquired rights – Seival UTWA	-	19,528	-	19,528	19,528
Software license	20.0	15,975	(9,566)	6,409	2,510
		35,503	**(9,566)**	**25,937**	**22,038**
In progress					
Software license	-	317	-	317	382
Electricity purchase right	-	64,561	-	64,561	64,561
		64,878	**-**	**64,878**	**64,943**
		100,381	**(9,566)**	**90,815**	**86,981**

13 – LOANS AND FINANCING

a) Breakdown

	Company					
	6.30.2008			3.31.2008		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Foreign currency						
National Treasury, net of deposited guarantees	18,464	127,827	146,291	20,288	150,473	170,761
BNP Paribas (Floating Rate Note)	-	100,252	100,252	-	110,424	110,424
Deutsche Bank	3,058	1,529	4,587	3,360	3,360	6,720
Charges	7,293	-	7,293	10,608	-	10,608
	28,815	**229,608**	**258,423**	**34,256**	**264,257**	**298,513**
Local currency						
ELETROBRÁS	28,207	53,083	81,290	27,565	59,856	87,421
BNDES	14,929	57,231	72,160	14,920	60,922	75,842
Banco do Brasil	3,529	8,823	12,352	3,529	9,706	13,235
Promissory Notes	400,000	-	400,000	-	-	-
Charges	5,684	-	5,684	420	-	420
	452,349	**119,137**	**571,486**	**46,434**	**130,484**	**176,918**
	481,164	**348,745**	**829,909**	**80,690**	**394,741**	**475,431**

	Consolidated					
	6.30.2008			3.31.2008		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Foreign currency						
National Treasury, net of deposited guarantees	18,464	127,827	146,291	20,288	150,473	170,761
BNP Paribas (Floating Rate Note)	-	100,252	100,252	-	110,424	110,424
Deutsche Bank	3,058	1,529	4,587	3,360	3,360	6,720
Charges	7,293	-	7,293	10,608	-	10,608
	28,815	**229,608**	**258,423**	**34,256**	**264,257**	**298,513**
Local currency						
ELETROBRÁS	28,207	53,083	81,290	27,565	59,856	87,421
BNDES	44,549	370,539	415,088	27,019	251,665	278,684
Financing agents - BNDES	39,300	525,449	564,749	14,998	340,505	355,503
Banco do Brasil	3,529	8,823	12,352	3,529	9,706	13,235
Promissory Notes	400,000	-	400,000	-	-	-
BRDE	6,818	21,590	28,408	6,814	23,281	30,095
Charges	7,436	8,505	15,941	1,062	6,961	8,023
	529,839	**987,989**	**1,517,828**	**80,987**	**691,974**	**772,961**
	558,654	**1,217,597**	**1,776,251**	**115,243**	**956,231**	**1,071,474**

In the current quarter, the Company concluded the public distribution process of the 3rd issue of promissory notes, and forty (40) notes were issued for the total amount of R$400,000. The subscribers of Notes were the Coordinators and Financial Institutions issued related to the Issuer and the Coordinators. The main conditions contracted are mentioned in the item as follows.

b) Changes in loans and financing

	Company			Consolidated		
	Current	**Noncurrent**	**Total**	**Current**	**Noncurrent**	**Total**
Balance at 12. 31.2007	**71,255**	**345,302**	**416,557**	**121,024**	**970,731**	**1,091,755**
Merger of CEM	15,203	62,153	77,356	-	-	-
Transfers	8,855	(8,855)	-	19,833	(19,833)	-
Charges	9,784	11	9,795	15,323	9,203	24,526
Exchange variations	(277)	4,163	3,886	(277)	4,163	3,886
Interest on deposited guarantees	-	(8,033)	(8,033)	-	(8,033)	(8,033)
Amortization	(24,130)	-	(24,130)	(40,660)	-	(40,660)
Balance at 3.31.2008	**80,690**	**394,741**	**475,431**	**115,243**	**956,231**	**1,071,474**
Additions	400,000	-	400,000	400,000	64,238	464,238
Acquisition of PPESA	-	-	-	42,023	252,135	294,158
Transfers	22,693	(22,693)	-	41,897	(41,897)	-
Charges	15,346	(11)	15,335	24,190	10,182	34,372
Exchange variations	(2,744)	(23,340)	(26,084)	(2,744)	(23,340)	(26,084)
Interest on deposited guarantees	-	48	48	-	48	48
Amortization	(34,821)	-	(34,821)	(61,955)	-	(61,955)
Balance at 6.30.2008	**481,164**	**348,745**	**829,909**	**558,654**	**1,217,597**	**1,776,251**

c) Breakdown by foreign currency and local indices

	Company					
	6.30.2008			3.31.2008		
	Currency	**R$**	**%**	**Currency**	**R$**	**%**
Foreign currency						
US dollar – USD	96,329	153,346	18.48	105,696	184,873	38.89
Euro – EUR	41,925	105,077	12.66	41,165	113,640	23.90
		258,423	**31.14**		**298,513**	**62.79**
Local Currency						
CDI		405,336	48.84		-	-
IVRRJR (UFIR-based)		81,290	9.80		87,421	18.39
TJLP		72,380	8.72		76,123	16.01
Not indexed		12,480	1.50		13,374	2.81
		571,486	**68.86**		**176,918**	**37.21**
		829,909	**100.00**		**475,431**	**100.00**

	Consolidated					
	6.30.2008			3.31.2008		
	Currency	R$	%	Currency	R$	%
Foreign currency						
US dollar – USD	96,329	153,346	8.63	105,696	184,873	17.25
Euro – EUR	41,925	105,077	5.92	41,165	113,640	10.61
		258,423	**14.55**		**298,513**	**27.86**
Local Currency						
TJLP		1,010,658	56.90		672,166	62.73
CDI		405,336	22.82		-	-
IVRRJR (UFIR-based)		81,290	4.57		87,421	8.16
UMBNDES590 (*)		8,064	0.45		-	-
Not indexed		12,480	0.71		13,374	1.25
		1,517,828	**85.45**		**772,961**	**72.14**
		1,776,251	**100.00**		**1,071,474**	**100.00**

(*) Rate related to the currency basket calculated by BNDES.

d) Changes in foreign currencies and indices

	2008 (%)		2007 (%)	
Currency – index	2nd Quarter	Accumulated	2nd Quarter	Accumulated
US dollar – USD	(8.99)	(10.13)	(6.06)	(9.91)
Euro – EUR	(9.21)	(3.92)	(4.81)	(7.55)
TJLP (long-term interest rate)	1.53	3.08	1.59	3.20
CDI (May and June)	1.83	1.83	-	-
UMBNDES590 (May and June)	(5.87)	(5.87)	-	-

e) Contractual terms and conditions

		Payment terms		
	Charges	Maturity	Charges	Principal
Foreign Currency				
Tractebel Energia				
National Treasury	Libor + 1.075% p.a.	Apr 2024	Semiannual, in April and October	Semiannual, in April and October
BNP Paribas (Floating Rate Note)	Euribor + 2.75% p.a. [a]	Nov 2015	Annual in November	Lump sum in November 2015
Deutsche Bank	Libor + 0.55% + IR on interest (10%)	Oct 2009	Semiannual, in April and October	Semiannual, in April and October
Local Currency				
Tractebel Energia				
Eletrobrás	12% p.a.	Apr 2011	Monthly, up to maturity	Monthly, up to maturity
BNDES	TJLP + 4% p.a. [b]	Apr 2013	Monthly, up to maturity	Monthly, up to maturity
Banco do Brasil	9.35% p.a.	Dec 2011	Monthly, up to maturity	Monthly, up to maturity
Promissory Notes – 3rd issue	103.5% of the CDI	May 2009	Lump sum in May 2009	Lump sum in May 2009
ITASA				
BNDES	TJLP + 4% p.a. [b]	Sept 2013	Monthly, up to maturity	Monthly, up to maturity
Financing agents - BNDES [c]	TJLP + 3.85% p.a. [b]	Sept 2013	Monthly, up to maturity	Monthly, up to maturity
LAGES				
BRDE	TJLP + 2.25% p.a. [b]	Aug 2012	Monthly, up to maturity	Monthly, up to maturity
CESS				
BNDES	TJLP + 2.7% p.a. [b]	Oct 2023	Monthly, after October 2009, up to maturity	Monthly, after October 2009, up to maturity
Financing agents - BNDES [c]	TJLP + 3.25% p.a. [b]	Oct 2023	Monthly, after October 2009, up to maturity	Monthly, after October 2009, up to maturity
PONTE DE PEDRA				
BNDES	TJLP + 5% p.a.	Apr 2015	Monthly, up to maturity	Monthly, up to maturity
BNDES	UMBNDES + 5%+Var. Rate [d]	Apr 2015	Monthly, up to maturity	Monthly, up to maturity
BNDES	TJLP + 2.7% p.a. [b]	Oct 2023	Monthly, after October 2009, up to maturity	Monthly, after October 2009, up to maturity
Financing agents - BNDES [e]	TJLP + 4.25% p.a. [b]	Apr 2015	Monthly, up to maturity	Monthly, up to maturity

[a] Rescheduling in November 2007 to November 2015 and spread to 2.75% p.a. from 7% p.a.

(b) The amount corresponding to the TJLP (long-term interest rate) that exceeds 6% p.a. will be capitalized and included in principal.

(c) UNIBANCO, BRADESCO, Banco Itaú, Banco Santander and Banco Votorantim**.**

(d) Quarterly variable rate, adjusted in January, April, July and October, based on the average weighted cost of all rates and expenses incurred by BNDES in the collection of resources in foreign currency.

(e) UNIBANCO, BRADESCO, Banco Itaú, BBA and Banco do Brasil.

f) Loans and financing - noncurrent liabilities

	Company			Consolidated		
	Foreign currency	Local currency	Total	Foreign currency	Local currency	Total
July to December 2009	8,763	22,759	31,522	8,763	66,439	75,202
2010	14,467	47,625	62,092	14,467	158,232	172,699
2011	14,467	28,844	43,311	14,467	139,451	153,918
2012	10,707	14,929	25,636	10,707	123,263	133,970
2013	6,946	4,980	11,926	6,946	101,990	108,936
2014	3,358	-	3,358	3,358	76,675	80,033
2015	100,252	-	100,252	100,252	48,802	149,054
2016 to 2022 (annual installments R$34,869)	-	-	-	-	244,083	244,083
2023	-	-	-	-	29,054	29,054
2024	70,648	-	70,648	70,648	-	70,648
	229,608	**119,137**	**348,745**	**229,608**	**987,989**	**1,217,597**

g) Guarantees

g.1) Tractebel Energia S.A.

Loans and financing in foreign currency

National Treasury: (a) Assignment and transfer to the Federal Government of the receivables, up to the limit sufficient to cover the payment of the installments and other charges at each maturity date; (b) pledged deposit amounting R$63,481, as of June 30, 2008, which is stated as an offsetting account of the underlying financing.

There are no guarantees granted for the other loans and financing in foreign currency.

Loans and financing in local currency

ELETROBRÁS: (a) Powers of attorney granted to the creditor, in case of default, to transfer to its own name, the necessary amounts for the payment of the debt, from the bank account of the Company used to collect receivables; (b) Promissory notes in the amount of the financing, linked to the contractual terms.

Banco do Brasil: (a) Assignment and credit transfer of receivables amounting R$8,726, represented by sales of electricity or other funds with the same purpose; (b) Pledged promissory note in the amount corresponding to the financing.

BNDES: Credit Facility Agreement and Debenture Subscription and Payment Agreement: As a result of the incorporation of CEM by Tractebel Energia on March 28, 2008, existing guarantees in both Contracts, were replaced by a Letter of Guarantee from UNIBANCO, in the amount of R$156,700, up to October 15, 2013.

g.2) Itá Energética S.A. - ITASA

BNDES and BNDES onlendings - Financing Agents: (a) Pledge of Concession-Related Rights to operate Itá hydroelectric plant; (b) Pledge of Receivables resulting from the Electricity Purchase and Sale Agreements entered into with its shareholders; (c) reserve account in an amount equivalent to three months of the BNDES debt (substituted by bank guarantee), and three months of the Itá plant's contractual operation and maintenance expenses. In addition to these guarantees, the shareholders pledged all the shares of ITASA to the BNDES and the Financing Agents.

g.3) Lages Bioenergética Ltda.

BRDE: (a) Assignment of receivables from the Electricity Purchase and Sale Agreement entered into with CELESC, intermediated by Tractebel; (b) assignment of the Compensation Rights arising from the Steam and Biomass Purchase and Sale Agreements entered into with the companies Sofia Industrial e Exportadora Ltda. and Battistella Ind. e Com. Ltda.; (c) assignment of Permit-Related Rights granted by ANEEL to establish as Independent Producer of electricity; (d) obligation to maintain a reserve account with a deposit equivalent to, on the average, four months of debt service.

g.4) Companhia Energética São Salvador - CESS

BNDES and BNDES onlendings – financing agents: (a) Pledge of Rights Related to the Concession for the operation of the São Salvador hydroelectric plant; (b) Centralized Receivables Account to receive CESS receivables; and (c) obligation to maintain a reserve account with a deposit equivalent to three months of debt service, plus an amount equivalent to three months of payment of the Project Operation and Maintenance Agreement.

g.5) Ponte de Pedra Energética S.A. – PPESA

BNDES and BNDES onlendings – financing agents: (a) Pledge of Rights Related to the Concession for the operation of the Ponte de Pedra hydroelectric plant; (b) Centralized Receivables Account to receive PPESA receivables; (c) obligation to maintain a reserve account with a deposit equivalent to three months of debt service, plus an amount equivalent to three months of payment of the Project Operation and Maintenance Agreement.

14 – DEBENTURES

a) Breakdown

	6.30.2008			3.31.2008		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Tractebel Energia S.A.						
1st Issue - 1st Series	-	145,000	145,000	6,483	148,449	154,932
1st Issue - 2nd Series	-	60,000	60,000	-	60,000	60,000
2nd Issue – Single Series	-	374,878	374,878	404	364,837	365,241
CEM (Single Series)	11,348	57,935	69,283	10,814	63,706	74,520
Charges	5,938	-	5,938	40,237	-	40,237
Total Company	**17,286**	**637,813**	**655,099**	**57,938**	**636,992**	**694,930**
ITASA (1st and 2nd Series)	**10,701**	**36,854**	**47,555**	**11,418**	**40,950**	**52,368**
Charges	1,602	-	1,602	2,894	-	2,894
Total Consolidated	**29,589**	**674,667**	**704,256**	**72,250**	**677,942**	**750,192**

b) Changes in debentures

	Company			Consolidated		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Balance at 12.31.2007	**32,138**	**560,302**	**592,440**	**56,560**	**664,919**	**721,479**
Merger of CEM	13,850	63,692	77,542	-	-	-
Charges	11,950	13	11,963	14,457	38	14,495
Monetary variations	-	12,985	12,985	1,233	12,985	14,218
Balance at 3.31.2008	**57,938**	**636,992**	**694,930**	**72,250**	**677,942**	**750,192**
Transfers	12,650	(12,650)	-	16,746	(16,746)	-
Charges	12,341	35	12,376	13,668	35	13,703
Exchange variations	(3)	13,436	13,433	2,113	13,436	15,549
Amortization	(65,640)	-	(65,640)	(75,188)	-	(75,188)
Balance at 6.30.2008	**17,286**	**637,813**	**655,099**	**29,589**	**674,667**	**704,256**

c) Contractual terms and conditions

	Number outstanding	Yield	Payment terms		Guarantee
			Interest/monetary adjustment	Principal	
Tractebel Energia					
1st Series	14,000	IGPM + 9.29% p.a.	Annually on May 2	Lump sum on May 2, 2011	No guarantee
2nd Series	6,000	103.9% of the CDI	Semiannually on May 2 and November 2	Lump sum on May 2, 2010	No guarantee
2nd Issue Single Series	35,000	IPCA + 7% p.a.	Annually on May 15	3 installments on May 15, 2012, May 15, 2013 and May 15, 2014	No guarantee
CEM (Single Series)	7,773	TJLP + 4% p.a. (*)	Semiannually on April 1 and October 1, until April 1, 2013	Semiannual, ranging from 4.7027% on April 1, 2008 to 7.5737% on April 1, 2013	Receivables from electricity generation and sales
ITASA					
1st Series and 2nd Series	8,400	IGPM + 9.4% p.a.	Annually on December 1 (1st series) and June 1 (2nd series)	7 equal installments, on December 1 (1st series) and June 1 (2nd series) of each year, until December 1, 2013 (1st series) and June 1, 2013 (2nd series)	Pledge of receivables from electricity sales to its shareholders

(*) The amount corresponding to the TJLP (long-term interest rate) that exceeds 6% p.a. will be capitalized and included in principal.

d) Changes in indices

Currency – index	2008 (%)		2007 (%)	
	2nd Quarter	Accumulated	2nd Quarter	Accumulated
TJLP	1.53	3.08	1.59	3.20
IGP-M	4.34	6.82	0.34	1.46
CDI	2.73	5.37	2.89	6.01
IPCA (in 2007, May and June)	2.09	3.64	0.56	0.56

e) Maturities of debentures stated in noncurrent liabilities

	Company	Consolidated
July to December 2009	6,093	10,187
2010	73,093	81,283
2011	159,402	167,592
2012	140,801	148,991
2013	133,465	141,655
2014	124,959	124,959
	637,813	**674,667**

15 – TRADE ACCOUNTS PAYABLE

	Company		Consolidated	
	6.30.2008	3.31.2008	6.30.2008	3.31.2008
Electricity purchased for resale	45,959	46,302	77,431	81,578
Transactions within CCEE	8,750	15,605	10,599	17,454
Electric network usage charges	57,451	52,945	60,854	54,742
Fossil fuels/biomass	7,046	26,700	6,482	26,870
Material and services	31,082	35,100	85,207	90,812
	150,288	**176,652**	**240,573**	**271,456**

16 – TAXES PAYABLE

	Company		Consolidated	
	6.30.2008	3.31.2008	6.30.2008	3.31.2008
Current				
Income tax	169,293	116,709	170,795	119,939
Social contribution tax	58,737	42,534	59,851	43,254
ICMS	11,785	10,608	32,128	27,245
PIS and COFINS	12,230	13,665	14,443	14,506
INSS	2,255	3,239	2,569	3,239
Other	1,887	1,678	2,556	2,125
	256,187	**188,433**	**282,342**	**210,308**
Noncurrent				
INSS	3,993	4,234	3,993	4,234
PIS and COFINS with suspended payment	-	6,430	-	8,696
ICMS	-	-	3,157	3,157
	3,993	**10,664**	**7,150**	**16,087**
	260,180	**199,097**	**289,492**	**226,395**

The Company has been paying income and social contribution taxes monthly based on the estimated taxable income, in accordance with prevailing legislation.

17 – RESERVES FOR CONTINGENCIES

The Company holds tax assessment notices and civil matters which are being challenged on an administrative basis, as well as legal proceedings, in which, according to the Company's legal counsel, the likelihood of loss is considered probable. All these proceedings are accrued in amounts considered sufficient to cover related contingencies, as follows:

a) Breakdown

	Company					
	6.30.2008			3.31.2008		
	Gross reserve	Escrow deposit	Net reserve	Gross reserve	Escrow deposit	Net reserve
Tax						
Social contribution tax	14,224	(3,674)	10,550	13,858	(3,579)	10,279
INSS	27,822	(12,225)	15,597	27,106	(11,910)	15,196
	42,046	**(15,899)**	**26,147**	**40,964**	**(15,489)**	**25,475**
Civil						
Agreements with suppliers	18,202	-	18,202	17,714	-	17,714
Occupational diseases and accidents	21,195	(1,348)	19,847	22,306	(971)	21,335
Sundry lawsuits	10,623	(18)	10,605	10,205	(19)	10,186
	50,020	**(1,366)**	**48,654**	**50,225**	**(990)**	**49,235**
Labor	**19,733**	**(10,832)**	**8,901**	**19,569**	**(12,136)**	**7,433**
	111,799	**(28,097)**	**83,702**	**110,758**	**(28,615)**	**82,143**
Classification in balance sheet						
Current			8,664			11,486
Noncurrent			75,038			70,657
			83,702			**82,143**

	Consolidated					
	6.30.2008			3.31.2008		
	Gross reserve	Escrow deposit	Net reserve	Gross reserve	Escrow deposit	Net reserve
Tax						
Social contribution tax	14,224	(3,674)	10,550	13,858	(3,579)	10,279
INSS	27,822	(12,225)	15,597	27,106	(11,910)	15,196
	42,046	**(15,899)**	**26,147**	**40,964**	**(15,489)**	**25,475**
Civil						
Agreements with suppliers	18,202	-	18,202	17,714	-	17,714
Occupational diseases and accidents	21,195	(1,348)	19,847	22,306	(971)	21,335
Difference of Transmission System Usage Tariff	12,713	(12,713)	-	-	-	-
Sundry lawsuits	15,763	(2,533)	13,230	13,226	(1,142)	12,084
	67,873	**(16,594)**	**51,279**	**53,246**	**(2,113)**	**51,133**
Labor	**19,733**	**(10,832)**	**8,901**	**19,569**	**(12,136)**	**7,433**
	129,652	**(43,325)**	**86,327**	**113,779**	**(29,738)**	**84,041**
Classification in balance sheet						
Current			8,786			11,608
Noncurrent			77,541			72,433
			86,327			**84,041**

Tax Contingencies

Social contribution tax

Refers to the tax assessment notice issued by the Federal Revenue Service as the Company offset tax loss carryforwards for the year 1989 and 1990 against social contribution tax payable in the 1996 and 1997 income tax returns. According to the summary of said tax assessment notice, the offset of social contribution tax loss carryforwards is permitted by law only beginning January 1, 1992. The Company understands that the provisions of regulatory instructions that prohibited the offset of prior years' social contribution tax loss carryforwards has no legal basis, since there is no restriction to the offset in the Law. As regards the tax assessment notice for the year 1996, the decision at the administrative level was unfavorable to the Company, which will file a lawsuit to challenge the tax collection.

INSS (National Institute of Social Security)

The Company received a tax debt assessment notice for the nonpayment of the additional contribution for SAT (Occupational Accident Insurance) for the period from April 1999 to March 2004, due to the lack of evidence of the risk factor related to the work environment. The Company argues that there is no basis in the legislation referred to in the notice for the mentioned period, and that the additional contribution is payable if the employee is entitled to a

special retirement benefit, which is not the case in said period. The Social Security Board of Appeals decided, based on the defense arguments filed by the Company, to convert the sentence into an inspection. The amount accrued as of June 30, 2008 is R$17,002 (R$16,564 on March 31, 2008).

The Company also received a notification from the INSS because of the alleged nonpayment of social security charges on compensation paid to employees. The subject matter of the notification was challenged by the Company, which argued that the amounts paid under collective labor agreements were paid as indemnities. The lower court decision was favorable to the Company, and declared the tax assessment notice null and void and the INSS was sentenced to refund the deposits converted into revenue. The INSS filed an appeal against this decision with the Federal Court. The amount accrued as of June 30, 2008 is R$7,799 (R$7,598 on March 31, 2008).

Civil contingencies

Agreements with suppliers

Refer mainly to an indemnity lawsuit filed by Companhia de Interconexão Energética - CIEN, claiming the recognition of the right to receive the difference related to the exchange adjustment provided for in the electricity sale agreement, and the termination of such agreement due to an alleged breach of a clause by Tractebel Energia. The lawsuit was suspended on April 23, 2007 at the request of CIEN, after the Company filed its defense arguments. The amount accrued as of June 30, 2008 is R$14,357 (R$13,920 on March 31, 2008).

Occupational diseases and accidents

Refer to lawsuits filed by former employees, mainly related to repetitive strain injuries and possible damages to hearing capacity.

Transmission System Usage Tariff

Refers to the suit filed by Ponte de Pedra Energética S.A. – PPESA, wholly-owned subsidiary of Energia América do Sul Ltda, aimed at reducing the amount payable for the Transmission System Usage Tariff – TUST so as to pay the amount equivalent to the amount charged to the Itiquira hydroelectric plant. As of June 2006, PPESA started paying TUST with a reduction and providing and depositing in an escrow deposit the difference between the amount charged and the amount paid. As of February 2007, the Company substitute the escrow deposits for a letter of guarantee of Banco Itaú-BBA.

Sundry lawsuits

Arise mainly from expropriations and indemnity lawsuits filed by individuals and legal entities whose properties were flooded by the plants' reservoirs.

Labor contingencies

Refer to ongoing labor lawsuits filed by former employees, unions and employees of outsourced companies mainly related to claims of recognition of employment relationships and reinstatement. Other labor lawsuits are related to claims of hazardous duty premium, overtime, salary equalization, commute hours, and FGTS (severance pay fund).

b) Change in gross provisions

	Company			
	Tax	**Civil**	**Labor**	**Gross reserve**
Balance at 12.31.2007	**39,929**	**46,558**	**20,018**	**106,505**
Additions	-	-	1,455	1,455
Merger of subsidiary	-	3,245	-	3,245
Adjustments	1,035	1,456	850	3,341
Payments	-	(60)	(2,665)	(2,725)
Reversals	-	(974)	(89)	(1,063)
Balance at 3.31.2008	**40,964**	**50,225**	**19,569**	**110,758**
Additions	-	66	817	883
Adjustments	1,082	1,513	683	3,278
Payments	-	(150)	(1,022)	(1,172)
Reversals	-	(1,634)	(314)	(1,948)
Balance at 6.30.2008	**42,046**	**50,020**	**19,733**	**111,799**

	Consolidated			
	Tax	**Civil**	**Labor**	**Gross reserve**
Balance at 12.31.2007	**39,929**	**52,694**	**20,018**	**112,641**
Additions	-	-	1,455	1,455
Adjustments	1,035	1,586	850	3,471
Payments	-	(60)	(2,665)	(2,725)
Reversals	-	(974)	(89)	(1,063)
Balance at 3.31.2008	**40,964**	**53,246**	**19,569**	**113,779**
Additions	-	1,134	817	1,951
Additions for the acquisition of PPESA	-	13,803	-	13,803
Adjustments	1,082	1,535	683	3,300
Payments	-	(150)	(1,022)	(1,172)
Reversals	-	(1,695)	(314)	(2,009)
Balance at 6.30.2008	**42,046**	**67,873**	**19,733**	**129,652**

c) Contingencies with possible or remote risk

The Company is also a party to other lawsuits that, in the opinion of the legal counsel, based on their experience in similar cases, do not represent a probable risk and, therefore, have not been accrued but only disclosed in the quarterly information. The amounts involved are detailed below:

	Company					
	6.30.2008					3.31.2008
	Possible risk	Remote risk	Total gross	Escrow deposit	Total net	Total net
Tax	295,522	26,454	321,976	(148,135)	173,841	173,118
Civil	26,884	10,936	37,820	(3,635)	34,185	36,555
Labor	11,902	11,387	23,289	(3,517)	19,772	20,075
	334,308	**48,777**	**383,085**	**(155,287)**	**227,798**	**229,748**

	Consolidated					
	6.30.2008					3.31.2008
	Possible risk	Remote risk	Total gross	Escrow deposit	Total net	Total net
Tax	295,612	26,454	322,066	(148,225)	173,841	173,118
Civil	41,451	11,574	53,025	(3,806)	49,219	41,298
Labor	11,902	11,387	23,289	(3,517)	19,772	20,075
	348,965	**49,415**	**398,380**	**(155,548)**	**242,832**	**234,491**

The Company has escrow deposits linked to reserves for possible and remote risks that are mostly used to guarantee sentence execution or appeals. These amounts are monetarily adjusted and stated in noncurrent assets.

Tax contingencies

The main subjects of tax contingencies with possible risk are as follows:

PIS and COFINS

In July 2005, the Company filed for an Injunction against the Federal Revenue Service Director in Florianópolis, since it understands that Federal Revenue Service Regulatory Instruction No. 468/2004 overrun the jurisdiction of the Legislative Power by giving a new concept to the term “predetermined price”, provided for by article 10 of Law No. 10833/03. The Company understands that the acceptance of said term is already a common practice in the Brazilian Tax System and has been in use since the enactment of Decree Law No. 1598/1977, meaning said Regulatory Instruction is illegal.

As a result, the Company paid PIS and COFINS on revenue from agreements entered into before October 31, 2003 for periods longer than one year and at a predetermined price, based on the cumulative taxation system provided for by the previous law for the period November 2004-May 2005 in the amount of R$39,956 (restated up to June 30, 2006). In the period June 2005-October 2006, the Company deposited the amounts it understands not to be due in an escrow deposit, amounting to R$125,960 (restated up to June 30, 2006).

Due to the estimated favorable outcome at the 4th Region Federal Court, the Company suspended the deposits in December 2006. On April 11, 2007, the 4th Region Federal Court concluded the judgment of said injunction and unanimously recognized the illegality and unconstitutionality of Regulatory Instructions No. 468 and 658, both as regards the monetary adjustment clause and the economic and financial balance clauses in the agreements of the Company.

On July 6, 2007, the Company received a tax delinquency notice for not having paid or reported in a Declaration of Federal Tax Debits and Credits (DCTF) the PIS and COFINS amounts related to November and December 2006. According to the Federal Revenue Service Office in Florianópolis, the nonpayment or deposit of the amounts, even if challenged in courts, is not supported by the law. On August 7, 2007, the Company challenged the tax delinquency notice, arguing that the amounts are not payable, based on the same grounds of the injunction granted in July 2005. The tax delinquency notice amount is included in possible risk tax contingencies.

According to the Company's legal counsel, the risk of an unfavorable outcome in the lawsuit is lower that the likelihood of a favorable outcome, and thus the Company is not accruing the unpaid amount since June 2005. The adjusted contingency of the Company and consolidated as of June 30, 2008, is R$249,707, R$123,747, net of the aforementioned escrow deposits (R$106,584 on March 31, 2008).

Income and social contribution taxes

The main tax assessment notices assessed as possible risks are as follows:

- Assessment notices issued by the Federal Revenue Service Office, because the Company offset credits against income and social contribution taxes payable by means of voluntary reporting, through a PER/DCOMP (Electronic Refund or Reimbursement Request and Offset Declaration), not subject to fines. Accordingly, the Federal Revenue Service partially approved the offset requests and the Company filed noncompliance notices, which are awaiting judgment. The Company argues that tax authorities cannot impose a penalty against a company that held tax credits and voluntarily reported its debts. The adjusted amount of the tax assessment as of June 30, 2008 is R$37,230, Company and consolidated, (R$36,535 on March 31, 2008);

- Assessment notices issued by the Federal Revenue Service Office, because the Company offset 1997 and 1998 social contribution tax loss carryforwards, arising from the merger of Centrais Geradoras do Sul do Brasil S.A. - GERASUL into Eletrobrás Geração S.A. – ELETROGER (currently Tractebel Energia S.A.), on a date subsequent to the amendment to the Law, in June 2001, that forbade the offset of tax loss carryforwards arising from mergers against social contribution tax payable. The Company argues that the merger was conducted before the prohibition to the utilization of tax loss carryforwards and that it is entitled to utilize them since these social contribution tax loss carryforwards were included in its equity upon the merger. As of June 27, 2008, the Company had a favorable decision by unanimous vote, causing said contingency to be written off.

INSS

The main notices classified as possible risks are as follows:

- Assessment notice related to the social security contribution collection notices on indemnities. The Company was partially considered not guilty at the administrative level and filed a lawsuit, in which it obtained a favorable decision at the lower court. Currently, the Company is awaiting judgment of the INSS appeal. As of June 30, 2008, the adjusted amount is R$2,991 (R$2,858 on March 31, 2008).

- Tax assessment notices related to alleged joint liability of and transfer of liability from Centrais Elétricas do Sul do Brasil S.A. - ELETROSUL to Tractebel Energia related to the levy of social security charges on labor services provided by outsourced companies, until the spin-off of ELETROSUL, and resulting establishment of Centrais Geradoras do Sul do Brasil S.A. – GERASUL (currently Tractebel Energia). As of June 30, 2008, the adjusted amount is R$4,339 (R$3,715 on March 31, 2008).

Civil contingencies

Possible risk civil lawsuits refer basically to expropriations and indemnity lawsuits filed by individuals and legal entities that allege that their properties were flooded by the plants' reservoirs.

Ponte de Pedra Energética S.A. – PPESA is a party in a tax assessment notice issued by IBAMA – Brazilian Institute of Renewable Resources – IBAMA in the amount of R$10,200 referring to supposed environmental damages caused by the Company. PPESA presented an administrative defense which is under analysis by the Institute.

Labor contingencies

Possible risk labor contingencies refer mainly to lawsuits filed by former employees claiming recognition of employment relationship and additional pension benefits.

18 – CONCESSION FEES PAYABLE

	Company		Consolidated	
	6.30.2008	3.31.2008	6.30.2008	3.31.2008
Cana Brava plant	262,153	249,137	262,153	249,137
Ponte de Pedra plant	-	-	333,448	-
	262,153	**249,137**	**595,601**	**249,137**
Classification in balance sheet				
Current	1,755	1,684	2,217	1,684
Noncurrent	260,398	247,453	593,384	247,453
	262,153	**249,137**	**595,601**	**249,137**

The Company has undertaken the obligation to pay the Federal Government the amounts shown below for the concession granted to operate Cana Brava and Ponte de Pedra hydroelectric plants, in monthly installments equivalent to one-twelfth (1/12) of the corresponding annual fees, adjusted based on the annual variation of the IGP-M. The historical and adjusted amounts as of June 30, 2008 are as follows:

Cana Brava Plant

	Historical amount		Adjusted amount	
Year	Annual	Total	Annual	Total
7.1.2008 – 7.30.2023	680	10,257	1,755	26,478
8.1.2023 – 7.30.2033	61,280	612,800	158,196	1,581,960
		623,057		**1,608,438**

Ponte de Pedra Plant

	Historical amount		Adjusted amount	
Year	Annual	Total	Annual	Total
7.1.2008 – 9.30.2019	200	2,250	477	5,362
10.1.2019 – 9.30.2020	16,200	16,200	38,607	38,607
10.1.2020 – 9.30.2034	31,109	435,531	74,139	1,037,945
		453,981		**1,081,914**

Said procedure was adopted by PPESA as of the date of its acquisition, on April 29, 2008.

In order to accurately reflect, in shareholders' equity, the concession fee and the related obligation to the Federal Government, the amount of the concession was registered in assets as a contra entry to current and long-term liabilities.

Considering that contractual amounts are stated at future prices, the Company discounted them to present value based on a discount rate of 10% p.a., as provided in the bid notice for the concession. Until startup of the Plants, the adjustment of liabilities based on the discount rate and variation of IGP-M was capitalized in assets and, thereafter, recognized directly in the statement of income.

The concession payable to ANEEL was recognized in the balance sheet of acquisition of Ponte de Pedra Energética S.A. at present value taking into account the 6.62% p.a. discount rate,

equivalent to the rate practiced by the market on the acquisition date for transactions which are mostly similar to the amortization conditions.

a) Change

	Company			Consolidated		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Balance at 12.31.2007	-	-	-	**1,639**	**234,188**	**235,827**
Merger of CEM	1,670	244,614	246,284	-	-	-
Transfers	148	(148)	-	450	(450)	-
Charges	-	1,770	1,770	-	5,390	5,390
Monetary variations	-	1,217	1,217	-	8,325	8,325
Amortization	(134)	-	(134)	(405)	-	(405)
Balance at 3.31.2008	**1,684**	**247,453**	**249,137**	**1,684**	**247,453**	**249,137**
Acquisition PPESA	-	-	-	462	317,915	318,377
Transfers	478	(478)	-	478	(478)	-
Charges	-	5,567	5,567	-	9,084	9,084
Monetary variations	-	7,856	7,856	-	19,410	19,410
Amortization	(407)	-	(407)	(407)	-	(407)
Balance at 6.30.2008	**1,755**	**260,398**	**262,153**	**2,217**	**593,384**	**595,601**

The amount related to current liabilities is presented in the balance sheet in the caption “Other”.

b) Maturities of concession fees payable stated in noncurrent liabilities

	Company	Consolidated
July to December 2009	887	1,106
2010	1,775	2,193
2011	1,775	2,167
2012	1,775	2,143
2013	1,775	2,120
From 2014 to 2034	252,411	583,655
	260,398	**593,384**

19 – POST-EMPLOYMENT BENEFITS

Post-employment benefits granted by the Company are as follows:

a) Pension plan

The Company, through PREVIG – Sociedade de Previdência Complementar, provides pension plans for its employees. PREVIG is a nonprofit closed pension entity governed by private law, sponsored by the Company, as Founder, and by other Suez Group companies.

The benefit plans managed by PREVIG are Defined Benefit and Defined Contribution plans. The Defined Benefit Plan is closed to new participants.

a.1) Defined Benefit Plan

The Defined Benefit plan has a capitalization system for pensions, survivors' pensions, and other benefits.

The Benefit Plan is funded by the contributions of participants and the sponsor. The Company's contribution corresponds to twice the contribution of its employees.

Before the establishment of PREVIG, the Defined Benefit Plan was managed by Fundação Eletrosul de Previdência e Assistência Social – ELOS, sponsored by Tractebel and ELETROSUL, without joint and several liabilities between the sponsors. In October 2002, the Secretariat for Pension Plans approved the termination of the Adhesion Agreement with ELOS and the complete transfer of the benefits plan management to PREVIG. Despite the termination of the Agreement, due to injunctions granted to labor unions and the ELETROSUL Retirees Associations, the participants who started receiving benefits until December 23, 1997, the date of spin-off of ELETROSUL, as well as the participants who opted for Deferred Proportional Benefit until that date, remained in the Benefits Plan managed by ELOS, under the responsibility of the Company, which pays 57% of the administrative expenses of ELOS (the remaining 43% is funded by the Benefits Plan of ELETROSUL). Benefits plan expenses are limited to 15% of the related pension fund income of ELOS tied to the participants and the Company's liability in the second quarter of 2008 was R$444 (R$344 in the second quarter of 2007).

On May 15, 2007, the Company entered into agreements with ELOS, ELETROSUL, PREVIG and the ELETROSUL Retirees Associations to reinstate the adhesion to ELOS and thus permit the participants to opt for remaining with ELOS or being transferred to PREVIG. The Company is the Plan sponsor in both options. In January 2008, 29 participants opted to migrate to PREVIG.

The Company is also responsible for 100% of the amount of the administrative expenses of PREVIG linked to this Benefits Plan, limited to 15% of the total amount of the related pension fund income. In the second quarter of 2008, these expenses amounted to R$310 (R$313 in the second quarter of 2007).

Part of the actuarial liabilities recognized in the balance sheet is covered by obligations contracted/recognized through a debt acknowledgement agreement and an agreement entered into by the Company and the pension plan entities. The breakdown of liabilities recognized in the financial statements is as follows:

	Company and Consolidated			
	6.30.2008			3.31.2008
	Current	Noncurrent	Total	Total
Contracted/recognized obligations				
Agreement of acknowledgement of past debts	16,953	119,643	136,596	137,048
Coverage of costs relating to conversion of special retirement into retirement for length of service (SB-40) and extraordinary contributions	2,063	2,936	4,999	4,591
Actuarial liabilities not subject to contract	2,703	192,154	194,857	190,939
Total actuarial liability	**21,719**	**314,733**	**336,452**	**332,578**

Contracted debts are adjusted based on the INPC disclosed by the IBGE and bear interest of 6% p.a. The contracted amounts stated in noncurrent liabilities are expected to be paid as follows:

	ELOS	PREVIG	Total
July to December 2009	7,722	963	8,685
2010	16,147	2,013	18,160
2011	14,805	1,991	16,796
2012	12,169	2,034	14,203
2013	12,918	2,156	15,074
2014 and thereafter)	30,164	16,561	46,725
	93,925	**25,718**	**119,643**

Changes in post-employment benefits are summarized below:

	Pension plan	Confidentiality bonus	Total
Liabilities as of 12.31.2007	**327,764**	**1,019**	**328,783**
1Q08 expenses	11,280	58	11,338
Contributions	(7,465)	-	(7,465)
Benefits paid	-	(78)	(78)
Liabilities as of 3.31.2008	**331,579**	**999**	**332,578**
2Q08 expenses	11,280	57	11,337
Contributions	(7,444)	-	(7,444)
Benefits paid	-	(19)	(19)
Liabilities as of 6.30.2008	**335,415**	**1,037**	**336,452**

The amounts to be recognized in the statement of income from July to December 2008, related to the Defined Benefit Plan and the Confidentiality bonus, are as follows:

	Pension plan	Confidentiality bonus	Total
Cost of current service	243	27	270
Cost of interest	61,834	68	61,902
Expected return on plan assets	(40,232)	-	(40,232)
Amortization of actuarial losses	810	20	830
Employees' contributions	(95)	-	(95)
	22,560	**115**	**22,675**

a.2) Defined contribution plan

In addition to the above-mentioned benefit plan, PREVIG started managing another plan, a Defined Contribution plan, closing the initial plan to new participants on October 5, 2004, the date when the new plan approval was communicated by the Secretariat for Pension Plans.

In the Defined Contribution plan, in which 94% of the Company's employees participate (889 participants), plan funding consists of basic contributions by the participants and the sponsor. The Company's basic contribution is equal to the basic contribution of its employees. The Company's contribution in the first quarter of 2008 was R$1,656 (R$953 in the second quarter of 2007).

In addition, as an incentive to migrate to the plan, the Company undertook a special contribution of R$2,138 in the second quarter of 2008 (R$1,042 in the second quarter of 2007), deposited in PREVIG's account to participants with at least 10 years of participation in the previous plan, calculated to increase the mathematical reserves of the participants and thus annul a possible impact on the participants for opting for the migration.

In 2008, administrative expenses will now be shared by the sponsor and the participants, taking into consideration the formation of a financial reserve for the participants. The portion corresponding to the reserve balance on participants' migration date from the Defined Benefit Plan to the Defined Contribution Plan is being fully assumed by the sponsor. The portion related to the reserve constituted form that date on is being assumed 50% by the sponsor and 50% by the participant. The Company contributed with R$465 in the second quarter of 2008 and R$241 in the second quarter of 2007. In 2007, the sponsor was responsible for 75% and participants for 25% of administrative expenses.

b) Confidentiality bonus

Consists of the payment of a bonus to managers when their employment relationship is terminated.

20 – DEFERRED TAX LIABILITIES

Income and social contribution taxes recorded under this caption, Company and consolidated, amount to R$36,535 in long-term liabilities, calculated on the provision for sale of electricity within MAE, in the amount of R$107,456, corresponding to the period from September 2000 to September 2002. Considering that the amount of revenue is being challenged in court by agents that disagree with the interpretation adopted by MAE in the application of certain accounting rules, as provided for by an ANEEL Resolution, in the event of a favorable outcome for these agents, both the revenue and the corresponding asset will no longer exist, and therefore it is being treated as a provision and deemed as temporary difference for tax purposes.

21 – SHAREHOLDERS' EQUITY

a) Authorized capital

The Company is authorized to increase its capital up to the limit of R$5,000,000, regardless of any amendment to its bylaws. Under the New Market Listing Regulations, the Company cannot issue preferred shares or founder shares. The Company does not hold treasury shares.

b) Subscribed and paid-up capital

The Company is a publicly-traded company incorporated in accordance with the Brazilian laws and listed in the New Market of the São Paulo Stock Exchange (BOVESPA).

As of June 30, 2008, the Company's fully subscribed and paid-up capital is R$2,445,766, represented by 652,742,192 registered common shares without par value. The book value per share as of June 30, 2008 is R$5.25 (R$4.92 per share as of March 31, 2008).

The Company's capital structure is as follows:

Shareholders	% of capital 6.30.2008 and 3.31.2008
Suez Energy South America Participações Ltda.	68.71
Banco Clássico S.A.	10.00
BNDES Participações S.A. – BNDESPAR	2.80
Federal Government	1.90
Other	16.59
	100.00

22 – OPERATING EXPENSES DETAILED BY TYPE

	Company					
	2008					2007
	2nd Quarter					2nd Quarter
	Cost		Expenses			
	Production and sale	Services provided	Selling	General and administrative	Total	Total
Personnel	25,122	1,627	1,621	10,210	38,580	34,744
Management	-	-	-	3,478	3,478	3,564
Materials	3,567	27	4	366	3,964	4,755
Outside services	13,593	137	248	12,448	26,426	17,324
Fuel for electricity production	30,077	-	-	-	30,077	27,259
Compensation for use of water resources	12,740	-	-	-	12,740	23,245
Electric network usage charges	-	-	49,963	-	49,963	41,780
Depreciation and amortization	52,005	-	-	1,497	53,502	44,559
Insurance	1,822	70	-	52	1,944	1,630
Inspection fee	-	-	-	2,018	2,018	1,694
Contributions and donations	-	6	-	2,136	2,142	1,482
Other	1,538	13	652	6,251	8,454	5,898
	140,464	**1,880**	**52,488**	**38,456**	**233,288**	**207,934**

	Consolidated					
	2008					2007
	2nd Quarter					2nd Quarter
	Cost		Expenses			
	Production and sale	Services provided	Selling	General and administrative	Total	Total
Personnel	27,152	1,627	1,621	10,387	40,787	35,060
Management	-	-	-	3,627	3,627	4,121
Materials	3,815	27	5	370	4,217	5,115
Outside services	15,928	137	297	12,549	28,911	20,398
Fuel for electricity production	32,726	-	-	-	32,726	29,669
Compensation for use of water resources	15,392	-	-	-	15,392	26,763
Electric network usage charges	-	-	56,124	-	56,124	51,754
Depreciation and amortization	63,858	-	-	3,394	67,252	59,710
Insurance	2,325	70	-	52	2,447	1,820
Inspection fee	-	-	-	2,235	2,235	2,027
Contributions and donations	-	6	-	2,152	2,158	1,554
Other	1,732	13	967	6,332	9,044	6,274
	162,928	**1,880**	**59,014**	**41,098**	**264,920**	**244,265**

23 – FINANCIAL INCOME AND EXPENSES

	Company			
	2008		2007	
	2nd Quarter	Accumulated	2nd Quarter	Accumulated
Financial income				
Income from temporary cash investments	14,872	32,415	8,287	18,237
Interest on receivables	3,452	6,795	1,799	5,487
Monetary variation on escrow deposits	4,367	8,215	3,092	6,812
Monetary variation on receivables	4,306	5,814	391	1,043
Other	3,608	3,948	3,272	4,585
	30,605	**57,187**	**16,841**	**36,164**
Financial expenses				
Debt charges	27,881	41,728	18,927	31,969
Charges on ANEEL concession	5,567	7,337	-	-
Charges on actuarial liabilities	10,836	21,671	11,051	22,103
Charges on operating provisions, net	1,359	2,490	474	1,772
Monetary variation on financing and debentures	13,433	26,418	947	2,559
Monetary variation on ANEEL concession	7,856	9,073	-	-
Monetary variation – other	2,076	6,680	(355)	531
Exchange variation on loans and financing	(26,084)	(22,198)	(19,987)	(34,358)
Losses on foreign exchange swap transactions	-	-	10,898	20,200
CPMF (tax on banking transactions)	-	324	4,617	7,501
Other	3,540	5,423	2,222	3,920
	46,464	**98,946**	**28,794**	**56,197**
Financial Expenses, net	**15,859**	**41,759**	**11,953**	**20,033**

	Consolidated			
	2008		2007	
	2nd Quarter	Accumulated	2nd Quarter	Accumulated
Financial income				
Income from temporary cash investments	16,787	37,513	12,499	25,783
Interest on receivables	3,706	7,049	1,833	5,562
Monetary variation on escrow deposits	4,369	8,646	3,476	7,765
Monetary variation on receivables	4,308	5,816	391	1,043
Other	3,629	4,239	3,696	5,100
	32,799	**63,263**	**21,895**	**45,253**
Financial expenses				
Debt charges	38,244	60,203	29,496	53,488
Charges on ANEEL concession	9,084	14,474	4,905	9,707
Charges on actuarial liabilities	10,836	21,671	11,051	22,103
Charges on operating provisions, net	1,368	2,537	492	1,801
Monetary variation on financing and debentures	15,458	29,767	1,343	3,819
Monetary variation on ANEEL concession	19,410	27,735	921	3,248
Monetary variation – other	2,088	6,755	1,373	2,274
Exchange variation on loans and financing	(26,084)	(22,198)	(19,987)	(34,358)
Losses on foreign exchange swap transactions	-	-	10,898	20,200
CPMF (tax on banking transactions)	-	523	5,962	9,857
Other	4,285	6,560	1,498	5,657
	74,689	**148,027**	**47,952**	**97,796**
Financial Expenses, net	**41,890**	**84,764**	**26,057**	**52,543**

24 – RECOVERY OF PIS/COFINS

The Company recognized in the first quarter of 2008, in the "Other Operating Revenue" caption, non-operating revenue of R$76,431, related to the PIS/COFINS recovery. This amount substantially refers to taxes unduly paid on amounts related to the recovery of fossil fuel consumption acquired with CCC/CDE (fuel usage quota) funds which, as provided for by an ANEEL Resolution, are now stated as an offsetting account of the electricity production cost, as from November 2005, and no longer in the operating income.

25 – FINANCIAL INSTRUMENTS

a) Risk management

a.1) Market risk

The Company and its subsidiaries use financial instruments to hedge its assets and liabilities, minimizing exposure to market risks, especially in connection with interest rate, price indices and currency fluctuations. The Company did not enter in any derivative contracts to hedge these risks; however, they are monitored by the Financial Management Committee, which periodically assesses the Company's exposure and proposes operating strategies, control systems, position limits and credit limits with other partners in the market.

a.2) Credit risk

In long-term bilateral agreements entered into with distributors, the Company tries to minimize its credit risk with the use of a collateral mechanism involving receivables from its customers.

In transactions with industrial customers, also known as Free Consumers, in order to minimize the credit risk related to those business partners, the Company, through its credit area, carries out a credit analysis and establishes, together with the Credit Committee, the credit limits and collaterals to be required from the other parties.

In financial market transactions, the Company also has credit limits with financial institutions, which are regularly reviewed by its Financial Management Committee, based on an in-house evaluation and ratings disclosed by risk rating agencies.

As mentioned in Note 4, the Company has investments in an Exclusive Investment Fund. The amount of investments by financial institution is within the limits defined by the Company in its credit policies for financial institutions.

b) Fair Value

In transactions involving financial instruments, only in loans, financing and debentures significant differences between fair values and carrying amounts were found, mainly due to the fact that such financial instruments have quite extended repayment terms and differentiated costs as compared to the rates currently in force for similar agreements. To measure fair values, the Company's management used discounted future cash flows at rates deemed adequate for similar transactions or international market rates, when available.

	Company			
	6.30.2008		3.31.2008	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans/financing and charges in foreign currency	258,423	255,599	298,513	399,164
Loans/financing and charges in local currency	571,486	570,384	176,918	202,642
Debentures	655,099	643,186	694,930	569,654
	1,485,008	**1,469,169**	**1,170,361**	**1,171,460**

04.01 – NOTES TO THE FINANCIAL STATEMENTS

	Consolidated			
	6.30.2008		3.31.2008	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans/financing and charges in foreign currency	258,423	255,599	298,513	399,164
Loans/financing and charges in local currency	1,517,828	1,516,724	772,961	629,162
Debentures	704,256	692,343	750,192	592,860
	2,480,507	**2,464,666**	**1,821,666**	**1,621,186**

26 – RELATED-PARTY TRANSACTIONS

The amounts recorded in balance sheet and income statement accounts are as follows:

	6.30.2008						3.31.2008
	SESA[a]	ITASA	LAGES	TBLC[b]	CESS[c]	Total	Total
Assets							
Intercompany receivables	-	4,477	629	70,161	168	**75,435**	**48,015**
Dividends receivable from subsidiaries	-	-	4,929	-	-	**4,929**	**8,358**
Liabilities							
Intercompany payables	-	10,265	-	2,991	-	**13,256**	**12,107**
Dividends and interest on capital	-	-	-	-	-	-	**365,602**

	2nd quarter 2008								2Q07
	SUEZ[d]	DELTA	EAS[e]	ITASA	LAGES	TBLC[b]	CESS[c]	Total	Total
Income and expenses									
Operating revenue									
Electricity sales	-	-	-	-	1,156	112,203	-	**113,359**	**67,672**
Other revenues [*]	-	-	-	2,871	416	7	100	**3,394**	**3,542**
Electricity production cost									
Electricity purchased for resale	-	-	-	26,292	-	-	-	**26,292**	**97,611**
Fuel for electricity production	-	-	-	-	6	-	-	**6**	**6**
General and Administrative Expenses	2,502	-	-	-	-	-	-	**2,502**	-
Equity in subsidiaries	-	(7)	(6,376)	3,648	555	6,438	-	**4,258**	**51,326**

[a] Suez Energy South America Participações Ltda

[b] Tractebel Energia Comercializadora

[c] Companhia Energética São Salvador

[d] Suez-Tractebel S.A.

[e] Energia América do Sul Ltda.

[*] Administrative, operations and maintenance services

27 – GUARANTEES TO THIRD PARTIES

Itá Energética S.A. - ITASA

The Company and other shareholders of ITASA are intermediating parties to the agreements entered into by this investee, the BNDES and other financing agents, linked to the construction of the Itá hydroelectric plant. The intermediating parties have pledged as collateral the total amount of shares issued by ITASA and held by them, until the final settlement of all obligations undertaken under these agreements. As of June 30, 2008, the debt is R$192,029 (R$204,847 on March 31, 2008).

Lages Bioenergética Ltda.

The Company is the intermediating guarantor of the Fixed Credit Facility Agreement entered into by Lages Bioenergética with Banco Regional de Desenvolvimento do Extremo Sul – BRDE, and pledged as collateral, its shares of the subsidiary, until the final settlement of all obligations undertaken under the agreement. As of June 30, 2008, the debt is R$28,496 (R$30,188 as of March 31, 2008).

Companhia Energética São Salvador – CESS

The Company is an intermediating party to the agreements entered into by this investee and the BNDES and other financing agents, linked to the construction of the São Salvador hydroelectric plant. The intermediating party pledged as collateral the total amount of shares issued by CESS, that it holds, until the final settlement of all obligations undertaken under these agreements. As of June 30, 2008, the debt is R$488,162 (R$416,270 on March 31, 2008).

Ponte de Pedra Energética S.A. – PPESA

Energia América do Sul Ltda, a wholly-owned subsidiary and parent company of PPESA is an intervening party in agreements executed between the investee and BNDES and other financing agents, related to the construction of the Ponte de Pedra hydroelectric plant. The intervening party gave as collateral all shares issued by PPESA held by it, and the rights emerging from the concession and the electric energy purchase and sale agreement with CEMIG, until final settlement of all obligations undertaken in said agreements. The debt on June 30, 2008 is R$286,812.

28 – INSURANCE

The Company has a comprehensive operating risk insurance policy with a declared amount for property damages of US$5,247,606, equivalent to R$8,353,664 on June 30, 2008 and with a declared amount for short-term loss of profits of US$42,458, equivalent to R$67,589 on June 30, 2008 and long-term loss of profits of US$347,124 equivalent to R$552,587 on June 30, 2008. The maximum combined material damage and loss of profits claim limit is US$250,000, equivalent to R$397,975 on June 30, 2008, per event.

In addition to this coverage, the Company has civil liability insurance policies with coverage of US$50,000, equivalent to R$79,595 as of June 30, 2008. Such policies include the Itá hydroelectric plant, built and operated by means of a consortium with the jointly-owned subsidiary ITASA.

The subsidiary Lages Bioenergética Ltda. has Operating Risk insurance with coverage of US$44,481 equivalent to R$70,809 as of June 30, 2008, and civil liability insurance with coverage of US$50,000, equivalent to R$79,595 as of June 30, 2008.

Companhia Energética São Salvador – CESS has an engineering risk policy with twelve-month comprehensive maintenance coverage, and maximum claim limit of R$701,880 CESS also has two civil liability policies on first and second risks with R$22,200 coverage each.

Recently acquired Ponte de Pedra Energética S.A. has an Operating Risk insurance with a US$193,600 coverage equivalent to R$308,192 on June 30, 2008, and also has two civil liability policies with a R$5,325 coverage each.

In addition to these strategic insurance policies, the Company has insurance to cover national and international transportation risks, civil liability of the directors and management, extended to its subsidiaries, as well as group life insurance for its officers and employees.

29 – LONG-TERM AGREEMENTS

The Company and its subsidiaries have long-term commitments, the principal of which are as follows:

a) Connection agreement

The Company entered into a Connection Agreement with ELETROSUL Centrais Elétricas S.A. and Furnas Centrais Elétricas S.A., effective until the concession termination date of the Company's generation units or the liquidation of the transmission company. For the Ponte de Pedra hydroelectric plant, acquired this quarter, the Connection Agreement is with ELETRONORTE - Centrais Elétricas do Norte do Brasil S.A.

b) Transmission and distribution network usage agreement

In order to use the transmission system, basic network, the Company has agreements with the ONS (Electric System National Operator), and for plants which are nor directly connected to the basic network, the Company also maintains distribution use agreements. The Willian Arjona Thermoelectric Plant has an agreement entered into with Empresa Energética do Mato Grosso do Sul S.A. – ENERSUL, the Alegrete Thermoelectric Plant has an agreement entered into with AES Sul Distribuidora Gaúcha de Energia, and the Jorge Lacerda A – A1 Thermoelectric Plant has an agreement entered into with Centrais Elétricas de Santa Catarina – CELESC. Most agreements are effective up to the date of expiry of concessions or authorizations of the Company's generation units, or expiry of transmitting and distributing companies, whichever occurs first.

c) Electricity purchase and sale of bilateral agreements

According to guaranteed energy and purchase and sale agreements, the Company's energy balance sheet shows that current capacity is almost fully sold for 2010. The Company chose to have part of its availability not contracted as from 2011, when forecasts of the sector indicate an increase in energy price.

d) Purchase of electricity from Argentina

The Company entered into an agreement with CIEN – Companhia de Interconexão Energética, for a 20-year period starting on June 21, 2000, to purchase 300 MW of firm power with associated energy, to be made available at the substation of Itá, of ELETROSUL. In the month of March 2005, ANEEL conducted an inspection to check the physical power delivery guarantee conditions at the Uruguaiana thermoelectric plant and at the Garabi Interconnections (CIEN), where it verified the non-availability of actual electricity generation and transmission at the contracted volumes. As a result, the Ministry of Mining and Energy issued an Administrative Rule, defining new physical guarantee volumes for the respective generation and interconnection facilities.

On April 1, 2005, an ANEEL Regulatory Instruction was published establishing the criteria to be used by the ONS (Electric System National Operator) and the CCEE (Electric Power Trade Chamber) to determine the power generation and physical guarantee availability limits at the Uruguaiana thermoelectric plant and for the Garabi interconnections. Based on these regulations, the physical guarantee volume originally attributed to CIEN to meet the 300 MW agreement was reduced to approximately 72 MW.

Due to the way the agreement is registered with the CCEE, that reduction would subject the Company to the penalties provided for by industry legislation, for lack of physical guarantee, and exposure to the spot market of the CCEE, which led the Company to enter into an agreement for the purchase of the corresponding electricity from another agent. As a result, the Company understands that a contract breach by CIEN was characterized and that the fines and indemnities provided for by the agreement should be paid to the Company. Thus, based on the contract mechanisms that determine that the amounts included in the invoices issued by CIEN should be net of all amounts owed to the Company as fine and indemnities (which CIEN has not paid in relation to any issued invoices in relation to that agreement, since the reduction of the physical assurance), the Company has not been paying said invoices since March 2005 since they consider them incorrect.

ANEEL, through Regulatory Resolution, on June 20, 2006, reduced to zero the amounts of physical guarantee of electricity generated from CIEN imports, due to CIEN's impossibility to supply electricity. This reduction will be maintained until CIEN proves the existence of available electricity.

Up to the closing of the referred balance sheet, the situation remains unchanged.

e) Purchase of natural gas

The Company entered into a gas purchase agreement with Companhia de Gás do Mato Grosso do Sul - MSGÁS, effective for five years, starting 2001, the startup of the William Arjona thermoelectric plant - UTWA, located in Campo Grande, State of Mato Grosso do Sul, renewable for an additional five years.

With the expiration of the contract period, on May 22, 2006, the Company showed its interest to renew the agreement, however, MSGás communicated that the renewal would depend on the adjustment of the product price, as determined by Petrobrás, the seller of the gas to MSGás and the consenting party in the contract.

In view of Petrobras' threat to cut gas supply to the plant, the Company filed for an injunction against MSGás and Petrobras, with request for temporary restraining order, which was granted to assure the gas supply according to the terms of the agreement.

The Company also filed a lawsuit to ensure the renewal of the agreement, which is awaiting judgment by Mato Grosso do Sul courts.

In a recent appeal filed with the Superior Court of Justice, Petrobras was granted the stay of the lawsuit, authorizing it, in November 2007, to suspend gas supply to the plant.

As a result, the Company has bought power in the CCEE to supply the UTWA. When convenient and necessary, the Company has been operating with diesel oil as fuel, since the plant has this flexibility.

30 – SUBSEQUENT EVENTS

I – Merger of Suez S.A. and Gaz de France S.A.

In July 2008, the merger of Tractebel Energia's indirect subsidiary Suez S.A. ("Suez"), a publicly-held French company, and Gaz de France S.A. ("GdF"), a company incorporated under the laws of France, was concluded, resulting into a single company named GdF-Suez.

The operation will not change or adversely affect Tractebel Energia's operations or the electricity market structure in Brazil.

II – Disposal of Credits of the Jacuí Project

On July 24, 2008, the Company's Board of Directors approved the assignment of the share transfer agreement in the Jacuí Thermoelectric Plant between Tractebel Energia S.A. and Wellgate International Ltd., and the Executive Board is authorized to practice all acts necessary for the execution of this resolution, as well as all acts already practiced within this scope are validated. It is important to highlight that the assignment refers to credits receivable from the assignment of the Jacuí Project, included in Note 9.

III – Periodical dividends

The Board of Directors, at a meeting held on August 13, 2008, approved the distribution of periodical dividends, based on the financial statements as of June 30, 2008, based on article 204 of Law 6404/76, in the amount of R$580,299, corresponding to R$0.8890167318 per share. Said dividends correspond to 95% of the net income for the first semester of 2008.

The Company's shares will be traded ex-periodical dividends as of August 26, 2008.

Dividends will start to be paid on October 27, 2008, based on records maintained by Banco Itaú S.A.

IV – Investments

Tupan Energia Elétrica S.A. and Hidropower Energia S.A.

The Company, by means of a material fact, announced that its subsidiary Gama Participações Ltda., headquartered in the City of Florianópolis, State of Santa Catarina, acquired the total capital stock of Tupan Energia Elétrica S.A. ('Tupan"), headquartered in the City of São Paulo, State of São Paulo, and of Hidropower Energia S.A.("Hidropower"), headquartered in the City of Rondonópolis, State of Mato Grosso, as per share purchase and sale agreement and other covenants executed on July 8, 2008. The conclusion of the operation is subject to certain conditions, including the previous consent of ANEEL (National Agency of Electric Energy) and Centrais Elétricas Brasileiras S.A. – Eletrobrás.

Tupan holds an authorization granted by ANEEL to explore the Rondonópolis Small Hydroelectric Plant, with installed capacity of 26.6 MW, in commercial operation since December 2007.

Hidropower has an authorization granted by ANEEL to explore the Engenheiro José Gelazio da Rocha Small Hydroelectric Plant, with installed capacity of 23.7 MW, in commercial operation since February 2007.
The total energy from both plants centrals is contracted with Eletrobrás by means of PROINFA – Incentive Program to Electric Energy Alternative Sources.

The acquisition price of Tupan and Hidropower is R$203,937. In addition, the net indebtedness of these companies total the amount of R$110,063. The operation represents another step of Tractebel Energia in its growth strategy in the Brazilian electric sector, and it will result in operating synergy with the Ponte de Pedra Hydroelectric Plant, held by Energia América do Sul Ltda., also controlled by Tractebel Energia.

Biomass electric energy generation unit

The Company's Board of Directors, at a meeting held on July 24, 2008, approved the investment of up to R$120 million in the implementation of the biomass electric energy generation unit, using sugarcane residual bagasse as fuel. In order to make the investment profitable, subsidiary Gama Participações Ltda. was approved to form a SPE created to implement the undertaking. As a result, the Company's and subsidiary Gama Participações Ltda.'s Executive Boards were authorized to adopt all measures and practice all acts necessary for the execution of this investment.

Econergy Project

By means of a notice to the market disclosed on July 25, 2008, the Company informed that SESA BidCo Ltd., company incorporated and operating under the Isle of Man laws and whose control is exercised by the GDF-Suez Group, of which Tractebel Energia is part, launched a public offer to acquire 100% of the shares of Econergy International PLC ("Econergy"), also a company incorporated and operating under the Isle of Man laws. In Brazil, Econergy is the controlling shareholder of the following companies: (i) Usina Eólica Econergy Beberibe S.A., which has authorization granted by ANEEL (National Electric Power Agency) to explore the Beberibe Wind Farm, with installed capacity of 25.60 MW; (ii) Hidrelétrica Areia Branca S.A., which has authorization granted by ANEEL to explore the Areia Branca Small Hydroelectric Plant, with installed capacity of 19.80 MW; and (iii) Econergy Pedra do Sal S.A., which has authorization granted by ANEEL to explore the Pedra do Sal Wind Farm, with installed capacity of 17.85 MW ("Generation Assets"). The total energy from the Generation Assets is contracted with Eletrobrás, by means of PROINFA – Incentive Program to Electric Energy Alternative Sources.
Tractebel Energia announced that it may timely consider the acquisition of the Generation Assets, which are currently in a pre-operating stage, and which could represent, when operating, an increase of nearly 1% in its installed capacity. The eventual acquisition of Generation Assets will respect the best practices of corporate governance related to transactions among related parties.

31 – RECONCILIATION TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

a) Introduction

The Company prepared its interim financial statements according to the standards issued by Brazilian Securities and Exchange Commission (CVM), including CVM Instruction number 469/08. The reconciliation note comparing net income and shareholder's equity under CVM standards with IFRS, as required by the São Paulo Stock Exchange (BOVESPA), does not constitute a complete presentation of the financial statements comprising, comparatively, the Balance Sheet, the Income Statements, the Statements of Changes in Shareholders' Equity and Cash Flows, and the explanatory notes as required by the International Financial Reporting Standards (IFRS).

The Company adopted IFRS 1 - "First Time Adoption of International Financial Reporting Standards" in order to determine the adjustments to the opening balances; the basis and options applied may change when the Company prepares its complete financial statements according to IFRS.

b) Reconciliation Procedures

December 31, 2007 is the first financial year end for which the IFRS reconciliation and accompanying notes was presented and was accompanied by the respective comparative information in respect of the previous year ended as of December 31, 2006.

As required by IFRS 1, the opening balance reflects all of the pronouncements and interpretations of IFRS effective on December 31, 2007, except for the exemptions and exceptions allowed in the application of IFRS 1 for determining the measurement of the impacts on the opening balance.

The reconciliation of the differences in consolidated shareholders' equity and net income for the period, between the standards issued by CVM, including CVM Instruction number 469/08, and the International Financial Reporting Standards (IFRS) is being presented in order to meet the Novo Mercado (New Market) listing requirements of the São Paulo Stock Exchange (BOVESPA). This reconciliation is being presented based on the complete interim financial statements prepared in accordance with standards issued by CVM, including CVM Instruction number 469/08 and, therefore, should be read together with such financial statements.

	Shareholders' equity		Net income 2nd quarter		Net income 1st semester	
	06.30.2008	03.31.2008	2008	2007	2008	2007
Brazilian accounting practices	3,427,694	3,208,365	219,329	229,547	610,841	471,649
Monetary adjustment	212,748	218,772	(6,024)	(5,193)	(11,007)	(10,773)
Post-employment benefits	(124,465)	(125,277)	812	687	1,015	903
Foreign exchange variation	(66,963)	(67,801)	838	799	1,398	1,613
Capitalized financial charges	51,612	42,586	9,026	4,732	17,308	4,510
Borrowing costs	(12,719)	(12,869)	150	142	246	287
Pre-operating expenses	(3,087)	(2,854)	(233)	(520)	(450)	(208)
Capitalization on investment acquisition	13,248	12,883	365	360	729	720
Deferred income and social contribution taxes	(9,725)	(7,126)	(2,599)	(1,264)	(4,984)	(3,023)
Proposed dividends	-	457,279	-	-	-	-
	3,488,343	**3,723,958**	**221,664**	**229,290**	**615,096**	**465,678**

Monetary adjustment

In accordance with the standards issued by CVM, the Company did not recognize the Brazilian inflationary effects subsequent to December 31, 1995. On January 1, 1996, the net amount accounted for in respect of all non-monetary assets and liabilities became their historic cost. In accordance with IFRS (IAS 29 - Financial Reporting in Hyperinflationary Economies), Brazil was considered as being a hyperinflationary economy until 1997, and accordingly, for IFRS purposes, the Company continued to recognize inflation effects based on the IGPM index (general market price index).

The adjustment presented in the line item “Monetary adjustment” represents the inflationary effects on property, plant and equipment recognized in 1996 and 1997 for IFRS purposes, net of the effect of depreciation and write-offs on such monetary adjustment.

Post-employment benefits

As disclosed in Note 19, the Company accounts for post-employment benefits in accordance with CVM Resolution No. 371/2001, since December 31, 2001. Specifically, for the actuarial liability related to the defined benefit plan, the Company opted for the corridor methodology to recognize actuarial gains and losses.

For IFRS purposes, the Company adopted the exemption prescribed by IFRS 1 (First Time Adoption of International Financial Reporting Standards), under which all actuarial gains and losses related to the defined benefit plan, sponsored by the Company, were recognized on the IFRS transition date. Furthermore, the Company is adopting the option prescribed by IAS19 paragraph 93 to recognize actuarial gains and losses directly into shareholder's equity.

Consequently, the adjustment shown in the line item "Post-employment benefits" represents the actuarial expenses not recognized for CVM standards purposes, and recognized for IFRS purposes.

Foreign exchange variation

Based on CVM standards, foreign exchange differences arising from foreign currency-denominated loans and financing were fully capitalized in the cost of property, plant and equipment under construction. For IFRS purposes, these exchange differences were capitalized up to the amount equivalent to the cost of a loan, if raised in Brazil (as required by IAS 23 – Borrowing costs).

Capitalized financial charges

According to IFRS, the Company's own capital used to finance subsidiaries' construction in progress was capitalized in subsidiaries' property, plant and equipment; such capitalization is based on the interest rates of the loans and financing obtained.

Borrowing costs

Under CVM standards, the borrowing costs of certain financing assumed for the construction of a hydroelectric project were capitalized in the underlying asset.

Under IFRS, these costs are considered financing costs and are amortized over the period of the financing.

Pre-operating expenses

Under CVM standards, the Company and its subsidiaries allocate to deferred charges pre-operating expenses that are not eligible for capitalization in property, plant and equipment.

Under the IFRS, pre-operating expenses not capitalized in property, plant and equipment are recognized directly in results when incurred.

Capitalization on investment acquisition

The amount of deferred charges accounted for in an acquired investment was maintained under this caption for CVM standards. Under IFRS, the Company opted to capitalize the amount; the deferred charges' amortization rate is higher than that of the depreciation rate of property, plant and equipment.

Deferred income and social contribution taxes

Represented by the effect of income and social contribution taxes on the accounting adjustments required to reconcile net income and shareholders' equity according to the standards issued by CVM to the IFRS. This amount includes the recognition of deferred tax credits for IFRS purposes on temporary differences in permanent assets which are realizable over a period in excess of 10 years and which were not recognized according to CVM standards purposes. The amounts of each adjustment are shown in the chart below:

	Shareholders' equity		Net income 2nd quarter		Net income 1st semester	
	06.30.2008	03.31.2008	2008	2007	2008	2007
Deferred taxes from reconciliation adjustments	(23,341)	(21,658)	(1,683)	(348)	(3,152)	991
Deferred taxes from temporary differences in permanent assets	13,616	14,532	(916)	(916)	(1,832)	(4,014)
	(9,725)	(7,126)	(2,599)	(1,264)	(4,984)	(3,023)

Proposed dividends

According to the standards issued by CVM, the Company recognizes dividends as liabilities when they are proposed by Management, including proposed dividends that exceed mandatory minimum dividends. Under the Company's bylaws, mandatory minimum dividends correspond to 30% of the net adjusted income. Dividends exceeding mandatory minimum dividends are only formally declared when approved by the Annual Shareholders' Meeting (AGO). The AGO that approved the proposed dividends took place on April 08, 2008.

Under the IFRS (IAS 10 – Events after the Balance Sheet Date), dividends not yet approved are not recognized as liabilities as of the balance sheet date.

SUPPLEMENTARY INFORMATION

Statements of Cash Flows - Company

	2008		2007	
	2nd quarter	Accumulated	2nd quarter	Accumulated
Operating activities				
Net income for the quarter	219,329	610,841	229,547	471,649
Items not requiring outlay of cash:				
Depreciation and amortization	53,503	101,123	44,559	87,431
Equity in subsidiaries	(4,830)	(36,855)	(51,326)	(103,587)
Goodwill amortization	572	1,887	1,687	3,374
Monetary and exchange, net	(12,732)	924	(11,163)	(18,355)
Net Interest	16.258	20.746	11.125	15.248
Recovery of PIS/COFINS	-	(76,431)	-	-
Operating provision (reversal), net	1,536	2.728	(897)	(677)
Deferred Income tax and social contribution	2,609	(7,508)	2,109	(6,263)
Result from property, plant and equipment write-off	789	1,853	459	1,161
Other	122	244	52	104
	277,156	**619,552**	**226,152**	**450,085**
Decrease (increase) in assets				
Consumers and concessionaires	62,333	10,285	(24,837)	(13,548)
Funds linked to payment of obligations	-	-	(8.370)	8.641
Advance to suppliers	(25)	2,318	(1,498)	(1,471)
Sales of assets and rights	2,850	3,529	(2,394)	(601)
Recoverable taxes	(1,847)	(2,306)	15,879	8,367
Collaterals and restricted deposits and escrow deposits	4,981	28,816	28,405	45,394
Inventories	(4,402)	2,926	2.418	2,995
Prepaid Expenses	(5,433)	(3,632)	(5,137)	(3,993)
Other	2,696	3,958	(127)	2,711
	61,153	**45,894**	**4,339**	**48,495**
Increase (decrease) in liabilities				
Trade accounts payable	(26,364)	(85,231)	50,419	(2,742)
Loans, financings and debentures	(31,633)	(14,551)	(12,992)	(867)
Taxes	61,083	51,182	22,729	95,738
Special obligations	(649)	5.486	382	3.532
Post-employment benefits	(8,719)	(16,093)	(7,440)	(15,142)
Allowance for contingencies	(5,699)	(3,897)	(1,860)	(1,911)
Research and development	2,684	6,644	3,283	4,437
Other	(2,932)	(6,614)	10,619	4,311
	(12,229)	**(63,074)**	**65,140**	**87,356**
Net cash provided by operating activities	**326,080**	**602,372**	**295,631**	**585,936**

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Continued

Investment activities				
Acquisition of Companhia Energética São Salvador - CESS	-	-	(304,000)	(304,000)
Acquisition of ownership interest in MAESA	-	-	-	(28,793)
Increase in the subsidiaries' capital	(629,130)	(629,590)	-	(10)
Additions to property, plant and equipment	(23,479)	(31,709)	(18,504)	(22,652)
Increase in intangible	(42)	(835)	(62)	(957)
Dividends received from subsidiaries	6,858	64,402	71,572	71,572
Net cash (used in) from investment activities	**(645,793)**	**(597,732)**	**(250,994)**	**(284,840)**
Financing activities				
Payments of loans, financings and debentures	(41,117)	(60,571)	(36,903)	(69,160)
Settlement of swap transactions	-	-	(3,264)	(3,577)
Financing and Debentures	400,000	400,000	353,423	353,423
Cash equivalents received from the merger of subsidiary	-	28.344	-	-
Payment of dividends and interest on own capital	(530,122)	(530,122)	(489,522)	(489,522)
Net cash used in financing activities	**(171,239)**	**(162,349)**	**(176,266)**	**(208,836)**
Total effects on cash and cash equivalents	**(490,952)**	**(157,709)**	**(131,629)**	**92,260**
Cash and cash equivalents				
Opening balance	904,998	571,755	417,695	193,806
Closing balance	414,046	414,046	286,066	286,066
	(490,952)	**(157,709)**	**(131,629)**	**92,260**
Payments made during the period				
Interest on loans, financing and debentures	59,344	64,020	31,867	39,596
Income tax and social contribution	41,400	222,082	27,903	62,348
Transactions not involving cash				
Offset income tax and social contribution	-	48	-	-
Interest on own capital credited	-	-	88,000	88,000

Statements of Cash Flow - Consolidated

	2008		2007	
	2nd quarter	Accumulated	2nd quarter	Accumulated
Operating activities				
Net income for the period	219,329	610,841	229,547	471,649
Items not requiring outlay of cash:				
Depreciation and amortization	67,253	126,788	59,710	117,306
Monetary and exchange variation, net	801	22,485	(10,538)	(14,852)
Net interest	19,640	25,938	15,155	23,154
Recovery of PIS/COFINS	-	(76,431)	-	-
Recognition (reversal) of operating provisions, net	1,475	2,667	(1,018)	(767)
Deferred income tax and social contribution	(112)	(10,475)	2,272	(5,225)
Result from the property, plant and equipment write-off	802	1,866	459	1,161
Other	122	244	52	104
	309,310	**703,923**	**295,639**	**592,530**
Decrease (increase) in assets				
Consumers and concessionaires	88,925	(31,815)	(23,623)	(14,228)
Funds linked to payment of obligations	-	-	(8,370)	8,641
Sales of assets and rights	2,872	3,016	6,804	8,568
Recoverable taxes	252	(191)	19,583	6,085
Collaterals and restricted deposits and escrow deposits	4,291	55,189	27,994	45,240
Inventories	(4,425)	2,847	2,389	3,037
Prepaid expenses	(5,610)	(3,621)	(4,966)	(3,617)
Other	2,762	9,447	(2,474)	610
	89,067	**34,872**	**17,337**	**54,336**
Increase (decrease) in liabilities				
Trade accounts payable	(31,182)	(82,058)	63,727	(5,296)
Loans, financing and debentures	(21,526)	7,160	(13,952)	1,762
Taxes	56,298	3,684	38,498	137,902
Special obligations	(1,335)	4,895	354	3,506
Post-employment benefit	(8,719)	(16,093)	(7,440)	(15,142)
Allowance for contingencies	(4,581)	(2,778)	(1,870)	(1,894)
Research and development	2,728	7,485	4,259	6,371
Concession ANEEL	(407)	(812)	(390)	(783)
Other	(1,420)	4,002	11,632	5,391
	(10,144)	**(74,515)**	**94,818**	**131,817**
Net cash provided by operating activities	**388,233**	**664,280**	**407,794**	**778,683**

Continues on next page

Continued

Investment Activities				
Acquisition of CESS, net of cash and cash equivalents	-	-	(280,680)	(280,680)
Acquisition of ownership interest in MAESA	-	-	-	(28,793)
Acquisition of PPESA, net of cash and cash equivalents	(635,507)	(635,507)	-	-
Additions to property, plant and equipment	(108,605)	(153,864)	(111,251)	(116,194)
Increase in intangible	(45)	(16,979)	(62)	(957)
Net cash used in investment activities	**(744,157)**	**(806,350)**	**(391,993)**	**(426,624)**
Financing activities				
Payments of loans, financings and debentures	(67,450)	(97,865)	(59,220)	(103,641)
Settlement of swap transactions	-	-	(3,264)	(3,577)
Financing and debentures	464,238	464,238	459,414	459,414
Payment of dividends and interest on own capital	(530,122)	(530,122)	(489,522)	(489,522)
Net cash used in financing activities	**(133,334)**	**(163,749)**	**(92,592)**	**(137,326)**
Total effects on cash and cash equivalents	**(489,258)**	**(305,819)**	**(76,791)**	**214,733**
Cash and cash equivalents				
Opening balance	977,530	794,091	548,364	256,840
Closing balance	488,272	488,272	471,573	471,573
	(489,258)	**(305,819)**	**(76,791)**	**214,733**
Payments made during the period				
Interest on loans, financing and debentures	69,692	79,936	49,131	61,996
Income tax and social contribution	46,789	282,716	41,574	94,798
Transactions not involving cash				
Offset income tax and social contribution	450	2,043	-	132
Dividends and Interest on own capital	-	-	88,000	88,000

BOARD OF DIRECTORS

Maurício Stolle Bähr
Chairman

Jan Franciscus María Flachet
Vice-Chairman

Manoel Arlindo Zaroni Torres
Board Member

Victor-Frank de Paula Rosa Paranhos
Board Member

Dirk Beeuwsaert
Board Member

Pierre Michel Philippe Chareyre
Board Member

Luiz Antônio Barbosa
Board Member

José Pais Rangel
Board Member

Luiz Leonardo Cantidiano Varnieri Ribeiro
Board Member

EXECUTIVE BOARD

Manoel Arlindo Zaroni Torres
Chief Executive Officer

Marc Verstraete
Chief Financial and Investor Relations Officer

Miroel Makiolke Wolowski
Business Development and Sales Officer and
Project Implementation Officer

José Carlos Cauduro Minuzzo
Energy Production Officer

Marco Antonio Amaral Sureck
Planning and Control Officer

Luciano Flávio Andriani
Administrative Officer

ACCOUNTING DEPARTMENT

Marcelo Cardoso Malta
Manager of the Accounting Department
Accountant - CRC RJ 072259-O5/ T

05.01 – COMMENTS ON THE COMPANY'S PERFORMANCE IN THE QUARTER

The comments on the Company's performance in the quarter is presented in Chart 08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER.

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

06.01 – CONSOLIDATED BALANCE SHEET - ASSETS (in thousands of reais)

1 - CODE	2 - DESCRIPTION	3 - 6/30/2008	4 - 3/31/2008
1	Total Assets	7,635,785	6,897,001
1.01	Current Assets	983,573	1,528,830
1.01.01	Cash and Cash Equivalents	488,272	977,530
1.01.01.01	Available Cash	15,206	1,378
1.01.01.02	Temporary Cash Investments	473,066	976,152
1.01.02	Credits	422,238	485,028
1.01.02.01	Clients	384,329	459,239
1.01.02.01.01	Consumers, Concessionaries and Permittees	384,329	459,239
1.01.02.02	Sundry Credits	37,909	25,789
1.01.02.02.01	Recoverable Taxes	13,026	10,730
1.01.02.02.02	Collaterals and Restricted Deposits	1,137	1,071
1.01.02.02.03	Other	23,746	13,988
1.01.03	Inventories	47,221	42,821
1.01.04	Other	25,842	23,451
1.01.04.01	Prepaid Expenses	7,858	2,083
1.01.04.02	Deferred Tax Assets	13,444	15,071
1.01.04.03	Other	4,540	6,297
1.02	Noncurrent Assets	6,652,212	5,368,171
1.02.01	Long-term Assets	502,738	482,613
1.02.01.01	Sundry Credits	131,185	118,578
1.02.01.01.01	Concessionaries and Permittees	695	1,966
1.02.01.01.02	Sale of Assets and Rights	78,190	84,793
1.02.01.01.03	Recoverable Taxes	25,839	25,094
1.02.01.01.04	Collaterals and Restricted Deposits	26,403	6,500
1.02.01.01.05	Other	58	225
1.02.01.02	Credits with Related Parties	0	0
1.02.01.02.01	Direct and Indirect Associated Companies	0	0
1.02.01.02.02	Subsidiaries	0	0
1.02.01.02.03	Other Related Parties	0	0
1.02.01.03	Other	371,553	364,035
1.02.01.03.01	Escrow deposits	155,548	150,600
1.02.01.03.02	Deferred Tax Assets	214,116	211,466
1.02.01.03.03	Other	1,889	1,969
1.02.02	Permanent Assets	6,149,474	4,885,558
1.02.02.01	Investments	30,812	30,812
1.02.02.01.01	In Direct and Indirect Associated Companies	0	0
1.02.02.01.02	In Direct and Indirect Associated Companies - Goodwill	0	0
1.02.02.01.03	In Subsidiaries	0	0
1.02.02.01.04	In Subsidiaries – Goodwill	0	0
1.02.02.01.05	Other Investments	30,812	30,812
1.02.02.02	Property, Plant and Equipment	5,978,366	4,715,623
1.02.02.03	Intangible Assets	90,815	86,981
1.02.02.04	Deferred Charges	49,481	52,142

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

06.02 – CONSOLIDATED BALANCE SHEET - LIABILITIES (in thousands of reais)

1 - CODE	2 - DESCRIPTION	3 – 6/30/2008	4 - 3/31/2008
2	Total Liabilities	7,635,785	6,897,001
2.01	Current Liabilities	1,280,085	1,364,686
2.01.01	Loans and Financing	558,654	115,243
2.01.02	Debentures	29,589	72,250
2.01.03	Trade Accounts Payable	240,573	271,456
2.01.04	Taxes Payable	282,342	210,308
2.01.05	Dividends Payable	2,875	532,997
2.01.05.01	Dividends and Interest on Capital	2,875	532,997
2.01.06	Provisions	47,480	50,098
2.01.06.01	Estimated Obligations	38,694	38,490
2.01.06.02	Reserves for Contingencies	8,786	11,608
2.01.07	Debts with Related Parties	0	0
2.01.08	Other	118,572	112,334
2.01.08.01	Post-employment Benefits	21,719	20,647
2.01.08.02	Research and Development	56,453	51,331
2.01.08.03	Other	40,400	40,356
2.02	Noncurrent Liabilities	2,928,006	2,323,950
2.02.01	Long-term Liabilities	2,928,006	2,323,950
2.02.01.01	Loans and Financing	1,217,597	956,231
2.02.01.02	Debentures	674,667	677,942
2.02.01.03	Provisions	82,178	76,042
2.02.01.03.01	Estimated Obligations	4,637	3,609
2.02.01.03.02	Reserves for Contingencies	77,541	72,433
2.02.01.04	Debts with Related Parties	0	0
2.02.01.05	Advance for Future Capital Increase	0	0
2.02.01.06	Other	953,564	613,735
2.02.01.06.01	Taxes Payable	7,150	16,087
2.02.01.06.02	Concession Fees Payable	593,384	247,453
2.02.01.06.03	Post-employment Benefits	314,733	311,931
2.02.01.06.04	Deferred Tax Liabilities	36,535	36,535
2.02.01.06.05	Other	1,762	1,729
2.02.02	Deferred Income	0	0
2.03	Minority Interest	0	0
2.04	Shareholders' Equity	3,427,694	3,208,365
2.04.01	Paid-in Capital Stock	2,445,766	2,445,766
2.04.02	Capital Reserves	91,695	91,695
2.04.03	Revaluation Reserves	0	0
2.04.03.01	Own Assets	0	0
2.04.03.02	Subsidiaries/Direct and Indirect Associated Companies	0	0
2.04.04	Profit Reserves	279,392	279,392
2.04.04.01	Legal	249,496	249,496
2.04.04.02	Statutory	0	0
2.04.04.03	For Contingencies	0	0
2.04.04.04	Unrealized Profit	0	0
2.04.04.05	Profit Retention	29,896	29,896

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

06.02 – CONSOLIDATED BALANCE SHEET - LIABILITIES (in thousands of reais)

1 - CODE	2 - DESCRIPTION	3 – 6/30/2008	4 - 3/31/2008
2.04.04.06	Special Reserve for Undistributed Dividends	0	0
2.04.04.07	Other Profit Reserves	0	0
2.04.05	Retained Earnings/Accumulated Losses	610,841	391,512
2.04.06	Advance for Future Capital Increase	0	0

(A free translation of the original in Portuguese)

FEDERAL PUBLIC SERVICE
CVM – BRAZILIAN SECURITIES AND EXCHANGE COMMISSION
QUARTERLY INFORMATION – ITR
COMMERCIAL, INDUSTRIAL & OTHER TYPES OF COMPANY
Voluntary New Presentation

June 30, 2008

Brazilian Corporate Law

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

07.01 – CONSOLIDATED INCOME STATEMENT (in thousands of reais)

1 - CODE	2 – DESCRIPTION	3 - 4/1/2008 to 6/30/2008	4 - 1/1/2008 to 6/30/2008	5 - 4/1/2007 to 6/30/2007	6 - 1/1/2007 to 6/30/2007
3.01	Gross Revenue from Sales and/or Services	856,150	1,915,288	812,544	1,573,858
3.01.01	Electricity Sales to Distributors	599,953	1,390,466	583,756	1,127,820
3.01.02	Electricity Sales to Final Consumers	253,372	519,374	225,907	441,161
3.01.03	Other Revenues	2,825	5,448	2,881	4,877
3.02	Gross Revenue Deductions	(83,249)	(190,746)	(80,862)	(166,628)
3.02.01	PIS and COFINS (Taxes on Revenue)	(55,283)	(131,300)	(48,377)	(94,359)
3.02.02	ICMS (State VAT)	(21,834)	(45,238)	(25,136)	(57,919)
3.02.03	ISS (Service Tax)	(95)	(191)	(105)	(194)
3.02.04	Research and Development	(6,037)	(14,017)	(7,244)	(14,156)
3.03	Net Revenue from Sales and/or Services	772,901	1,724,542	731,682	1,407,230
3.04	Cost of Goods and/or Services Sold	(300,385)	(606,158)	(317,358)	(519,387)
3.04.01	Electricity Purchased for Resale	(108,342)	(214,873)	(70,447)	(110,377)
3.04.02	Transactions within CCEE	(27,235)	(42,414)	(91,160)	(138,376)
3.04.03	Electricity Production Cost	(162,928)	(343,814)	(153,234)	(266,114)
3.04.04	Cost of Services	(1,880)	(5,057)	(2,517)	(4,520)
3.05	Gross Income	472,516	1,118,384	414,324	887,843
3.06	Operating Revenues/Expenses	(140,819)	(197,885)	(112,286)	(218,814)
3.06.01	Selling	(59,014)	(115,467)	(55,654)	(106,155)
3.06.02	General and Administrative	(41,098)	(76,752)	(32,860)	(63,094)
3.06.03	Financial	(41,890)	(84,764)	(26,057)	(52,543)
3.06.03.01	Financial Revenues	32,799	63,263	21,895	45,253
3.06.03.02	Financial Expenses	(74,689)	(148,027)	(47,952)	(97,796)
3.06.04	Other Operating Revenues	1,183	79,098	2,285	2,978
3.06.04.01	Recovery of PIS/COFINS	0	76,431	0	0
3.06.04.02	Reversal of Operating Provisions, Net	1,183	2,667	2,285	2,978

(A free translation of the original in Portuguese)

FEDERAL PUBLIC SERVICE
CVM – BRAZILIAN SECURITIES AND EXCHANGE COMMISSION
QUARTERLY INFORMATION – ITR
COMMERCIAL, INDUSTRIAL & OTHER TYPES OF COMPANY
Voluntary New Presentation

June 30, 2008

Brazilian Corporate Law

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

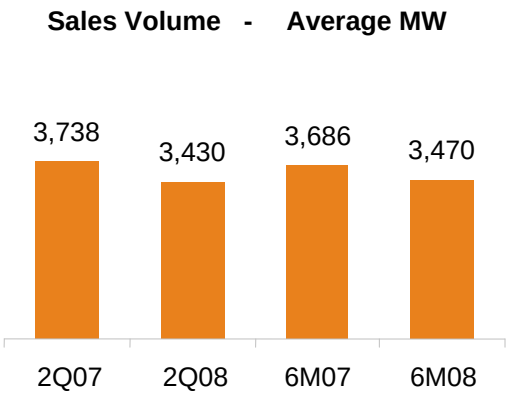
07.01 – CONSOLIDATED INCOME STATEMENT (in thousands of reais)

1 - CODE	2 - DESCRIPTION	3 - 4/1/2008 to 6/30/2008	4 - 1/1/2008 to 6/30/2008	5 - 4/1/2007 to 6/30/2007	6 - 1/1/2007 to 6/30/2007
3.06.05	Other Operating Expenses	0	0	0	0
3.06.06	Equity in the Earnings of Subsidiary and Associated Companies	0	0	0	0
3.07	Operating Income	331,697	920,499	302,038	669,029
3.08	Non-operating Income	(720)	(1,784)	(414)	(1,116)
3.08.01	Revenues	390	901	256	603
3.08.02	Expenses	(1,110)	(2,685)	(670)	(1,719)
3.09	Income before Taxes/Holdings	330,977	918,715	301,624	667,913
3.10	Provision for Income Tax and Social Contribution	(111,760)	(318,349)	(69,805)	(201,489)
3.10.01	Income Tax	(81,731)	(231,725)	(51,182)	(147,750)
3.10.02	Social Contribution Tax	(30,029)	(86,624)	(18,623)	(53,739)
3.11	Deferred Income Tax	112	10,475	(2,272)	5,225
3.11.01	Income Tax	(1,456)	6,164	(1,672)	4,494
3.11.02	Social Contribution Tax	1,568	4,311	(600)	731
3.12	Statutory Holdings/Contributions	0	0	0	0
3.12.01	Holdings	0	0	0	0
3.12.02	Contributions	0	0	0	0
3.13	Reversal of Interest on Capital	0	0	0	0
3.14	Minority Interest	0	0	0	0
3.15	Income/Loss for the Period	219,329	610,841	229,547	471,649
	NUMBER OF SHARES EX-TREASURY (Units)	652,742,192	652,742,192	652,742,192	652,742,192
	EARNINGS PER SHARE (Reais)	0,33601	0,93581	0,35167	0,72257
	LOSS PER SHARE (Reais)				

Gross Operating Revenue

Gross operating revenue in 2Q08 was R$856.150, 5.4% higher than 2Q07, which was R$812,544, mainly reflecting the following: (i) the 16.2% increase in the energy average sale price and (ii) the 8.2% decrease in traded energy mainly due to the decrease in the physical guarantees of certain thermoelectric plants, as set forth by ANEEL, and due to the fact that the Company no longer had ANEEL's authorization to trade guarantee related to the contract for the import of 300MW of associated energy, entered into with Companhia de Interconexão Energética (CIEN).

Consolidated sales decreased from 8,163 GWh (average 3,738 MW) in 2Q07 to 7,490 GWh (average 3,430 MW) in 2Q08.



Electricity Sale

Electricity sales revenue reached R$599,953, 2.8% higher than the R$583,756 recorded in 2Q07. The variation is a result of the decrease in energy sold to distributors, due to the termination of agreements and the lower contracted volume, as well as the increase in sales to commercialization companies, segment to which part of energy which is no longer under contracts with the distributors is allocated.

In this quarter, there was an energy export revenue of R$30,225, 13.0% lower than the revenue recorded in the same period of the previous year, which was R$34,717, in spite of an 85.4% decrease in exported volume (average 21 MW in 2Q08 against average 141 MW in 2Q07).

We also point out the increase of R$25,358 in the current quarter in the sales revenue related to energy sold by Ponte de Pedra Energética S.A. (PPESA), company acquired by Tractebel on April 29, 2008.

The following information was not reviewed by the independent auditors: EBITDA and EBITDA Margin; disclosed electricity average quantities and prices.

Electricity Sale

Electricity sales to final consumers (sales to free customers) increased 12.2% against 1Q07, from R$225,907 to R$253,372, which reflects the Company's ongoing efforts to adapt its free consumer portfolio. The growth is mainly due to the increase in electricity contracting price verified in the market.

Parent Company

In 2Q08, gross operating revenue in the parent company reached R$691,470, aligned with the amount recorded in the same period of the previous year, which was R$688,294. This slight increase is due to the following: (i) a 12.2% drop in the volume sold by the Company as a result of the reasons aforementioned; and (ii) a 15.9% increase in gross average sales price in the period.

Operating Revenue Deductions

In 2Q08, these deductions grew 2.9% when compared to the same quarter of the previous year, from R$80,862 to R$83,249.

The parent company recorded an increase of 11.2% mainly due to the increase in revenue burdened with the non-cumulative method at a 9.25% rate, due to the termination of contracts, as well as the lower value of the latter, which revenue was taxed based on the former method, at a 3.65% rate.

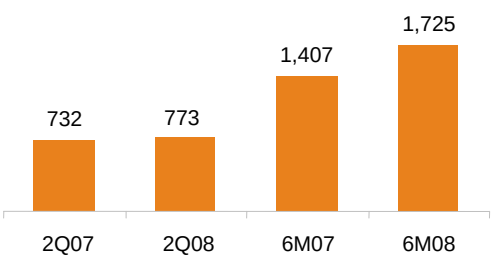
Net Revenue from Sales and Services

In 2Q08, net revenue had a 5.6% growth in relation to the same quarter of 2007, from R$731,682 to R$772,901. The growth was due to the reasons mentioned above, which are the increase in the average price of traded energy and the decrease of energy available for sale by the Company.

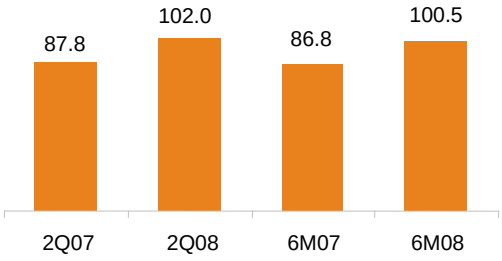
The average price of traded energy, net of deductions on gross revenue, reached R$102.0/MWh in 2Q08, 16.2% higher than 2Q07, which was R$87.8/MWh. The increase was mainly a result of the increase in the average price practiced with the commercialization companies and free consumers.

The following information was not reviewed by the independent auditors: EBITDA and EBITDA Margin; disclosed electricity average amounts and prices.

Net Operating Revenue – R$ million



Net Average Price – R$/ MWh



Parent Company

In 2Q08, net revenue reached R$630,297, a 0.5% decrease when compared to 2Q07, a result of the variations in gross revenue and taxes levied on sales, as mentioned above.

Costs of Electricity and Services

Costs reached R$300,385 in 2Q08 (R$199,121 in the parent company), 5.3% lower than 2Q07 (38.5% in the parent company), which was R$317,358 (R$323,694 in the parent company). This decrease is mainly due to the following components:

- **Electricity purchased for resale:** increase of R$37,895 in 2Q08, in spite of the growth in volumes contracted. The increase is due to the following: (i) the higher prices practiced in new long-term agreements, in place of the former ones; (ii) the lower prices of some short-term purchase agreements, which are strongly related to the Spot Price (PLD). The parent company recorded a decrease of R$68,500 as a result of the fact that the subsidiary CEM had no longer purchased electricity due to its merger in March 2008.

- **Transactions within Electric Power Trade Chamber – CCEE:** decrease of R$63,925 in 2Q08 (R$63,937 in the parent company), mainly as a result of the following factors: (i) decrease of R$80,207 in 2Q08 (R$79,910 in the parent company), substantially due to a lower exposition in CCEE, arising from the higher dispatching by the Electric System National Operator (ONS) of the Company's thermoelectric plants in the quarter, as per guidelines set forth by the Electric Sector Monitoring Committee (CMSE) and consequent recovery of fuel expenses from the System Service Charges (ESS); and (ii) the increase of R$10,778 (R$10,445 in the parent company) in expenses related to the Electricity Reallocation Mechanism (MRE), due to the said lower inflows in the South Region, in where most of the Company's hydroelectric plants is located.

The following information was not reviewed by the independent auditors: EBITDA and EBITDA Margin; disclosed electricity average amounts and prices.

- **Fuels for electricity production:** increase of R$3,057 (R$2,818 in the parent company), basically due to the following: (i) increase of R$30,069 in consumption of diesel oil in William Arjona (UTWA) and Alegrete (UTAL) thermoelectric plants as a result of the dispatching of plants by ONS due to the lower inflows (these costs were fully recovered by means of ESS), and electricity export made by means of UTAL; (ii) decrease of R$25,395 in coal expenses, fuel used to generate electricity for export in 2Q07.

- **Compensation for use of water resources:** a drop of R$11,371 (R$10,505 in the parent company), due to the lower generation in the hydroelectric plants as a result of the lower inflows in the South Region in 2Q08.

- **Depreciation and Amortization**: growth of R$6,846 (R$7,836 in the parent company), basically due to the inclusion of depreciation of PPESA assets, in the consolidated. In the parent company, the increase is a result of the depreciation of UHE Cana Brava merged into Tractebel Energia.

- **Personnel:** increase of R$5,141 (R$3,229 in the parent company) when comparing the two periods, mainly reflecting the annual salary adjustments and the increase in employees' profit sharing, as well as the inclusion of R$1,902 related to PPESA.

- **Outsourced services**: increase of R$4,851 (R$4,278 in the parent company) when compared to the previous period, mainly due to the hiring of outsourced workforce for improvements in Cana Brava hydroelectric plant resettlements and maintenance in Itá hydroelectric plant substation's equipment, in addition to the inclusion of R$1,415 from PPESA.

Selling Expenses

Selling expenses mainly include electric network usage and connection charges and totaled R$59,014 (R$52,488 in the parent company) in 2Q08, 6.0% higher than 2Q07 (15.7% in the parent company), which was R$55,654 (R$45,374 in the parent company). The increase occurred mainly due to the increased electric network usage and connection charges at tariff adjustment, in the consolidated. In the parent company, the increase is due to the increased electric network usage charges of the Cana Brava hydroelectric plant, merged into the parent company.

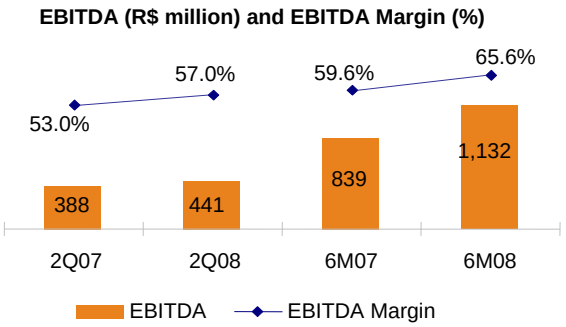
The following information was not reviewed by the independent auditors: EBITDA and EBITDA Margin; disclosed electricity average amounts and prices.

General and Administrative Expenses

General and administrative expenses increased 25.1% (37.0% in the parent company), from R$32,860 in 2Q07 (R$28,080 in the parent company) to R$41,098 in 2Q08 (R$38,456 in the parent company), mainly due to the annual salary adjustment and the increase in employees' profit sharing, as well as the increase in outsourced services, mainly as a result of advisory expenses for the Third Issuance of the Company's Promissory Notes. In addition to that, the parent company included general and administrative expenses which, in 2Q07, were included in CEM, subsidiary merged by Tractebel Energia.

EBITDA and EBITDA Margin

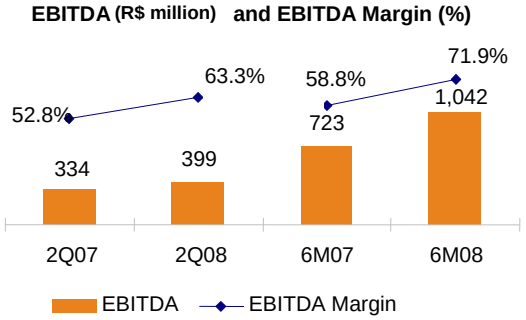
Reflecting the effects mentioned above, EBITDA in 2Q08 reached R$440,839, 13.7% higher than 2Q07, which was R$387,805. While the EBITDA margin in 2Q07 was 53.0%, this quarter was 57.0%.



Parent Company

In the parent company, EBITDA in 2Q08 was R$399,250, representing a growth of 19.5% when compared to 2Q07, which was R$334,168. While EBITDA margin in 2Q07 was 52.8%, in 2Q08 it was 63.3%.

The following information was not reviewed by the independent auditors: EBITDA and EBITDA Margin; disclosed electricity average amounts and prices.



EBITDA represents: operating income + financial result + depreciation and amortization + amortization of goodwill in subsidiaries.

Financial Income / Expenses

Financial income: in 2Q08, financial income increased R$10,904 (R$13,764 in the parent company) when compared to the previous year, mainly due to the following factors: (i) increase of R$4,288 (R$6,585 in the parent company) in financial investments, as a result of a higher volume of funds available for investments in the period; (ii) growth of R$3,917 (R$3,915 in the parent company) in the monetary variation on receivables, mainly due to the IGP-M variation; and (iii) increase of R$1,873 (R$1,653 in the parent company) in interest in electricity receivables, mainly due to the revenue calculated in the scope of CCEE in 1Q08.

Financial expenses: financial expenses grew R$26,737 (R$17,670 in the parent company) when compared to the same period in 2007, mainly due to the following variations: (i) increase of R$8,748 (R$8,954 in the parent company) in loan, financing and debentures charges, mainly as a result of contracting loans as Company's Promissory Notes and charges on financing arising from PPESA, in the amount of R$4,755; (ii) increase of R$32,604 (R$20,342 in the parent company) in the monetary variation on the concession payable and other debts, mainly due to the issue of debentures in June 2007, indexed to IPCA, the increase of IGP-M and the inclusion of R$11,554 related to the monetary variation of the concession payable of PPESA; and (iii) the increase of R$16,995 (in the parent company and in the consolidated) in the exchange variation gains on loans and financings, net of exchange hedge operations result in 2Q07, due to the appreciation of Real against currencies composing the debt.

Income Tax and Social Contribution

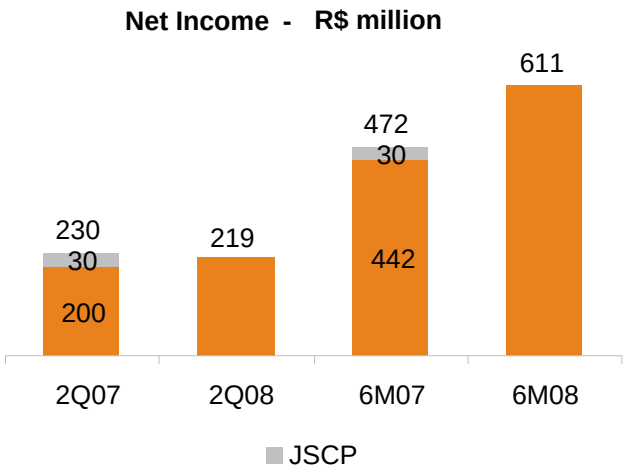
The growth of R$39,571 (R$63,236 in the parent company) in 2Q08 when compared to the same period of 2007 basically refers to the fact that the Company had credited interest on own capital in 2Q07 in the amount of R$88,000, resulting in a decrease of R$29,920 in income tax and social contribution expenses. In this quarter, the Company did not credit interest on own capital. In the parent company, in addition to the effects previously mentioned, the effects resulting from CEM's operations, acquired by the Company, must be considered.

The following information was not reviewed by the independent auditors: EBITDA and EBITDA Margin; disclosed electricity average amounts and prices.

Net Income

In 2Q08, net income reached R$219,329, 4.5% up on 2Q07, which was R$229,547, as a result of the aforementioned effects. Excluding the decrease in income tax and social contribution in the amount of R$29,920, as a result of interest on own capital credit, income in 2Q07 would be R$199,627. Considering this adjustment, income in 2Q08 would be 9.8% higher than the same period of the last year.

In the six-month period of 2008, net income reached R$610,841, representing a growth of 29.5% over the same period of 2007, which was R$471,649. Excluding non-recurring effects of R$50,444 (net of income tax and social contribution), in 1Q08, related to the income from PIS/COFINS recovery, and R$29,920, in 2Q07, related to the income tax and social contribution on interest on own capital credit, income of the six-month periods of 2008 and 2007 would be R$560,397 and R$441,729, respectively, i.e., a 26.9% growth when comparing the two periods.



The following information was not reviewed by the independent auditors: EBITDA and EBITDA Margin; disclosed electricity average amounts and prices.

(A free translation of the original in Portuguese)

FEDERAL PUBLIC SERVICE
CVM – BRAZILIAN SECURITIES AND EXCHANGE COMMISSION
QUARTERLY INFORMATION – ITR
COMMERCIAL, INDUSTRIAL & OTHER TYPES OF COMPANY
Voluntary New Presentation

June 30, 2008

Brazilian Corporate Law

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

09.01 - INTEREST IN SUBSIDIARY AND/OR ASSOCIATED COMPANIES

1 - ITEM	2 - NAME OF SUBSIDIARY/ASSOCIATED COMPANY	3 - CNPJ (Corporate Taxpayer's ID)	4 - CLASSIFICATION	5 - PARTICIPATION IN CAPITAL OF INVESTEE - %	6 - INVESTOR'S SHAREHOLDERS' EQUITY - %
7 - TYPE OF COMPANY		8 - NUMBER OF SHARES HELD IN CURRENT QUARTER (Units)		9 - NUMBER OF SHARES HELD IN PREVIOUS QUARTER (Units)	
01	ITÁ ENERGÉTICA S. A. - ITASA	01.355.994/0001-21	PUBLICLY-HELD SUBSIDIARY	48.75	8.45
COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY		253,606,840		253,606,840	
02	COMPANHIA ENERGÉTICA SÃO SALVADOR - CESS	04.848.623/0001-70	PUBLICLY-HELD SUBSIDIARY	99.99	7.85
COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY		268,943,147		268,943,147	

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

10.01 – CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUANCE OF DEBENTURES

1- ITEM	01
2- No. ORDER	1
3 - No. REGISTRY AT CVM	CVM/SRE/DEB/2005/024
4 - REGISTRY DATE AT CVM	5/11/2005
5 - ISSUED TRANCHE	1ST
6 - TYPE OF ISSUANCE	SIMPLE
7 - NATURE OF ISSUANCE	PUBLIC
8 - DATE OF ISSUANCE	5/2/2005
9 - MATURITY DATE	5/2/2011
10 - TYPE OF DEBENTURE	WITHOUT PREFERENCE
11 - CONDITION OF CURRENT REMUNERATION	IGP-M plus 9.29% p.a.
12 - PREMIUM/DISCOUNT	NONE
13 - PAR VALUE (Reais)	10,357.14
14 - AMOUNT ISSUED (Thousands of Reais)	145,000
15 - NUMBER OF SECURITIES ISSUED (UNIT)	14,000
16 – OUTSTANDING SECURITIES (UNIT)	14,000
17 - TREASURY SECURITIES (UNIT)	0
18 - REDEEMED SECURITIES (UNIT)	0
19 - CONVERTED SECURITIES (UNIT)	0
20 - SECURITIES TO BE DISTRIBUTED (UNIT)	0
21 - DATE OF THE LAST RENEGOTIATION	
22 - DATE OF NEXT EVENT	

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

10.01 – CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUANCE OF DEBENTURES

1- ITEM	02
2- No. ORDER	2
3 - No. REGISTRY AT CVM	CVM/SRE/DEB/2005/025
4 - REGISTRY DATE AT CVM	5/11/2005
5 - ISSUED TRANCHE	2ND
6 - TYPE OF ISSUANCE	SIMPLE
7 - NATURE OF ISSUANCE	PUBLIC
8 - DATE OF ISSUANCE	5/2/2005
9 - MATURITY DATE	5/2/2010
10 - TYPE OF DEBENTURE	WITHOUT PREFERENCE
11 - CONDITION OF CURRENT REMUNERATION	103.90% of CDI
12 - PREMIUM/DISCOUNT	NONE
13 - PAR VALUE (Reais)	10,000.00
14 - AMOUNT ISSUED (Thousands of Reais)	60,000
15 - NUMBER OF SECURITIES ISSUED (UNIT)	6,000
16 – OUTSTANDING SECURITIES (UNIT)	6,000
17 - TREASURY SECURITIES (UNIT)	0
18 - REDEEMED SECURITIES (UNIT)	0
19 - CONVERTED SECURITIES (UNIT)	0
20 - SECURITIES TO BE DISTRIBUTED (UNIT)	0
21 - DATE OF THE LAST RENEGOTIATION	
22 - DATE OF NEXT EVENT	

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

10.01 – CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUANCE OF DEBENTURES

1- ITEM	03
2- No. ORDER	3
3 - No. REGISTRY AT CVM	CVM/SRE/DEB/2007/013
4 - REGISTRY DATE AT CVM	6/19/2007
5 - ISSUED TRANCHE	U
6 - TYPE OF ISSUANCE	SIMPLE
7 - NATURE OF ISSUANCE	PUBLIC
8 - DATE OF ISSUANCE	5/15/2007
9 - MATURITY DATE	5/15/2014
10 - TYPE OF DEBENTURE	WITHOUT PREFERENCE
11 - CONDITION OF CURRENT REMUNERATION	IPCA plus 7% p.a.
12 - PREMIUM/DISCOUNT	NONE
13 - PAR VALUE (Reais)	10,710.79
14 - AMOUNT ISSUED (Thousands of Reais)	374,878
15 - NUMBER OF SECURITIES ISSUED (UNIT)	35,000
16 – OUTSTANDING SECURITIES (UNIT)	35,000
17 - TREASURY SECURITIES (UNIT)	0
18 - REDEEMED SECURITIES (UNIT)	0
19 - CONVERTED SECURITIES (UNIT)	0
20 - SECURITIES TO BE DISTRIBUTED (UNIT)	0
21 - DATE OF THE LAST RENEGOTIATION	
22 - DATE OF NEXT EVENT	

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

10.01 – CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUANCE OF DEBENTURES

1- ITEM	04
2 - No. ORDER	4
3 - No. REGISTRY AT CVM	CVM/SRE/DEB-99/029
4 - REGISTRY DATE AT CVM	3/4/1999
5 - ISSUED TRANCHE	U
6 - TYPE OF ISSUANCE	SIMPLE
7 - NATURE OF ISSUANCE	PUBLIC
8 - DATE OF ISSUANCE	4/1/1998
9 - MATURITY DATE	4/1/2013
10 - TYPE OF DEBENTURE	SUBORDINATED
11 - CONDITION OF CURRENT REMUNERATION	TJLP plus 4% p.a.
12 - PREMIUM/DISCOUNT	NONE
13 - PAR VALUE (Reais)	8,913.21
14 - AMOUNT ISSUED (Thousands of Reais)	69,282
15 - NUMBER OF SECURITIES ISSUED (UNIT)	7,773
16 – OUTSTANDING SECURITIES (UNIT)	7,773
17 - TREASURY SECURITIES (UNIT)	0
18 - REDEEMED SECURITIES (UNIT)	0
19 - CONVERTED SECURITIES (UNIT)	0
20 - SECURITIES TO BE DISTRIBUTED (UNIT)	0
21 - DATE OF THE LAST RENEGOTIATION	
22 - DATE OF NEXT EVENT	

15.01 – INVESTMENT PROJECTS

Project carried out by the subsidiary

São Salvador Hydroelectric Plant

Tractebel Energia is the controlling shareholder of Companhia Energética São Salvador – CESS a SPE – Specific Purpose Entity, which is building the São Salvador Hydroelectric Plant - UHE São Salvador.

The main characteristics of the project are the following:

Location:	Tocantins River, in the boundary between São Salvador do Tocantins and Paranã, located in the state of Tocantins
Installed nominal power:	243.2 MW
Guaranteed Energy:	average 148.5 MW
Generating units:	2 units of 121.6 MW
Estimated investments:	approximately R$ 850 million
Source of funds:	Nearly 33% from the Company's capital and 67% from BNDES
Phase:	Work started in 2006, and it is expected to start its commercial operation in the beginning of 2009

In October 2006, CESS traded in the 3rd Auction of Energia Nova, for a thirty-year period as from January 2011, an average of 148 MW with companies operating as electric energy distributors which are part of the Regulated Contracting Environment – ACR.

On March 19, 2007, CESS entered into a financing agreement with BNDES and Financing Agents (BNDES onlendings), in the total amount of R$570 million, of which R$455 million was already released up to June 30, 2008.

CESS will pay the Federal Government, through National Electric Power Agency - ANEEL, for the concession of the São Salvador hydroelectric plant, the original amount of R$555,000, in monthly installments proportional to the adjusted annual amount. Under the Second Amendment to the Concession Agreement no. 017/2002, dated July 18, 2007, payments will begin upon startup of the first generating unit of the São Salvador hydroelectric plant or the beginning of the delivery of the energy under the Regulated Environment Electric Power Purchase Contracts - CCEAR, whichever occurs first, through the end of the concession in April 2037.

Also under said Amendment, this amount will be adjusted annually based on the General Market Price Index - IGP-M variation through the Amendment date, July 18, 2007, and from this date on, based on the Amplified Consumer Price Index - IPCA variation.

The adjusted contractual amounts, up to June 30, 2008 are as follows:

Annual amount	32,460
Monthly installments (1/12)	2,705
Concession present value	304,695

(Information not revised by Independent Auditors)

15.01 – INVESTMENT PROJECTS

Concession present value was calculated based on a 10% p.a. discount rate, usually used by the Brazilian electricity industry, considering the payments in the period from January 1, 2009 to April 23, 2037.

1. Shareholding of holders of more than 5% of the Company's capital stock on June 30, 2008.

Shareholder	Number of common shares	% of capital	Nationality
Suez Energy South America Participações Ltda.	448,512,625	68.71	Brazilian
Banco Clássico S.A.	65,268,744	10.00	Brazilian
	513,781,369	**78.71**	

1.1 Distribution of capital stock of the controlling shareholders down to the individual level.

1.1.1 Suez Energy South America Participações Ltda.

Quotaholders	Number of quotas	% of capital	Nationality
Suez-Tractebel S.A.	668,322,228	99.99	Belgian
Telfin S.A.	1	0.01	Belgian
	668,322,229	**100.00**	

1.1.1.1 Suez – Tractebel S.A.

Quotaholders	Number of quotas	% of capital	Nationality
Electrabel S.A.	110,603,522	99.97	Belgian
Other	31,178	0.03	
	110,634,700	**100.00**	

1.1.1.1.1 Electrabel S.A.

Quotaholders	Number of quotas	% of capital	Nationality
Suez S.A.	53,818,428	98.07	French
Other	1,059,769	1.93	
	54,878,197	**100.00**	

(Information not revised by Independent Auditors)

1.1.1.1.1.1 Suez S.A.

Quotaholders	Number of quotas	% of the capital	Nationality
Groupe Bruxelles Lambert - GBL	122,013,876	9.34	Belgian
Other (*)	1,185,029,646	90.66	
	1,307,043,522	**100.00**	

(*) The shares of Suez S.A. are widely scattered, and the Company is not aware of other shareholders but GBL with more than 5% of the total of the Company's shares.

1.1.1.1.1.1.1 Groupe Bruxelles Lambert – GBL

Quotaholders	Number of quotas	% of the capital	Nationality
Pargesa Netherlands B.V. (*)	78,420,013	48.60	Dutch
Other	82,938,274	51.40	
	161,358,287	**100.00**	

(*) Pargesa Netherlands B.V. indirectly holds interest lower than 5% in the Company.

1.1.2 Banco Clássico S.A.

Shareholder	Number of common shares	% of the capital	Nationality
José João Abdalla Filho	745,685,582	99.99	Brazilian
José Pais Rangel	1,019	0.01	Brazilian
	745,686,601	**100.00**	

(Information not revised by Independent Auditors)

2. Shareholding of controlling shareholder, management and members of the fiscal council on June 30, 2008:

	06.30.2008		06.30.2007	
Shareholder	**Number of common shares**	**% of capital**	**Number of common shares**	**% of capital**
Controlling				
Suez Energy South America Partic. Ltda.	448,512,623	68.71	448,512,625	68.71
Board of Directors	306,349	0.05	266,602	0.04
Board of Executive Officers	24,929	-	24,929	-
Fiscal Council	-	-	-	-
	448,843,901	**68.76**	**448,804,156**	**68.75**

3. Number of outstanding shares on June 30, 2008

	Number of common shares	**%**
Total Company's shares	652,742,192	100.00
Total shares held by the controlling shareholder and management	(448,843,901)	(68.76)
Total outstanding shares	**203,898,291**	**31.24**

4. Arbitration Clause

The Company's Bylaws is pursuant to the rules and procedures of *Novo Mercado* Listing Rules of São Paulo Stock Exchange – Bovespa and has included in Article 39 the following Arbitration Clause:

"The Company, its shareholders, management and members of the Fiscal Council undertake by means of arbitration to resolve any and all dispute or controversy that may arise among them, related to or derived from, especially, the application, validity, effectiveness, construal, infringement and their effects on the provisions contained in the Brazilian Corporate Law, in the Company's Bylaws, in the rules issued by the Brazilian Monetary Council, by the Brazilian Central Bank and by the Brazilian Securities and Exchange Commission, as well as other rules applicable to the operation of capital markets in general, besides those included in the *Novo Mercado* Listing Rules, in the Market Arbitration Panel Rules, and in the Novo Mercado Listing Agreement."

(Information not revised by Independent Auditors)

17.01 – SPECIAL REVIEW REPORT

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Management and Shareholders of
Tractebel Energia S.A.
Florianópolis – SC

1. We have reviewed the accounting information included in the accompanying interim financial statements of Tractebel Energia S.A. (the "Company") and subsidiaries, for the quarter and semester ended June 30, 2008, consisting of the individual (the "Company") and consolidated balance sheets, the related income statements, statements of cash flows, the performance report and the related notes, all expressed in Brazilian reais and prepared under the responsibility of the Company's management.

2. Our review was conducted in accordance with specific standards established by the Brazilian Institute of Independent Auditors (IBRACON), together with the Brazilian Federal Accounting Council (CFC), and consisted, principally, of: (a) inquiries of and discussions with certain officials of the Company and its subsidiaries who have responsibility for accounting, financial and operating matters about the criteria adopted in the preparation of the interim financial statements; and (b) review of the information and subsequent events that have, or might have had, material effects on the financial position and results of operations of the Company and its subsidiaries.

3. Based on our review, we are not aware of any material modifications that should be made to the accounting information included in the interim financial statements referred to in paragraph 1 for them to be in conformity with the standards established by the Brazilian Securities and Exchange Commission (CVM), specifically applicable to the preparation of the interim financial statements, including CVM Instruction No. 469/08.

4. As mentioned in Note 3, on December 28, 2007, Law No. 11,638 was enacted, altering, revoking and adding new provisions to Law No. 6,404 (Brazilian Corporate Law). This Law is effective for fiscal years beginning on or after January 1, 2008 and introduced changes in Brazilian accounting practices. These changes have been adopted by the Company and its subsidiaries in the preparation of the Interim Financial Statements for the quarter and semester ended June 30, 2008. Although this Law has already become effective and been applied by the Company and its subsidiaries, based on CVM instructions and/or standards issued by the International Accounting Standards Board (IASB), the main changes introduced are subject to regulation by Brazilian regulatory agencies. Thus, the interim financial statements may require adjustments in the regulation process of Law No. 11,638/07. The information related to prior periods, presented for comparison purposes, has been reclassified to include the retrospective changes in the accounting practices introduced in 2008.

5. Accounting practices adopted in Brazil vary in certain significant respects from International Financial Reporting Standards ("IFRS"). The Company has disclosed a reconciliation of the consolidated net income and shareholders' equity from accounting practices adopted in Brazil to IFRS as applied by the Company based on the standards and interpretations effective as of the date of these financial statements. The accounting practices and policies adopted by the Company for the purposes of this reconciliation are described in note 31. Without qualifying our review report, we draw attention to the fact that, under IFRSs, only a complete set of financial statements comprising a balance sheet, income statements, statements of changes in shareholders' equity and cash flows, together with comparative financial information and explanatory notes, can provide a fair presentation of the Company's financial position, results of operations, and cash flows in accordance with IFRSs. We also draw attention to the fact that note 31 explains why there is a possibility that the opening balance sheet may require adjustment when the Company presents a complete set of financial statements under IFRS.

6. The accompanying interim financial statements have been translated into English for the convenience of readers outside Brazil.

Rio de Janeiro, August 13, 2008 (except for note 31, for which the date is August 21, 2008)

DELOITTE TOUCHE TOHMATSU
Auditores Independentes
CRC 2SP 011.609/O-8 "F" SC

Roberto Paulo Kenedi
Accountant
CRC 1RJ 081.401/O-5 "S" SC

19.01 – DESCRIPTION OF ALTERED INFORMATION

Voluntary Presentation – August 13, 2008:

To change the date of payment of periodical dividends of 1H08 as of October 25, 2008 to October 27, 2008.

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

TABLE OF CONTENTS

GROUP	TABLE	DESCRIPTION	PAGE
01	01	IDENTIFICATION	1
01	02	HEADQUARTERS	1
01	03	INVESTOR RELATIONS OFFICER (Company Mailing Address)	1
01	04	ITR REFERENCE AND AUDITOR INFORMATION	1
01	05	CAPITAL STOCK	2
01	06	COMPANY PROFILE	2
01	07	COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS	2
01	08	CASH DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER	2
01	09	SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR	3
01	10	INVESTOR RELATIONS OFFICER	3
02	01	BALANCE SHEET – ASSETS	4
02	02	BALANCE SHEET – LIABILITIES	5
03	01	INCOME STATEMENT	7
04	01	NOTES TO THE FINANCIAL STATEMENTS	9
05	01	COMMENTS ON THE COMPANY'S PERFORMANCE IN THE QUARTER	71
06	01	CONSOLIDATED BALANCE SHEET – ASSETS	72
06	02	CONSOLIDATED BALANCE SHEET – LIABILITIES	73
07	01	CONSOLIDATED INCOME STATEMENT	75
08	01	COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER	77
09	01	INTEREST IN SUBSIDIARY AND/OR ASSOCIATED COMPANIES	84
10	01	CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUANCE OF DEBENTURES	85
15	01	INVESTMENT PROJECTS	89
16	01	OTHER INFORMATION DEEMED AS RELEVANT BY THE COMPANY	91
17	01	SPECIAL REVIEW REPORT	94
		ITÁ ENERGÉTICA S. A. - ITASA	
		COMPANHIA ENERGÉTICA SÃO SALVADOR – CESS	
19		DESCRIPTION OF ALTERED INFORMATION	96