



ISA Capital do Brasil S.A.

Public Company - CNPJ no. 08.075.006/0001-30

Notice To The Market

In compliance with legal provisions, ISA Capital do Brasil S. A. makes it known to the market that it has successfully concluded a transaction in the international capital markets involving R\$ 554 million a bond issue, which represented an 8.3x over-subscription.

The issue, under the agents P.J. Morgan and ABN AMRO Bank, was divided into two series: The first one in the amount of US\$ 200 million and with a 5-year term, at 7.875% per annum and with a Call option in 2010 and 2011; and the second series of US\$ 354 million and with a 10-year term, at 8.800% per annum. Of the total bond issue, 60% was distributed in the United States, 36% in Europe, 2% in Latin America, and 2% in Asia.

These bonds are listed in the Luxemburg Stock Exchange and may be traded in NASDAQ's Portal Market. This issue's success was based on investor confidence on the transaction's financial structure, support by the ISA Group to its investments in Brazil, and the positive projections for CTEEP - Companhia de Transmissão de Energia Elétrica Paulista in the Brazilian energy sector.

The bonds issued by ISA Capital do Brasil S.A were supported by international level credit risk ratings by Standard & Poor's (BB – positive outlook) and by Fitch Ratings (BB – stable outlook). These ratings are similar to those for the Federative Republic of Brazil and reflect the low risk for the electricity transmission business and the expansion outlook for the sector.

São Paulo, February 1, 2007

Cláudio Sanches

Chief Financial Officer and Investor Relations