



ISA CAPITAL DO BRASIL S.A.

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A publicly-held company

Corporate Taxpayer Identification Number (CNPJ/MF): 08.075.006/0001-30

RELEVANT FACT

ISA Capital do Brasil S.A. (“ISA”), in compliance with the provisions of Brazilian Securities Commission (CVM) Instruction No. 358 of January 3, 2002, as amended by CVM Instruction No. 449 of March 15, 2007, hereby informs that, on July 30, 2007, it made a payment to the State of São Paulo referring to the adjustment in the acquisition price of electric power transmission company CTEEP - Companhia de Transmissão de Energia Elétrica Paulista (“CTEEP”), arising from the liability contingency resulting from the application of State Law No. 4819/58, as set forth in item 1.5.2 of the Announcement of the Tender Offer for Shares (“TOS”) of CTEEP, made on January 9, 2007. For this reason, in accordance with the provisions of items 2.5(b), and 3.8.2 of said Announcement, ISA will pay, on August 30, 2007, to former CTEEP minority shareholders who have adhered to the TOS (the “Selling Shareholders”) the amount of R\$0.1490146 per thousand shares, which corresponds to 80% of the amount paid per thousand shares to the Government of the State of São Paulo.

The payment to the Selling Shareholders, on August 30, 2007, will be conducted in the same way as the payment made on January 12, 2007 for the sale of shares in the ambit of the TOS and to the same accounts previously used, through CBLC - Brazilian Clearing and Depository Corporation.

The amounts that possibly are not effectively transferred to the Selling Shareholders due to changes in bank account data, closing of the formerly used bank account, or for any other reason, will remain at the disposal of the Selling Shareholders without any adjustments, interest, restatements or charges, and said Selling Shareholders must provide ISA with evidence of their participation in the TOS to become eligible to receive the aforementioned payment.

São Paulo, August 28, 2007.

ISA Capital do Brasil S.A.

Cristian Restrepo Hernandez

Financial and Investor Relations Director