

# **TERNA PARTICIPAÇÕES S.A.**

Publicly-held Company  
Corporate Registry (NIRE): 33.3.0027843-5  
Corporate Taxpayer's ID (CNPJ): 07.859.971/0001-30

## **MATERIAL FACT**

TERNA PARTICIPAÇÕES S.A. (“TERNA PART.”), pursuant to paragraph 4 of article 157 of Law 6.404/76 and CVM Instruction 358/02, as amended by CVM Instructions 369/02 and 449/07, hereby announces to its shareholders, the market in general and any other interested parties that, on July 6, 2007, it entered into an agreement to acquire, either directly or through one of its wholly-owned subsidiaries, 52.5838% of Empresa de Transmissão do Alto Uruguai S.A. (“ETAU”), a privately-held company that holds the concession for the 230 kV Campos Novos – Lagoa Vermelha – Santa Marta Transmission Line, as per Bid Notice 002/2002-ANEEL.

The acquisition in question will only take place if certain suspensive conditions are met, including: (i) the non-exercise of pre-emptive rights by the remaining ETAU shareholders over the shares to be acquired; (ii) approval, by the remaining ETAU shareholders, of the entry of TERNA PART. or its subsidiary, whichever should be the case, as an ETAU shareholder; (iii) approval of the transaction by ANEEL (the National Electric Power Agency); and (iv) approval of the transaction by the BNDES (Brazilian Development Bank).

The final value of the transaction will be determined pursuant to the fulfillment of the suspensive conditions in the agreement and will be disclosed to the market as soon as it is effectively defined.

TERNA PART. will publish additional Material Facts concerning this transaction in line with future developments.

Rio de Janeiro, July 6, 2007.

Giovanni Giovannelli  
CEO and Investor Relations Officer

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