



Centrais Elétricas Brasileiras S.A. – Eletrobrás

MARKET ANNOUNCEMENT

In reference to the Market Announcement of May 30th, 2008 concerning the Special Dividend Reserve, we hereby inform our shareholders and the market in general the following:

The mentioned Reserve was recorded, initially, in 1979 and it has been increasing for some years throughout the 80's and 90's due to the unavailability of sufficient financial resources to ensure the payment of all dividends to shareholders of common shares and at the same time to promote investment in the generation and transmission of energy segments.

On March 31st, 2008, the updated balance of the Special Reserve of Dividends had the following balance, by shareholder of common shares:

SHAREHOLDERS	COMMON SHARES		SPECIAL RESERVE OF DIVIDENDS R\$ thousand
	QUANTIDADE	%	
FEDERAL GOVERNMENT	488.656.241	53,99	4.597.784
BNDESPAR	133.757.951	14,78	1.258.664
F N D	45.621.589	5,04	429.206
FGP	40.000.000	4,42	376.407
MINORITIES	196.987.746	21,77	1.853.932
TOTAL	905.023.527	100	8.515.993

The value transferred to the mentioned reserves, relating to the portion not paid of the common shares dividends totals only \$ 0.88 billion. The remaining \$ 7.62 billion refers to the monetary adjustment of the Selic rate, calculated according to the Company by-laws.

Due to our cash flow it is impossible to make the full payment of this reserve. Eletrobras has evaluated some alternatives which contemplate an increase of capital, in which the shareholders will have the right to use part of this dividend in the subscription of new shares. The unused balance of this mentioned reserve in the capital increase will be paid in one installment or in installments, depending on the company cash flow availability.

Due to the magnitude of the value involved, the success of this operation requires a prior negotiation with the majority shareholder - the Federal Government. Once the figures are adjusted, the transaction will be submitted to the Comissão de Valores Mobiliários - CVM and subsequent approval of the shareholders at a Shareholders Meeting.

The Administration of Eletrobrás is committed to solve, as soon as possible, this commitment with its shareholders and, in due time, will disclose the details of this transaction and the date for its liquidation.

Rio de Janeiro, June 2nd, 2008.

Astrogildo Fraguilia Quental
Chief Financial and Investor Relations Officer