

LIST OF QUERIES

1. How many debentures might be converted into preferred stocks of the A and B series, or into ordinary stocks, with or without voting rights?
2. What is the reason for the issuing and how many coupons are there in each series?
3. Which is the issuing date of each one?
4. What is the number of the Shareholders Meeting that approved the issuing?
5. What are the rights of the titles that are foreseen for each issuing?
6. Considering that the value of each debenture, as per the following transcribed discussion, has determined the updating of the debentures with remuneration interests of 16% and 6% annually, until December of 2002, the delay interests of 1% per month from January of 2003, plus withdrawn and conversions, in addition to legal interests, case by case, debenture by debenture, where is this bookkeeping liability information recorded?
7. What is the value of the default interests that are foreseen in the Brazilian legislation for incurrence following the due date of each debenture/obligation? What is the index applied in the provision of these liabilities, and which is the consideration for the payment of capital that was effected by the Controlling Shareholder to the Federal Union, the Controlling Shareholder of Eletrobrás, should this pay-in has been effected, or not, with the resources that were obtained from loans that the Federal Union has hired with the be BID and/or via a compulsory loan that was hired with the electric power consumers, specially with direct or indirect clients of the controlled Company;
8. How were the payment of capital, which were effected by the Controlling Shareholder, recorded? Upon answering this query, state how the capital stock additions were discounted, when there was a corresponding issuing of debentures/obligations that were delivered to third parties upon the liquidation of the Controlling Shareholder's personal debts, specially to liquidate the compulsory loan;
9. How the recording of the liabilities were effected related to the Debentures and the withdraw against the treasury of Eletrobrás, used to liquidate personal debts (compulsory loan), that were effected by the Controlling Shareholder, from 1966 to 2007, considering operation by operation, carried year to year from the bookkeeping liabilities, the corresponding realizations, approaching payments of the titles rights, the default interests, the indexation, and deducting the withdraws, the conversions, and the cancellations in favor of third parties, or of the Controlling Shareholder;
10. How the recording of the deductions of the Controlling's payment of capital were effected, when the controlled Company, per order of the first, has redeemed, in cash, debentures (and coupons related to the same) one by one, from third parties hands, to whom the Controlling shareholder has ordered they be delivered (debentures/obligations) as a mean of payment of personal debts (loans), including the compulsory loan, or as to the loan that the Union hired with the BID. Was the pay-in deducted? When did this happen? If it was not deducted, was there the recording of a loan, in favor or against, the Controlling Shareholder? Were the interest payments in favor of own capital stock of the Company or of the Controlling Shareholder recorded? Were there reserves established in favor

of the increase of the capital stock, via the issuing, or the conversion, of shares in favor of the Controlling Shareholder? Under which title? Following there is the transcription of a lawful example of shareholders decision:

11. “ Taking into consideration the experience learned, that from every issuing there is always a balance of non-delivered Obligations, arising out of accounts that are not submitted for exchange, the Executive Board of Directors’ opinion is that the issuing of 1970 shall bear a ceiling of Two hundred and sixty million of new cruzeiros (NCr\$ 260.000.000,00) ”
12. “1. The legislation related to the Compulsory Loan, in which ELETROBRÁS is the recipient, prescribes the penalty of the fine to the concessionaires that are responsible for the collection, should there be a delay in the collection of the amounts related to the referred contribution. 2. Such fine corresponds to one hundred percent (100%) of the amount to be collected, which, no doubt, consists in a heavy burden posed upon the defaulting debtor. 3. It so happens that several Counties’ City Halls, who are the concessionaires for the distribution of electric power, also, thus, participate in the collection of the Compulsory Loan and have been denying the payment of the above-mentioned fine, under the allegation of its non-application to the Countries, as a result of the immunity vesting the public juridical bodies. 4. On the other hand, the incurrence of the above-mentioned penalty on the debts of the Counties’ City Hall doubles their values, and are, in many instances, the reason that bars the liquidation, considering the reduced payment capability of most of the counties. 5. For these reasons, there are several pending procedures at ELETROBRÁS related to the assessment of the debts, the application of fines, and the collection of the Compulsory Loan, and involve the Counties’ City Halls. . 6. To yield a solution for the pending procedures and to facilitate the City Halls’ liquidation of debts, the Executive Board of Directors submits this amendment to the appreciation of the General Shareholders Meeting so ELETROBRÁS, via its Board of Directors, might receive the authorization to, in certain instances, renounce to the values of the fines that are due by the Counties’ City Halls related to the Compulsory Loan (...)
13. It is noted that the value that was collected as compulsory loan was unduly deemed as a payment of capital by the Controlling Shareholder, the Federal Union, with loss for the debenture holders who were contributing for the leverage of the Company and all the remaining Shareholders at the time. At least, the value against which debentures were not issued – based on the poor allegation that the owners of the rights would not seek them – should have been used as capital stock increase, with the re-distribution of the corresponding shares, or the mere increase in the value of the share. **Consequently, it ought to be explained if Eletrobrás kept the debentures as third party credits, or if has contributed to the capital stock, and should it be the instance, under which decision of which Shareholders Meeting were this shares recorded? Otherwise, where this credits would be; and that it is formalized to the Public Ministry so it might investigate the matter.**
14. On the other hand, in the same Minute, it is noted that Eletrobrás S.A., unduly and arbitrarily has “renounced to the values related to the compulsory loans” when, upon discussing what the Counties’ City Hall owed - as a result of the delay in the forwarding of the mounts related to this same compulsory loans – “ has decided to exempt, voluntarily and arbitrarily, the City Halls of the values owed under this title”.
15. How were recorded the Eletrobrás Debenture conversions that were issued as a consideration in favor of the Controlling Shareholder, upon the pay-in of the capital stock that was effected with

resources from a loan hired with the BID (Ex: Minute no 18 and 21) and the compulsory loan hired with electric power consumers? How were these conversations made to third parties when the Controlling shareholder had ordered that the titles, which were deposited by the Company to liquidate personal loans of the Controlling Shareholder himself, in favor of third parties who were foreigners to the Company.

16. It was noted that the entries, in favor and against the Controlling Shareholder, were cancelled upon the use of the resources and of the capital stock of the Company to liquidate personal debts;
17. Were there reserves related to the non-redeemed, or non-converted, debentures? If yes, in favor of whom?
18. Were there contingencies for indexation, contractual titles interests, and more defaulting interests, from the redemption maturity or the conversion? If yes, debenture per debenture, please report in which accounting item, shareholder, or shareholding position, or accounting title such was effected.
19. How, *verbatim*, the redemptions, the coupons payments, the conversions into shares, the total value and the amount of debentures/obligations, which were neither redeemed nor converted, considering the exact correlation (100%), between the total of the pay-in made by the Controlling to the corresponding debenture issuing that are linked to it, the total of the redeemed values and the total of debentures paid were recorded?. Which were converted into shares? In favor of whom and in which type of share, and what was the value that was recorded, year by year, under the liabilities item, observing the remuneration interests of 12% per year and after 6% with the indexation in accordance to the indexes defined in the Decision of the Response no 443.435-SC (IPC [Consumer Prices Index] with indexation, that was calculated with the percents of the inflationary deductions that were verified upon the implementation of the following Governmental Plans: "Verão" [Summer] (January/89 - 42,72% - and February/89 - 10,14%), "Collor I" (March/90 - 84,32% -, April/90 - 44,80% -, June/90 - 9,55% - and July/90 - 12,92%) and "Collor II" (13,69% - January/91 - and 13,90% - March/91), and the default interests of 6% per year until January of 2003 and 12% per year from the effect of the new Código Civil, in January of 2003; all cumulatively;
20. How were recorded and bookkeeping each one of the judicial executions and ordinary stocks of collection related to the debentures in the above-mentioned table, indicating, in details, debenture by debenture, series by series, the value of the updated liabilities, with the title's rights interests of 12% per year, and further of 6% per year, with indexation in accordance with the indexes defined in the Decision of the Response no 443.435-SC (IPC with indexation, that was calculated with the percents of the inflationary deductions that were verified upon the implementation of the following Governmental Plans: "Verão" (January/89 - 42,72% - and February/89 - 10,14%), "Collor I" (March/90 - 84,32% -, April/90 - 44,80% -, June/90 - 9,55% - and July/90 - 12,92%) and "Collor II" (13,69% - January/91 - and 13,90% - March/91), and the default interests of 6% per year until January of 2003 and 12% per year from the effect of the new Código Civil, on January of 2003, indicating the following minimum data: 1) Court, 2) no of the procedure, 3) District, 4) value of each judicial action, updated until December of 2007.
21. Thus, in which balance sheets this information is recorded? Were the independent auditors, the fiduciary agents, the CVM [Securities and Exchange Commission] the Bovespa [São Paulo Stock Market], SEC, Bank of América, JP Morgan, and to all the [acionista]shareholders? If such, how was this effected?

22. There were there judicial settlements for the payment of debentures holders who have administratively or judicially, via execution actions, ordinary collection measures, or preliminary orders of any nature, to collect some debentures. How were these recorded? What is the value of each settlement? Were justification criteria specified in each instance, in accordance with which updating criteria and who were, case by case, the ones favored in each of the settlements and who are the Directors and the Counselor who authorized these operations;
23. How were the payment of capital that were executed by the Controlling Shareholder, via loans hired with the BID (Minutes no 18 and 21) and loans hired by the Controlling Shareholders with the electric power consumers recorded, and that correspond to the determination of the Controlling Shareholder of using cash resources or debentures to pay personal loans in regard to third parties, non Shareholders. How were these operations, if executed, recorded, and publicized to bar the Controlling Shareholder's advantages with loss for the remaining Shareholders and/or debenture holders. The CVM, the fiduciary agents, and the Stock Markets must be aware of the management acts executed by the Controlling Shareholder, who pays personal debts using resources of the Treasury of the controlled Company, arising out of the Company's receivables as a result of the direct electric power consumption by the consumer. Should these recordings exist, please indicate, case by case, how were these operations recorded at the Bovespa and at CVM, and how was the withdrawn from the pay-in effected, considering that there were draws from the cash of the controlled Company by the Controlling Shareholder. Did the CVM communicate such to SEC?;
24. How did CVM, Eletrobrás, SEC, Bovespa, and the independent auditors, the fiduciary agents advise the national and international investors of the existence of the above mentioned bookkeeping records, indicating the above-mentioned judicial liabilities, financially indexed, with the payment if the titles' rights and financial interests, and has there been a release related to the use of the company to pay the liabilities of the Controlling Shareholder with the consequent loss for all the remaining Shareholders and the market;
25. How did CVM, Eletrobrás, SEC, Bovespa, and the independent auditors, the fiduciary agents (considering the Bovespa went public and started to sell shares in the national and the international markets), release to the market the profits of Bovespa, with the intermediation of the business with the shares, the ADR's and Eletrobrás' Titles, whose value is leveraged today, may be because there is no support in the accounting records of the operations between the Controlling shareholder and the controlled Company and, mainly, because the liabilities that are the object of judicial actions are not public, considering that there are orders, inclusive of attachment and other types of patrimonial restrictions. Was there any public registration, or auditing as to the risk that Bovespa might be privileging the omission of information that might generate profits in its favor;
26. Considering the above-mentioned questions, please address: Do the notified companies identify similarities between this case and the "Enron"? In addition, state if such practices yield a risk to the Brazilian market, mainly as to the international investors that keep confident in the control management of the CVM and Bovespa.
27. Considering that the Eletrobrás S.A. Controlling Shareholder characterize an irregularity against the market, against the minority Shareholders and the debentures holders, in addition to the information previously requested, it is important to assess which are the other open corporations that have been conducting operations in the Brazilian and the international securities market, one by one, and that,

also, directly or indirectly, are controlled, or were controlled by the same Controlling Shareholder of Eletrobrás S.A. currently and in the past 20 years – as example, Banco do Brasil S.A., Petrobrás S.A. and affiliated, Embratel S.A., Vale do Rio Doce S.A., LIGHT, Itaipu-binacional, remaining affiliated to the Eletrobrás S.A. System, of the Caixa de Previdência do Banco do Brasil and other funds whose Directors are appointed by the Shareholders Council, where the Controlling of Eletrobrás executes the same role as is responsible for the appointment.

28. Thus, on a case by case bases, it is an obligation to identify if there was in these companies the recording of the issuance of debentures, and in which amount, of what type, in which values, with which interests, with which redemption timeframes, how many were redeemed, how much of interest and of bonus were redeemed integrally or partially, how many are circulating still, how many executions or judicial collection acts are there related to the collection of these titles, how were they recorded in the pay-in of the Controlling Shareholder and if there was any use of the controlled Company's resources in favor of the Controlling Shareholder, mainly to pay private debts of the Controlling;
29. In addition, state if there are retirement plans of the employees of each one of this companies and if the Controlling Shareholder of each of the companies has a direct, or an indirect, participation in the election of their Directors;
30. If these retirement funds invest in shares or in debentures of the remaining companies that are controlled by the Controlling Shareholder of Eletrobrás S.A., one favors the other, creating a reciprocal movement of maintenance, increase, or decrease of prices of shares. It ought to be noted in this item that only the Fundo de Previdência do Banco do Brasil [Retirement Fund of Banco do Brasil] holds assets that are equal to, or higher than US\$ 12 billion (Twelve billion dollars), that the retirement fund of Caixa Econômica Federal holds assets that exceed US\$ 10 billion (Ten billion dollars). Verify here the response to this query related to these retirements' funds and other, either by Directors who, directly, or indirectly, are appointed by the Controlling Shareholder of Eletrobrás. That the list of the companies, one by one, in which the Controlling of Eletrobrás holds the position of Controlling Shareholder, also, as well as in which retirement funds and the value of the capital stock's losses, directly or indirectly;
31. As to these retirement funds, have they participated in the process of transference of the shareholding control of companies that previously were controlled by the Controlling shareholder of Eletrobrás S.A., such as Embratel, Vale do Rio Doce, LIGHT, and other companies in which the Controlling Shareholder of Eletrobrás S.A. was the Controlling Shareholder, before the control was transferred to other funds, or national or international companies;
32. That these operations have determined, or not the up or the downwards movement of the values of the shares of all the companies, currently and previously controlled by the same Controlling Shareholder of Eletrobrás S.A. (watered stock – overvalued property);
33. If the behavior of the Controlling Shareholder of Eletrobrás S.A., both at Eletrobrás and related to the remaining instances in which introduces, or has introduced, itself as the Controlling Shareholder of an open corporation with shares that have been negotiated at the Bovespa and in other international Stock Markets within the past 20 years and currently, might have harmed the interest of minority Shareholders, debentures holders and international investors, in regard to building financial insecurity in the auditing agents and in the Brazilian Securities market and related to the open corporations with shares that are negotiated in the Brazilian market;

34. Finally, it ought to be reported if the CVM, the Bovespa, the Auditing companies; the Eletrobrás S.A., and the remaining companies, today, and within the past 20 years, which have been controlled by the Controlling Shareholder of Eletrobrás S.A., have never perceived this market control move and of interfaced, reciprocal operations that favor the Controlling, with loss for national and international investors, minority Shareholders and debenture holders;
35. In conclusion, it ought to be reported if the liabilities that are the object of the judicial collection, or that simply, to date, have not been redeemed, regardless their maturity date, related to debenture holders of any type, were indexed observing of the coin exchange capability criterion, the financial indexation, the deduction, the remuneration interests, the 0,5% monthly default interest until December of 2002 and of 1% per year from January of 2003, indicating if there were entries in the reserves related to these liabilities and if, at any time, these reserves or debentures' liabilities, with third parties, had their position converted into ordinary or preferred stock in favor of the Controlling Shareholder and with loss for the debenture holder or the minority Shareholder.
36. The description and the similarities between the management nature of the controlling of the ENRON-ARTHUR ANDERSEN-WORLDCOM Company and the remaining "abducting" companies, with the management model that was adopted by Eletrobrás, which, directly and indirectly, controls more than a dozen of major Brazilian open corporations and still appoints and terminates Directors and Managers of the Major Brazilian Retirement Plans, who hold more than 80 billion of dollars in reciprocal investments located in the São Paulo and Nova York Stock Markets, among others;
37. The companies, in the ENRON instance, held, and hold, the technical denomination of "Specific Purpose Enterprise – SPE." It ought not be confused with the Fundos de Previdência [Retirement Funds] that are controlled by Eletrobrás' Controlling and of many other highly expressive multinational companies in the national economy;
38. In the USA, the SPE were created by the controlling of ENRON, who has omitted these facts by registering them under the name of individuals that occupied Direction chairs in Enron and thus keeping the SPE subjected to one only management group, all directly controlled by ENRON, under the umbrella of the Arthur Andersen auditing Company.
39. The operation has spread through the economic power as a result of the simultaneous control of several companies who have invested in reciprocal interests yielding added value to the shares quotation and assets and, mainly, omitting the recording of liabilities.
40. These operations were named "Interlocking Directorate" and "Watered Stock" under the American Law.
41. The American Law at that time, by the end of 2001, even if softer than the current legislation, has justified the application of exemplary penalties to the ENRON and AUDITING Director. Some convictions surpassed 100 years.
42. Should the convictions not be enough, both ENRON and ARTHUR ANDERSEN & WORLDCOM, had their bankruptcy decreed, with the closure of international operations that reached Brazilian companies, which were previously controlled by the same Controlling Shareholder of Eletrobrás.

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43. If the debentures of the series related to the sole issuing decided on ----- and ratified during the General Debenture Holders Meeting no(s), which were recorded at the Cartório de Registro de Imóveis [Real Estate Notary Office], enrollments, and at the CVM and the Junta Comercial [Trade Board] were, actually, integrally issued;
44. Thus, upon the definition of the exact number of debentures, the quantities of titles and of rights issued as a result of the issuing decided on, as ratified in several decisions of the Shareholders that were transcribed in minutes along the past four decades;
45. How many bearers' debentures/obligations, or their resulting Securities, were redeemed;
46. How many were not issued;
47. From the issued, how many were redeemed and what destination had the ones that were not redeemed;
48. To whom and in favor of whom the reserves of these debentures' liabilities – not issued or non-redeemed, were reverted;
49. Where are the redeemed debentures?
50. How were all the payment of capital of the Controlling Shareholder of Eletrobrás recorded;
51. How many debentures did the Controlling Shareholder receive as a consequence of these pay-in;
52. How many debentures/obligations, or their resulting Securities, did the Controlling Shareholder used to pay his own debt;
53. The above-mentioned debentures were all convertible to preferred stock; why, then, the Company converted them in favor of the Controlling shareholder as ordinary stocks with voting rights. How might it be explained, in accounting terms, debenture by debenture? What is its representing value, considering the following remuneration and the indexation criteria;
54. The Controlling shareholder has used cash resources of ELETROBRÁS to compensate his own debts with private creditors, via the compensation in cash resources arising out of Light Bills receivables. Thus, what was the amount, updated by the criteria of the STJ, e.g., the time of service fund account of the past 40 years, or the return of the compulsory loans, or the taxes unduly charged, or the indemnities that are the object of sentencing, in debts in which the Controlling Shareholder of ELETROBRÁS is, always the causing agent of the customary debtor;
55. When the Controlling of ELETROBRÁS used the debentures of the same that were delivered as a consideration of capital stock pay in, or of cash resources of ELETROBRÁS, to pay his own debt was there a bookkeeping adjustment of this financial capital stock deductions of the Controlling Shareholder related to the controlled Company, or the Controlling has confiscated the same pay-in twice;

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56. How many debentures are, still, in circulation; how many legal claims involving the collection of debentures/obligations, or Securities thereof; why this legal liability was omitted in the balance sheet, even though the national and the international legislation considers this omission a financial crime by the Company, the controlling and the auditors. What are the repercussions of the omission of this legal liability and in regard to the debentures that are, still, circulating in relation to the unduly distribution of dividends or profit reversions in the social profits, observing the above-mentioned indexation criteria and by the open corporation's share quotes;
- 57. Notify the 1ª Ofício de Imóveis de Brasília/DF [1st Real Estate Notary Office of Brasília/DF], the CVM, the Junta Comercial do Rio de Janeiro/RJ [Rio de Janeiro Trade Board], and the Eletrobrás itself, so they provide copies of all the Minutes of the Shareholders Meeting of Eletrobrás since its constitution;**
- 58. Notify Eletrobrás to inform how many administrative and legal settlements it has executed with which debenture holders, with which debentures, on what date and what were the values involved, with which burdens, under which quality, considering which debentures and obligations, in accordance with the above-mentioned laws, are the same thing;**
- 59. Notify Eletrobrás to explain how the BRANDES INTERNATIONAL EQUITY FUND has become a Stockholder; and, it is important to know which other companies are Stockholders of Eletrobrás;**