

Sustainability means the development that meets the needs of the present without compromising the ability of future generations to meet their own need.

Brundtland Report, a document prepared in 1987 by the World Commission on Environment and Development.





Profile

- » Introduction
- » Structure of Grupo Light
- » Areas of activity
- » Optimization of energy use
- » Social and economic context

Introduction

Sustainability means the development that meets the needs of the present without compromising the ability of future generations to meet their own need.
Brundtland Report, a document prepared in 1987 by the World Commission on Environment and Development.

Light S.A. arrived in Brazil in 1899 from Canada, with the mission of producing energy for progress. Our first contribution was in Sao Paulo, where we built the Usina Tietê; and we did not arrive in Rio de Janeiro until 1905 when our subsidiary The Rio de Janeiro Tramway, Light and Power Co. Ltd. started up, also bringing in electric trams. Shortly afterwards this subsidiary was made responsible for the control of public gas lighting, which was later replaced by electric, increasing production and starting to serve industry, commerce and households.

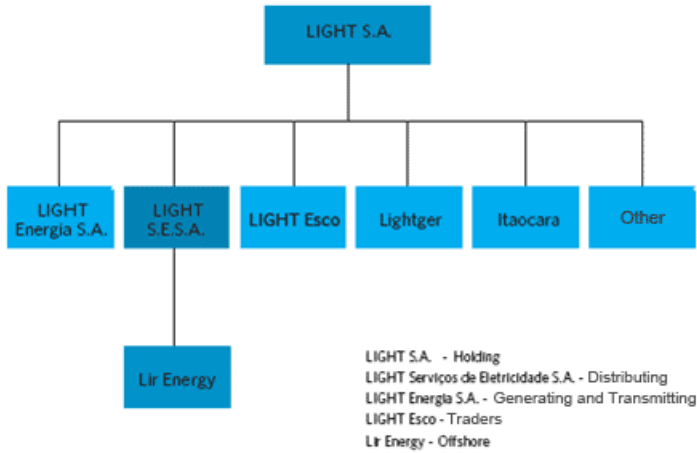
After being sold to Eletrobrás in 1979, the enterprise was privatized again in 1996. After a process of removing vertical structures concluded in 2006, the company came under the control of Grupo RME (Rio Minas Energia). Today Light S.A. is a holding of concerns active in generating, transmitting, distributing and commercializing energy. The current configuration of the concern was consolidated on January 13th, 2006 so as to comply with a requirement specific to energy distributing enterprises set out in Federal Legislation: the removal of vertical structures in their activity.

Light's presence in Rio de Janeiro life has been important for 104 years, with marked register in the popular imaginary, both in the lyrics of songs and city lore. A permanent brand image is identified with the 'Cidade Maravilhosa', bolstered by the company's recent adoption of the 'Rio is Light' slogan in communication with the public.

The concerns comprising Light S.A. are Light Serviços de Eletricidade S.A. – Light SESA (distribution); Light Esco Ltd. (commercialization); and Light Energia S.A. (generation and transmission).

Structure of Grupo Light

Structure of Grupo Light



[Top](#)

Areas of activity

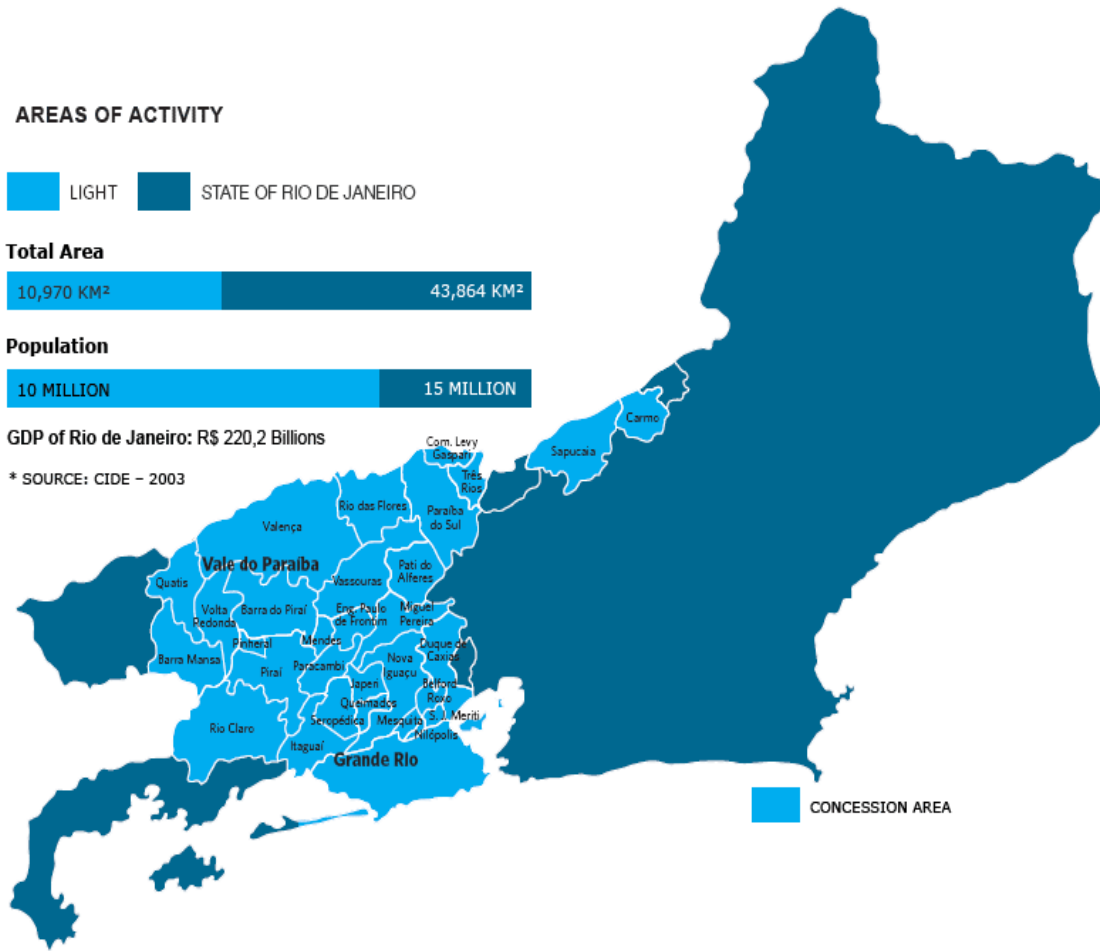
The company responsible for the distribution of electric energy in Light's concession area is Light Serviços de Eletricidade S.A., which covers a total area of 10,970 sq km in the State of Rio de Janeiro and serves 10 of the more than 15 million inhabitants of the State, in 31 municipalities. In 2008 the company distributed 23,698 GWh to its regulated and free customers. The concession of energy distribution services does not expire until June 2026.

AREAS OF ACTIVITY



GDP of Rio de Janeiro: R\$ 220,2 Billions

* SOURCE: CIDE – 2003



Light S.A. is Brazil's fourth-largest energy distributor according to EPE – Empresa de Pesquisa Energética (Energy Research Enterprise), which is linked to the Ministry of Mines and Energy. Its electric system comprises 196 substations, a sub-transmission network with a grid of over 2 thousand km (approximately 1.8 thousand km aerial and 0.2 thousand km underground) and a distribution network exceeding 55 thousand km (49.6 thousand km aerial grid and 5.4 thousand km underground grid).

Light Energia is responsible for generating, and it is the sixth-largest private hydraulic generating concern in the country (in terms of generating capacity) according to information supplied by the Agência Nacional de Energia Elétrica – ANEEL (National Agency for Electric Energy). This capacity is located in the Paraíba do Sul River and Ribeirão das Lajes basin. Installed generating capacity is 855 MW, distributed by five generating and two elevating plants located in the States of Rio de Janeiro and Sao Paulo.

It is worth stressing that the energy generated by Light Energia is produced exclusively from hydroelectric sources, recognized as one of the cleanest methods of energy production. In 2008, the seven hydroelectric plants reached a net production of 4,330,999 MWh (gross generation minus own consumption, water pumping and technical losses), as illustrated in the following chart.

Net Generation (MWh)	2006	2007	2008
Electric Energy	4,315,038	4,007,489	4,330,999

As per Laws no. 10847 and no. 10848 dated March 15th, 2004 and Decree no. 5163 dated July 30th, 2004, electric energy may only be purchased by distributing concerns in the Brazilian electric sector at auctions set up by CCEE/ANEEL in the Ambiente de Contratação Regulada – ACR (Regulated Contracting Environment). Part of energy generated is sold in such auctions; the remainder is commercialized by Light Esco in the Ambiente de Contratação Livre – ACL (Free Contracting Environment) in bilateral contracts and on the *spot* market, as well as by means of CCEE.

Since 2006, Light S.A. has also been participating in Proinfa, the main Brazilian program to encourage alternative energy sources. The chart below shows the quantities of energy purchased by the concern in 2006 to 2008.

**QUANTITY OF ENERGY PURCHASED**

Energy purchased (GWh)	2006	2007	2008
1) Itaipu	8.295	8.310	5.730
2) INITIAL CONTRACTS	0	0	0
3) Bilateral contracts	0	0	0
3.1) With third parties	0	6.351	6.368
3.2) With related parties	6.351	0	0
4) Auction	727	333	0
5) PROINFA	83	222	341
6) CCEAR	10.497	11.161	12.172
7) Mechanism for Sale of Surpluses and Deficits – MCSD	341	341	381
TOTAL	26.294	26.718	24.993

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Energy consumption for Light’s administration and operational activities is shown in the chart below. [\[EN3\]](#) [\[EN4\]](#)

[EN4] ENERGY CONSUMPTION BY SOURCE – LIGHT S.A.

	2006	2007	2008
Hydroelectric (in kWh)	ND	ND	ND
Fossil fuels	ND	ND	ND
Alternative sourced (gas, wind, solar etc.)	ND	ND	ND
Total consumption of energy (in kWh)	37,395,000	33,285,000	35,046,000
Energy consumption per kWh distributed (sold)	0.002	0.001	0.002

[Top](#)

Optimization of energy use

On the commercialization side, Light Esco integrates energy solutions in partnership with customers so as to find the best alternatives to acquire and optimize energy use. The company is present both in the energy commercialization in the free market segment and in that of alternative/incentive energy sources and infrastructure services. It is thus an important element for the sustainability of Light S.A., contributing to the development of innovative solutions to make the best use of energy.

Light Esco is active in the direct purchase and sale of energy (trader), as an intermediary in negotiations for energy purchases and sales (broker) and as representatives and consultants to free consumers. In 2008 the concern commercialized 434 GWh.

[Top](#)



Social and economic context

In the concession area cut through by the Paraíba do Sul River, which supplies 10 million people in 31 municipalities in the State of Rio de Janeiro, Light S.A. endeavors to perform in a sustainable and proactive way, whilst being socially fair and encouraging economic development and respect for the environment, often by means of partnerships with public entities.

Even though the concession area represents an important intangible asset, there is considerable external pressure due to social risk and the area's great concentration of population. In order to offset such factors, Light S.A. is active, together with different organs and enterprises – Federal Government, trade unions, commercial associations, other state concessionaires of public services – in the development of projects promoting improvements in safety and social and urban regulating in Rio de Janeiro State.

[Top](#)



The bases for this report

» Principal Awards and Recognition

This Sustainability Report, which we bring out annually, will strengthen Light's adherence to the UN Principles for the Global Compact, the United Nations' Millennium Goals, Global Reporting Initiative's methodology, and the criteria of the Bovespa Sustainability Index, in which we are listed for the second year running.

As of the publication in 2008 of our first Sustainability Report, which was based on performance in 2007, Light S.A. has deepened the exercise of incorporating sustainability parameters into performance indicators in all areas, which brought about the generation of more comprehensive information about the concern's processes, which historically already reflected good practice in this area. The company enjoyed the consulting support of the Fundação Brasileira para o Desenvolvimento Sustentável – FBDS (Brazilian Foundation for Sustainable Development) in preparing this document.

In order to fine-tune the company's routines for implementing and reporting on sustainability practices, Light S.A. requested FBDS to put together a panel of specialists from different segments of society so as to better understand the needs, expectations, opportunities and challenges linked to the company's course, its management models and commitment to sustainability – anticipating the company's intention to strengthen its engagement with different stakeholders.

The Panel met in October 2008, and made it possible for the company to produce its first reflections on materiality (a concept indicating what is essential for business). In the context of this concept, the specialists identified topics of priority around which information related to the enterprise's performance in 2008 has been organized:

Building the future – Presents Light's positioning in the face of challenges stemming from the development of its business model in a sustainable manner.

Development of Rio de Janeiro – Presents the relevance of development in the concession area to increase the generation of company value, the plan of action worked out to expand opportunities in the area (including alternative energy sources and sustainable projects), as well as Light's performance in connection with energy sector regulations.

Behavior in the face of environmental challenges – Presents a global vision of the company and a detailed schedule of Light's actions to reduce the impact of its activity on the environment.

Value of service – Presents the challenge of changing customer perception of the value of the service provided by Light S.A.

A fifth topic, Results, gathers other relevant information, such as economic-financial performance, relations with investors, and risk management, as well as indicators (IBASE Audit and Financial Statements). The GRI Summary and corporate information conclude the document.

Light's 2008 Sustainability Report is aimed at shareholders, the investment community, regulatory organs, electric sector agents, governmental and non-governmental organizations, employees, customers, suppliers, the community, the media, and teaching establishments.

This Sustainability Report refers to the Light S.A. holding and all our subsidiaries: Light SESA, Light Energia and Light Esco. Its contents reflect Light's commitment to sustainability in all aspects of our economic-financial, operational, social and environmental activity.

Financial statements have been audited by KPMG, which provided no other kinds of service to Light S.A. or its subsidiaries in 2008. Although this Sustainability Report has not been through any form of auditing process, information-gathering and definition of indicators was coordinated by the Sustainability Work Group, made up of specialists and management in different areas of Light S.A., with the support of FBDS.

The contents of this report are fully available in this website. Should doubts arise regarding the material available, please send an e-mail to relatoriodesustentabilidade2008@light.com.br.

Specialist Panel - Methodology
Information prepared by FBDS

Contextualization

Taking into account Light's effort and progress to be recognized for our excellence in management for sustainability, at this time the company wishes to advance in the agenda for engagement with stakeholders. Light S.A. is aware of the challenges inherent in our

engagement with interested parties and our accountability, and we therefore carried out an exercise of reflection on the subject, together with FBDS.

As an outcome of this reflection, the company has decided to set up a strategic panel of professionals with expertise in specific areas so as to debate relevant matters related to a strategy for the future behavior of the company, prior to carrying forward the process of engaging stakeholders in the traditional manner.

Main objective

The aim of FBDS's advisory service was to support Light S.A. technically in setting up the panel of specialists, whose objective was to understand the needs, expectations, opportunities and challenges present in the company's context of activity, as well as identifying material matters for stakeholders and the enterprise's future actions.

Methodology

1. Event structure

The event was organized so as to stimulate the specialists' participation and create the right atmosphere for recommendations to be made naturally. To this end a presentation was put together containing questions concerning an energy distribution company's future strategy, in order to point the guests in the right direction.

With the aim of stimulating voicing of differing opinions and granting freedom to participants regarding their contributions, Light's president and directors did not make any statements throughout the event, although they were present.

The event was structured in four stages. The first endeavored to elicit matters related to the business of distributing and generating energy, while the second referred to the company's concession area. The third stage elicited environmental questions relative to Light's activities, and the fourth was open to general matters deemed relevant in the opinion of the specialists.

2. At the end of each stage, suggestions made were gone over, to ensure none were lost and to give the authors a chance to add to them if they considered it necessary.



3. Participants

To ensure that suggestions put forward were diversified and comprehensive, specialists with recognized activity in different areas were invited, namely:

- André Urani, executive director of the Instituto de Estudos do Trabalho e Sociedade – IETS (Labor and Society Studies Institute)
- Armando Strozemberg, founder of Contemporânea
- David Zylbersztajn, founding partner of DZ Negócios em Energia
- Paulo Ferraz, market executive with a career at Banco Bozano
- Teresa Serra, consultant and ex-director of the World Bank
- Vicente Loureiro, Municipal Urban Planning and Environment Secretary

Matters dealt with

Suggestions brought up by the specialists are presented below, divided into the four stages as described under the methodology.

Business model

In this block, matters related to Light's management strategy were brought up, such as:

- Attention to regulations reflecting society's new demands
- The company must consider socio-environmental expectations
- Investment in renewable energy
- Relationship with customers
- Partnerships with other agents of society
- Energy efficiency as business

Concession area

One aspect identified as fundamental for Light's business is the development of the company's concession area. Matters arising were:

- The economic and social development of the area where Light S.A. is active must be considered an endogenous and not an exogenous variable.
- Look to public-private partnerships with the aim of rethinking processes (not projects) for Rio de Janeiro.
- What is the metropolitan model: urban concentrations, concentration of economic opportunities versus efficiency in providing services?
- It is important to distinguish informality and illegality.
- The latent need to enhance knowledge about consumers.



Environment

As an energy enterprise, Light S.A. must position itself as clearly and objectively as possible in relation to the impact of its activities on the environment, its priorities, as well as the management structure responsible for monitoring such activities.

Use of results

Light S.A. used the specialists' recommendations to structure its reporting structure, considering that such an initiative will help the company to direct its management towards sustainability. Thus, the items comprising the 2008 Sustainability Report were established as norms in subjects deemed material by these specialists.

[Top](#)

Principal Awards and Recognition

Prizes awarded to Light S.A. in 2008

Light's safety campaign wins ABCE prize – May 2008

The Your Life is Worth More campaign, aimed at safety in the workplace, took the prize at the 1st Exhibition of Communication Practice for Accident Prevention with the Internal Public, promoted by the Associação Brasileira de Concessionárias de Energia Elétrica – ABCE (Brazilian Association of Electric Energy Concessionaires). Light S.A. was competing with CPFL, Elektro, Cemar and Duke Energy at the event held at Sao Paulo's Pestana Hotel on May 13-14.

Divided into phases, the campaign made use of banners, stickers for vehicles and postcards sent to homes, bringing in the family. One of the most important points is that all the 'models' used in the campaign were Light S.A. employees, with exemplary behavior in safety matters.

Citizen Company Seal (Light's contribution to Citizen Maternity) – May 2008

Light's female employees already enjoyed the right to stay at home with their babies for a longer time after childbirth. This is because the energy company adhered to State Law 5160/2007 whose author was Congressman Coronel Jairo, which extends maternal leave from 120 to 180 days. The energy company, which has always been at the forefront of events, particularly those involving the population's daily life and the sustainable development of Rio de Janeiro, was awarded the Citizen Company Seal for its backing.

Management focusing on sustainability earns Light S.A. the 2008 Top Social – June 2008

In June last year Light S.A. won the "Top Social" for Social Responsibility 2008, the first award of this kind in Brazil, with the case Light: the transformation of an enterprise focusing on sustainability". Instituted by the Associação dos Dirigentes de Vendas e Marketing do Brasil – ADVB (Brazilian Association of Sales and Marketing Directors), the objective of the prize is to "recognize organizations that have shown vision regarding the importance of social development as a factor for growth of a society no longer merely seeking profit and also taking on the role of social agent", according to ADVB's definition.

Light in the ranking of the 50 most sustainable enterprises – June 2008

Light S.A. took third place in the ranking of enterprises providing public services, and 45th place in the general ranking in a first-time poll to choose the 50 most sustainable enterprises in the country.

Carried out by Mídia B, this poll analyzed media coverage of sustainability in the entrepreneurial sector throughout 2007, focusing on enterprises' actions in connection with the environment, transparency, relations with suppliers, customers and the community.

Out of a universe of 440 enterprises analyzed, the poll selected the 50 organizations most often mentioned in a positive light by the following publications during 2007: Exame, IstoÉ Dinheiro, Época Negócios and AméricaEconomia.

Light S.A. wins Marketing Best in Social Responsibility – July 2008

Recognized as an example of a corporation respecting and promoting actions fostering social responsibility, Light S.A. earned the 2008 Marketing Best in Social Responsibility, the award's seventh edition. This award is one of Brazil's most prestigious in the marketing area.

Created in 2002, Marketing Best in Social Responsibility identifies organizations developing social action aimed at both the internal public and the communities they relate to. The prize is awarded by the Fundação Getúlio Vargas (FGV), Editora Referência and Media Mundo Marketing School.

Light S.A. receives Award for Engagement and Leadership Programs – July 2008

The Engagement Program, which took 100% of the employees to the classroom, was distinguished with the Human Being – Oswaldo Checchia prize for 2008, in the People Management, Entrepreneurial Category, awarded by the Brazilian Human Resources Association.

The Leadership Development Program, which is integrated into the Engagement Program, received recognition from the Brazilian Human Resources Association at the national level. Light S.A. was competing with 84 major Brazilian enterprises.

Light S.A. wins the National Prize for Entrepreneurial Socio-Environmental Responsibility – October 2008



Awarded by Instituto Ambiental Biosfera, this prize recognizes enterprises stimulating or promoting successful initiatives in the social, ethical, environmental and sustainable development areas. To arrive at the result, an assessment committee comprising 180 members of the directing and consulting board of Instituto Biosfera analyzed project profiles and socio-environmental actions of enterprises deemed representative of different sectors of society, as well as talking with community and consumer representatives.

For the second time Light S.A. among enterprises comprising ISE-Bovespa – November 2008

Light S.A. was selected by the Sao Paulo Stock Exchange (Bovespa) to be included, for the second year running, in the portfolio of the Índice de Sustentabilidade Empresarial – ISE (Enterprise Sustainability Index) for the period December 1st, 2008 to November 30th, 2009. The list of enterprises comprising the portfolio was released by Bovespa on November 25th.

Light S.A. recognized as Citizen Enterprise – November 2008

Light S.A. was certified by the Rio de Janeiro Regional Accounting Council - CRC-RJ as a Citizen Enterprise, in view of its commitment to Social Responsibility, together with another 34 Rio de Janeiro enterprises.

Such certification upholds Brazilian enterprises documenting investments in the social and environmental areas by means of the IBASE Social Audit. The award is the result of a partnership between the Council, Firjan, Fecomércio and the Accounting Department of the Federal University of Rio de Janeiro.

Light Cultural Center awarded Accessibility Grade 10 award – November 2008

The Legislative Assembly of Rio de Janeiro awarded Light S.A. a “ten out of ten” in accessibility. Light Cultural Center took the Bronze Category of the Acessibilidade Nota 10 Award with which the Assembly recognizes enterprises concerned about all citizens’ right to come and go and ensuring accessibility for people with disabilities. The prize is a statement on the accessibility of Light Cultural Center premises, a cultural venue integrated with the company’s headquarters on Marechal Floriano Avenue, aimed at promoting Light’s culture and history, which at all times have been closely linked to the history of Rio de Janeiro itself.

Distinctions awarded to Light’s president-director and executives

Citizen of Valencia Title – March 2008

José Luiz Alquéres, Light’s president-director was awarded the Title of Citizen of Valencia, bestowed by the Municipal Chamber of Valencia. The resolution awarding the decoration was the initiative of Councilman Victor Emmanuel Couto, and praises Alquéres’ relevant services to the city.

Honorary Citizen of Pirai – June 2008

Light’s president-director, José Luiz Alquéres, was awarded the Title of Honorary Citizen of Pirai, bestowed by the city’s Municipal Chamber. The resolution to bestow the decoration, which was the initiative of Councilman Sebastião Paulino, praises the executive’s diligence in aid of the Municipality’s progress.

Leader of the Year in the Electric Sector – December 2008

President-director José Luiz Alquéres was elected “Leader of the Year in the Brazilian Electric Sector” by the Entrepreneurial Leaders’ Forum. The nomination was made by sector entrepreneurs, as recognition of intense and important action in the energy area throughout his professional life and, especially, over the last two years as president of Light S.A. Alquéres shared the award with Djalma Bastos de Moraes, president-director of CEMIG.

Citizen of Barra do Pirai – December 2008

This Title was bestowed upon president-director José Luiz Alquéres and Eduardo Camillo, Light’s Superintendent of Institutional Relations by the Municipal Chamber of Barra do Pirai, Rio de Janeiro. The nomination was made by the city’s mayor, José Anchite, in appreciation of the company’s solidarity with the city at a recent time of bad storms. Light S.A. collaborated in the rescue of population affected with the loan of vehicles and equipment.

IT Leaders Prize – October 2008

CIO Marcelo Carreras won the IT Leaders prize for 2008 in the energy sector. Awarded by the publication COMPUTERWORLD, the prize is a recognition of talent and competence of the IT professionals who have been most outstanding throughout the year. To determine names, the publication’s editorial team, together with PriceWaterhouseCoopers, carries out a poll among nearly 400 CIOs all over the country. They fill in a questionnaire prepared and analyzed by sector specialists, who assess the main IT-related aspects from the point of view of risk management. Twelve CIOs from different sectors of the economy are awarded the prize.

Citizen of Itaguaí – July 2008

The Greater Rio Regional Superintendent, Ivson Vasconcellos, was bestowed the Title of Citizen of Itaguaí by the Municipal Chamber in recognition of the good relationship and services rendered by Light S.A. to the municipality.

It is **important for the sustainability** of Light S.A. to properly determine its stature in the national electric sector and in the context of its concession area. The information on the company’s present and past history, its activities, achievements, and the methodology to report its performance help build such a wider view to stakeholders, aligned with the Panel of Specialists’ recommendations on the importance of a clearer and more adequate visibility.



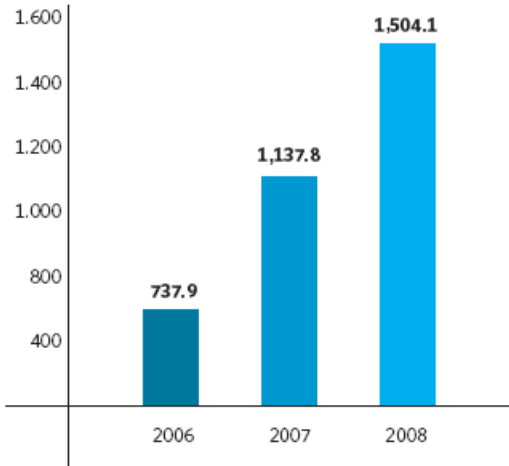
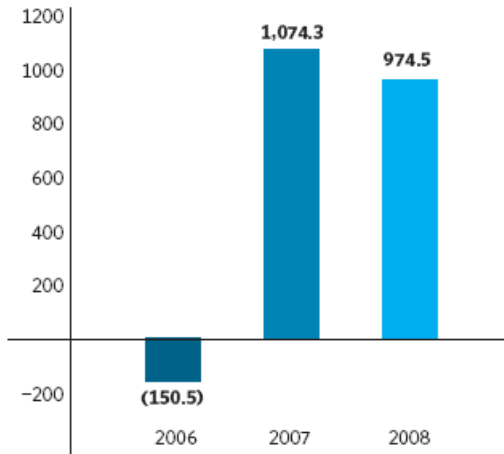
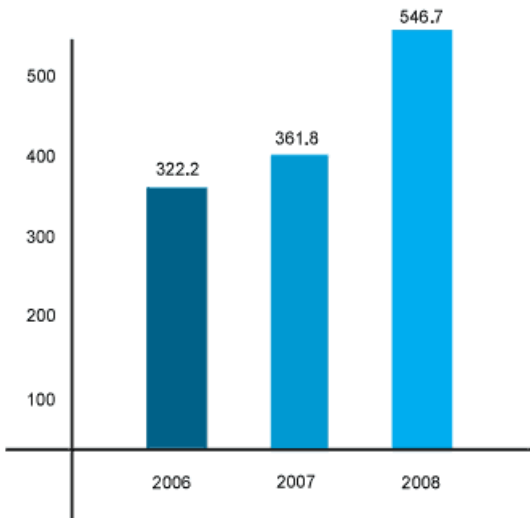
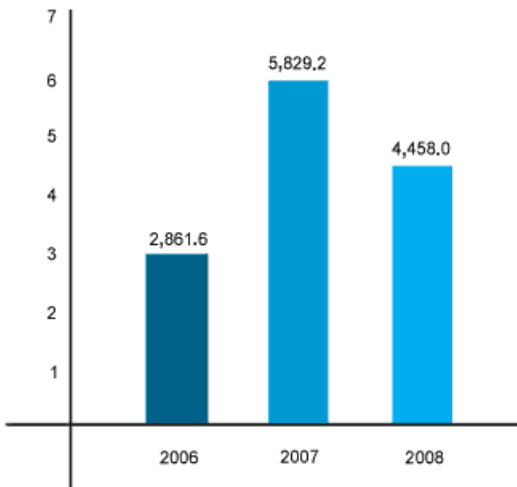


Main sustainability indicators

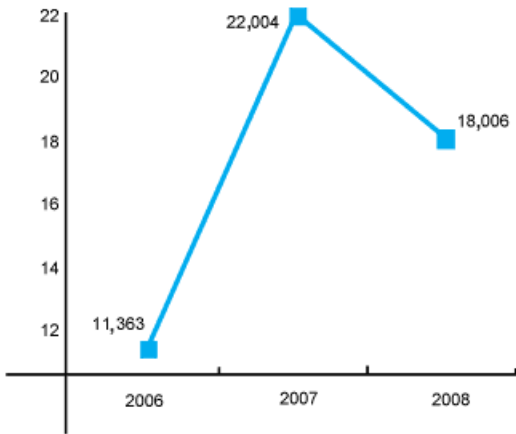
Main sustainability indicators

	2006	2007	2008
Results			
Net revenue (in R\$ million)	4,950.7	4,992.4	5,386.6
EBITDA (in R\$ million)	737.9	1,137.8	1,504.1
EBITDA margin (%)	15%	23%	28%
Net profit (loss) (in R\$ million)	(150.5)	1,074.3	974.5
Financial indicators			
Total assets (in R\$ million)	8,558.7	9,030.1	9,462.0
Net equity (in R\$ million)	1,508.0	2,691.8	2,803.7
Net debt (in R\$ million)	2,539.7	1,461.7	1,580.3
Net debt/EBITDA (times)	3.4	1.3	1.1
Investments (in R\$ million)	322.2	361.8	546.7
Performance of shares			
Price at yearend (in R\$)	21.37	28.65	21.86
Share price annual variance	50%	34%	-14%
Market value (in R\$ million)	2,861.6	5,829.2	4,458.0
Operational indicators			
Light SESA			
Cable Load (GWh)	31.625	33.160	32.955
Billed energy (GWh)	18.260	18.307	18.292
Transported energy (GWh)	7.114	8.018	8.025
Light Energia			
Marketed energy (GWh)	4.769	4.967	4.900
Light Esco			
Commercialized energy (GWh)	-	390	434
Environmental			
Environmental investments (in R\$ thousand)	11.363	22.004	18.006
ISO 14001 certifications (accumulated)	59	152	182
Energy saving (GWh/year)	26.9	47.1	25.4
Use of recycled paper (%)	55%	97%	97%
Number of bulbs sent for recycling/decontamination	833	17.688	20.842
Social			
Aneel Customer Satisfaction Index – IASC	66.97%	66.88%	56.20%
Investments in the community (in R\$ thousand)	6,292.4	14,402.9	13,821.0

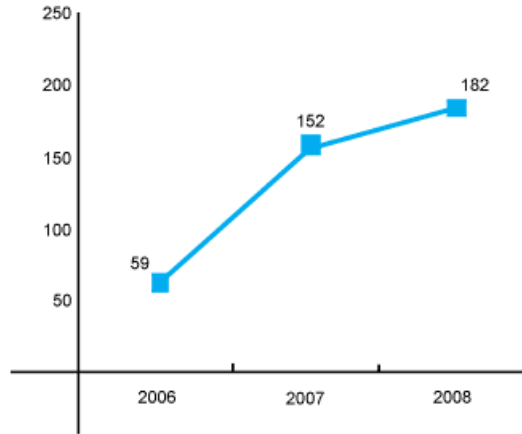
Nº of benefited communities	80	85	57
Customers visited in educative work	75.000	85.000	46.729
Training hours – management level	90.14	142.84	31.3
Frequency of accidents with leave	3.75	1.52	2.43

EBITDA (in R\$ million)

NET PROFIT (LOSS) (in R\$ million)

INVESTMENTS (in R\$ million)

MARKET VALUE (in R\$ million)


ENVIRONMENTAL INVESTMENTS (in R\$ thousand)



ACCUMULATED CERTIFICATIONS (ISO 14001)



[Topo](#)



Message from the Administration Board



2008 has been extremely important for the consolidation of a task that started after Rio Minas Energia took over control of Light S.A. and we saw the company's potential clearly, not only in numerical terms but also, above all, in terms of sustainable growth.

Sustainability means much more than mere figures. It means the company's capacity to be inserted in the market it is active in and to grow with the dynamics of society itself, which includes company employees, shareholders and other stakeholders.

Light's results for 2008 have been pleasing, as were those for the year before. And we start 2009 with an enormous challenge, because we have an eye on the world scenario and its effects on Brazil. Nevertheless, this is the time to learn to see opportunity in challenges. With the system implemented at Light S.A., formed by an extremely coherent group of shareholders sharing one same vision, a well-motivated group of leaders in turn motivating the company's employees and the public related to the company, we are certain that Light S.A. will have an enormous future.

No doubt Light S.A. will be able to see in this time of crisis the opportunities necessary for growth, especially in the generation of energy, a potential the company must expand. We know that the Rio de Janeiro market has certain limitations in terms of distribution, but the way in which Light S.A. has consolidated, with adequate finances to participate in new times in the electric sector, will give it the stamina needed to develop its strategy of sustainable growth.

Wilson Nélio Brumer
Chairman of the Board

[Watch the video](#)

Message from the President-Director



In these early days of 2009, I am addressing customers, employees, shareholders, the authorities, the financial market and other interested parties, to reassert my enormous confidence in our national economic development and that of this company.

In the future, 2009 will be remembered as a year of important economic transition, when capitalism was reinvented on a more natural, sustainable basis, closer to the functioning of the real economy.

Recent years have been marked by great economic development worldwide, technological and communications innovation bringing together people, countries and markets in true globalization. For the first time the scientific community and world leaders have discussed the impact of humankind's actions on climate change. Warfare has taken on the characteristics of regional conflict, not thus any less hideous. Above all we have observed greater convergence of humanity's common interests, which tend to prevail over those of any particular country or region, even after some hitches such as the case of the Kyoto Protocol.

The post-war economic system demonstrated its incapacity of dealing with the challenges of an economy where anticipation of the future has become the most precious contribution to the formation of value. Hypotheses regarding the scarcity of natural resources, scientific breakthroughs and their consequences upon everyday activities have been incorporated into the valorization of assets and people's profits. The generalization of expectations – some of them very long term – came to an abrupt halt in September 2008 when great international financial entities and the financial flow stemming from them collapsed, causing the downfall of the systemic nature of the value of assets.

Measures on a never-before seen scale and agreements between the Central Banks of the world's greatest economies have been insufficient to give everyone a feeling of confidence in the basic institutions that rule our economic life: currency, credit, respect for contracts and the juridical-financial order.

It may seem strange, in such a context, to reassert our utmost confidence in the future. But this occurs, essentially, upon understanding what opportunities created by highly integrated economies may have to offer in this scenario.

Brazil, particularly, enjoys most favorable conditions for prompt economic recovery: energy resources, agriculture, fossil and renewable resources. And a resourceful population, no doubt lacking better formation, but living under a democratic system of government, under the rule of law. In a nutshell, Brazil will most certainly be one of the countries able to hold the course of recent years and continue growing.

We must therefore be certain that 2009 will show slower growth than previous years. We are members of a worldwide system, and we cannot remain aloof from what is happening to the economy as a whole. For the time being we must trust in the adequate policies that are being put in place, such as further investment in infrastructure, enhanced access to credit, and actions to improve competitiveness.

The Brazilian electric sector was going through a time of enormous pressure: the challenge of making energy available at competitive prices until the 2011-2012 horizon – the period preceding the beginning of operation of the great hydroelectric works in Amazonas. Apprehension regarding future supply of energy stems from a historical situation: the great delay in preparing projects and the public tender of new hydroelectric works, coupled to the difficulty in obtaining environmental licenses. However, the effect of the crisis on the energy market calls for some adjustment of expectations; supply is ensured as long as work continues at the normal pace and the crisis' effect on electro-intensive sectors – metallurgy, mining, etc. – is incorporated into projected demand. It is well worth emphasizing here the complementary character between different methods of generation. Energy sources of fossil origin, for example gas and fuel oil, which played an essential role during the reduction of supply from the hydroelectric system of recent years, will find their use diminished and they will therefore reduce energy costs on the wholesale market.

A successful program of public tenders for transmission lines, with the privatization of the extension of the system, made sector agents a little less anxious in connection with the performance of these system components, which ensure better use of hydrological diversity among Brazilian regions.

With regard to distribution – which is now Light's main business and responsible for 85% of our ABITA –, certain factors announcing growth dynamics in the concession area below those for the rest of Brazil have now been reversed by the perspective of crisis. As it is a mostly urban area, concentrated and with no major industry, it is less affected by the crisis and is not losing its service dynamics, the strong element in its socio-economic profile, mostly directed towards finance, insurance, tourism and culture. Additionally, urbanization programs developed by the Federal Government – such as ring-roads, ports and urbanization of deprived areas – positively affect growth in the concession area. The advanced stage of work on the Companhia Siderúrgica do Atlântico – CSA (Metallurgy Company of the Atlantic) – currently Brazil's greatest investment –, and COMPERJ's petrochemical pole will bring greater vigor to the local industrial scenario in the short term.

Rio de Janeiro's tendency to become a great center for services, leisure and tourism, with the 2014 World Cup and possibly the 2016 Olympic Games to be held in the city, has direct, relevant and positive impacts on distribution systems and may accelerate the implantation of electric-powered urban transport systems.



In the wide vision, today Light S.A. is well prepared to put its entire capacity to use to enjoy success in this sector of the economy, meeting demand and intensifying energy commercializing activities.

Our successes over the past two years strengthen our confidence in our capacity to face challenge.

The first is to regain an outstanding role in generating energy. This will come about with the large investments Light S.A. is already making to increase its capacity. Regarding PCH Paracambi, the expropriation of a large part of the area is already concluded, and the purchase of other pieces of land in the surroundings is in its final stages. Selection of suppliers for the construction and the purchase of equipment are on course. Work on UHE Lajes, a small hydroelectric resource within the Lajes complex is to start in the second half 2009. We are awaiting approval of the basic project, which is being analyzed by the regulating Agency, ANEEL. The environmental license for UHE Itaocara, in turn, is on schedule. We expect the Preliminary License to be granted by the end of 2009.

Taken together, the contribution of these three investments will amount to an increase in generation of about 15% - which, besides its expressiveness, strongly marks Light's return to investment in generation, which will pass the R\$ 500 million mark in five years.

The second challenge is the Energy Recovery and Commercial Loss Reduction Program, the development of which is well on course. It is worth remembering that this challenge is not merely technical, as this concession area concentrates 20% of the country's shantytowns. We are making no concessions in our efforts to reduce urban informality, and in this our partners are the State and the authorities of the most affected municipalities. Programs developed to this end include regularizing real estate deeds, providing physical infrastructure (sewage, running water and electricity supplies), social infrastructure (schools, medical facilities, community police stations) and economic support (entities for job training and support for micro, small and medium-sized companies).

Rio de Janeiro is the main national grandstand for activities in this area. We would like to highlight the pilot project that is being carried forward on Santa Marta Hill, in the neighborhood of Botafogo with outstanding action taken by Light S.A. together with the community, and the PAC works in Rocinha, Complexo do Alemão, Pavão/Pavãozinho and Maré.

The third challenge is our obsessive quest for greater efficiency in the rendering of services and improvement in our commercial customer attention.

We ascertained that our grid needed urgent structural modifications, so as to be less affected by storms and better protected from undue human action, intentional or not. A program has been set up to replace a significant portion of the primary and secondary networks, which will lead to reductions in operational expenses and in the duration and frequency of situations where energy is unavailable. The program includes the automation of stations and the replacement of older facilities (transmission lines and substations) with new, more compact ones. As a result, a parcel of previously occupied land has become available for other uses, and we can thus visualize important urban intervention, such as Madureira Park, the Copacabana substation and others, which will bring in revenue for the concession.

With regard to the internal public, we are taking ongoing action focusing on the dissemination among the workforce, of a culture of results, merit and building up a work environment attaching greater significance to the life the people involved are leading. We consider this the greatest challenge facing Light S.A. - and it must necessarily pass through a process of putting all the employees' values in line. To this end, different actions have been undertaken by the Light Academy, such as courses, seminars and training sessions.

Two and a half years after coming under the control of RME (Rio Minas Energia), the majority shareholder, Light S.A. is consolidated, as a result of a strategy of action which is centered on the valorization of people and convergence round the ideal outlined in its Mission.

People, organized in innumerable activities in the organization, on the basis of plans covering everything from the long term to the most specific routines, are associated with the achievement of goals reflected in participation in results, by means of management commitments.

This body of relations and commitments led Light S.A. to one of the most significant turnarounds in its history. This is now in the consolidation phase, and the effort made possible an increase in revenue of about 8% in the year. Our EBITDA grew 32.2% as compared to the previous year, and the 28% EBITDA margin places Light S.A. amongst the enterprises showing the strongest sector's performance.

Net profits increased 148.9%, not taking non-recurring effects into account. Total profits reached R\$ 974 million, an extremely significant result in our history.

Light's quinquennial process of tariff revision was carried forward with the company's full dedication, which was recognized in several lawsuits concerning specifics in the concession area, particularly flagrant economic informality, now under close attack by the State and the Authorities of the Municipality of Rio de Janeiro.

In 2008 we made two payments of dividends, one in March and the second in November, for a total of R\$ 554 million, relative to the 2007 fiscal period. We propose further distribution of R\$ 475 million for the 2008 fiscal year, to be paid in March and November 2009. This proposal stems from a dividend policy established at the level of 50% of net profits has gained recognition of the company in the capital market as an action with sustainable results, embedded in the efficiency of operational management. In the year, management costs were reduced 13%.

From August 2006 to December 2008 Light's stock value increased 78%, while IEE reached 36%, and the Bovespa Index only 1%. This clearly illustrates the results of the efforts made by our management strategy, in a favorable context regarding the whole of Brazil, but a difficult one in terms of Rio de Janeiro, as this State spent decades on the margins of the country's growth.



The umbilical connection between the destiny of Light S.A. and that of the city, reasserted yet again when we adopted the institutional slogan Rio is Light in our communications, is the reason why Light S.A. must back with action, together with public administrations at the municipal, state and federal levels, in all ways possible, the quality of life, safety and development of the city's population. The success of the different initiatives turning these commitments into deeds has led to awards and demonstrations of public recognition which have made Light S.A. one of the most dynamic actors in the social development scene in Rio de Janeiro City and the upstate regions.

At the behest of Governor Sérgio Cabral, I took on the presidency of the board of the Development Agency of Rio de Janeiro – AD-Rio. This entity supports some 15 strategic projects for the development of our State, which will lead to economic growth, greater job generation and greater consumption of energy.

The underpinning of all such action is the commitment to sustainability, which is expressed in our Mission and which is based on the environmental, economic and social dimensions. Among the internal activities making this commitment effective, the approval of a new Communication Policy and the Workforce Diversity Policy stand out, in addition to the implementation of the Safe Work Management System, the Greater Value Program and the certifications of the Environmental Management System – SGA.

At the external level, we sought the viewpoints of well known specialists who, in a session organized by FBDS (Brazilian Foundation for Sustainable Development), questioned our management model and the company's commitment to sustainability.

Fair statements and suggestions made, where still not a part of our practices, were very much taken into account because we believe that the company must respond to society's demands – both those expressed by this group, and other more diffused ones picked up by our innumerable forms of interaction in different social and political forums.

On behalf of Light S.A., I must express my appreciation and recognition to the Rio de Janeiro Legislative Assembly, Municipal Chambers, the Judiciary and, above all, the unquestioned support in all instances of the Executive Power, Municipal Authorities, and particularly the governor of the State of Rio de Janeiro, the vice-governor, and his secretariat. I repeat our unswerving will to work towards common objectives for progress, social justice and quality of life that we share with them.

In the name of the Board of Directors, I thank the Administration Council's clear orientation, stimulus, demands and recognition which have allowed us to exceed practically all the targets we had set at the beginning of the previous fiscal year.

I thank our employees, providers, suppliers and the entire community involved in our destiny, for their dedication. Today it already constitutes the most victorious of partnerships.

José Luiz Alquéres
President-Director

[Watch the video](#)

It is **important for the sustainability** of Light S.A. to present the clear positioning and the commitment of its top managers with the strategies that the company elected to manage its present and future, perfectly aligned with the Mission, Vision, Values, and the Light's Prescription of Company, instruments not only motivators, but inspiring the endeavors of all employees in achieving the projected sustainable results.

Corporate Governance

- » Shareholders' control
- » General Assembly
- » Administration Council
- » Fiscal council
- » Board of Directors
- » Committees
- » Consumers' Councils
- » Evaluation of the Administration Council and the Board of Directors
- » Auditing
- » Conformity
- » Interaction with the regulatory agency and associates

According to Light's Corporate Governance Manual, the term Corporate Governance is the body of formal and practical mechanisms which, while respecting the stakeholders linked to the Company – shareholders, administrators, executives, employees, government, environment, capital market, financial entities, community and others -, is intended to address the objective of creating value for the Company and its shareholders, establishing an adequate degree of transparency and communication with the market and other stakeholders.

Light's Corporate Governance focuses on addressing the nine principles adopted in its model of Corporate Management, which in turn reflect the company's objectives. These principles constitute the main instrument at the organization's disposal to avoid and settle conflicts of interest.

The Nine Principles

- *ethics*;
- *fairness* (fair and egalitarian treatment of minority groups and other stakeholders);
- *stability* (guarantee of the continuity of corporative processes);
- *alignment* (administrators' focus on maximization of value for the shareholders as a body);
- *agility* in decision making and implementation;
- *transparency* of information;
- *clarity of the role* of all organs;
- *meritocracy* (to value capacity, commitment, posture and action adding value to the Enterprise); and
- *accountability*.

Light's governance establishes well defined roles for every organ, as well as interface forums for the exchange of information between parties, in order to guarantee that the interests of all concerned will be taken into account and treated with the maximum transparency possible, bringing about trustworthiness and agility of processes. See the forums and their objectives below:

• **Shareholders' forum** – Its objective is to articulate the Enterprise's long-term viewpoint. This forum comprises the General Assembly, the Fiscal Council and the Controllers' Forum. The latter meets periodically to promote understanding, harmony of relationships and alignment of decisions within the controlling group.

• **Interface forums** – In addition to the Administration Council, other interface forums are the Auditing, Finance, Human Resources, Management and Corporate Governance and Sustainability Committees.

In order to guarantee transparency of information, Light S.A. makes its quarterly and annual information available to the market by means of the IPE system of CVM, with financial and corporate statements for every quarter as required by law. This information is also available in the company's website (www.light.com.br). In addition to the foregoing, the following information is also released:

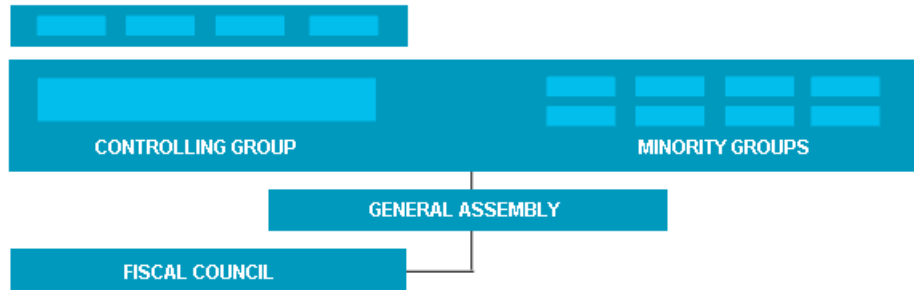
- a) Terms of contracts signed between the enterprise and related parties;
- b) Negotiations covering securities and derivatives issued by the company on the part of controlling shareholders;
- c) Minutes of Board Meetings, Extraordinary and Ordinary General Assemblies, Notices to Shareholders, Relevant Facts and other information considered important for the market.

In an annual public meeting, Light S.A. makes available to analysts and investors the annual calendar of corporative events, such as assemblies, release of results and others of interest to the target-public. Since 2007 the Company has been a member of the Instituto Brasileiro de Governança Corporativa (Brazilian Institute for Corporate Governance) and for the second consecutive year it is in the portfolio of Bovespa's Entrepreneurial Sustainability Index. The list of enterprises comprising this index was released in November 2008 and will be valid until November 30th, 2009.

In 2008 the company approved the Long-Term Incentive Plan, in the Share Purchase Options and "Ghost Options" modes, with the following objectives: (i) to attract and retain executives; (ii) to align executives' interests and the shareholders' objectives and interests; (iii) to share success in creating value with the executives; and (iv) to create long-term vision and sustainability.

SHAREHOLDER'S FORUMS

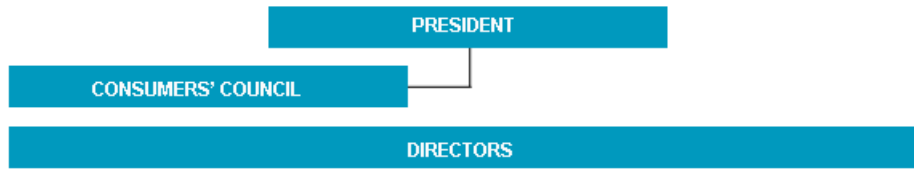
CONTROLLERS' GROUP FORUMS



INTERFACE FORUMS



EXECUTIVE BOARD



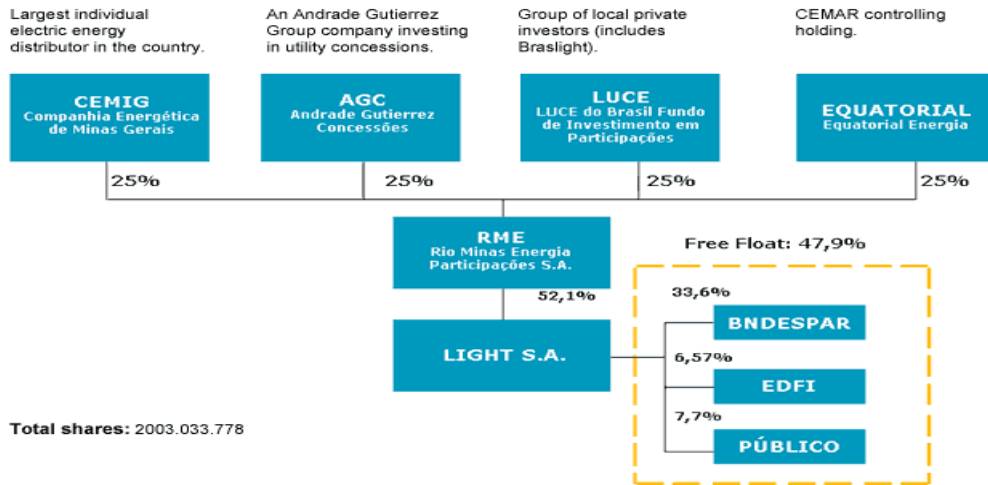
INTERACTIONS AND COMPETENCES

[Top](#)

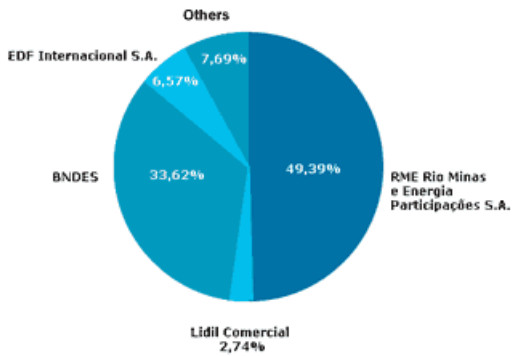
Shareholders' control

The Light S.A. holding has been an open capital enterprise since May 1969. Since August 2006 its controlling shareholder has been the Rio-Minas Energy group, holding 52.1% of common stock. The company's free-float comprises stock held by BNDES (33.62%), EDFI (6.57%) and the general public (7.69%), representing 47.9% of shares circulating in the market. This percentage is higher than the 25% required by Bovespa's New Market rules, which the company entered in 2005. The following is a breakdown of Light's share distribution.

SHAREHOLDERS' CONTROL



Total shares: 203,933,778



RME has a Shareholders' Agreement whereby all decisions taken by the group at meetings will affect those taken in the Light's Administration Council.

Upon becoming a part of the Novo Mercado, Light S.A. extended the same conditions obtained by the controlling interest at the time of the sale of the company's control (100% tag along).

[Top](#)

General Assembly

The General Assembly is the maximum forum for decisions between the different groups of shareholders. Some of its exclusive prerogatives are the election of members of the Administration Board and the Fiscal Council, as well as the approval of financial statements, as determined by the corporate legislation.

[Top](#)

Administration Council

The Administration Council directs strategic planning, supervises the activity of the Board of Directors, sets goals, formulates business strategy and appoints the president-director. The current two-year mandate comes to an end in 2010, on the day of the Ordinary General Assembly, when the results of the fiscal year ending in 2009 will be discussed. The Administrative Council consists of 11 effective members and their respective stand-ins. Of the effective members, eight represent shareholders, two are independent councilors, and one represents the employees.

In addition to the criteria established by the corporate legislation, members of Light's Administration Council must have recognized business experience and adhere to the following precepts and conduct:

- acquire in-depth knowledge about the Enterprise, its business, and all matters submitted to the Administration Council;
- ring up for discussion any matter that may be of interest to Light S.A. and come up with pertinent contributions;
- place the Enterprise's interests ahead of those of the partners or members;
- be good at teamwork and express themselves adequately;
- maintain good relations with the other members and cooperate with them;
- contribute to long-term planning;
- participate in meetings and make themselves available when needed;
- prepare themselves for the meetings; and
- act alertly and proactively.

The Administration Council enjoys the support of committees made up exclusively of members. These committees are charged with going into different matters in depth at the request of the Council to expedite matters but have no deliberative competence; nor may they assume any attributes of the community of their peers. The Administrative Council meets once a month and, in principle, decisions are taken by consensus or, failing that, by simple majority.

Members

EFFECTIVE	STAND-INS
Wilson Nélio Brumer (president)	Luiz Fernando Rolla
Djalma Bastos de Morais	João Batista Zollini Carneiro
Eduardo Borges de Andrade	João Pedro Amado Andrade
Ricardo Coutinho de Sena	Paulo Roberto Reckziegel Guedes
Carlos Augusto Leone Piani	Ana Marta Horta Veloso
Firmino Ferreira Sampaio Neto	Paulo Jerônimo Bandeira de Mello Pedrosa
Aldo Floris	Lauro Alberto de Luca
Elvio Lima Gaspar (BNDESPAR)	Joaquim Dias de Castro
José Luiz Silva	Carmen Lúcia Claussen Kanter
Ricardo Simonsen	Carlos Roberto Teixeira Junger
Ruy Flaks Schneider (Independent)	Almir José dos Santos

Members of Light SESA are the same as for Light S.A., with the exception of the independent and BNDESPAR members.

Wilson Nélio Brumer (chairman): Administrator, and member of the Administration Council of Cemig (Minas Gerais Energy Company). He was the State of Minas Gerais' secretary for Economic Development and vice-president of the Administration Council of BDMG (Development Bank of Minas Gerais). He has also been the president of the Administration Council of BHP Billiton in Brazil, president of Acesita (Itabira Special Steels Company) and president of CST (Tubarão Metallurgy Company) and the president and financial director of Vale.

Djalma Bastos de Morais (vice-chairman): Engineer, president of CEMIG. He was former president of Gasmig, president of Telecomunicações de Minas Gerais S.A., State Telecommunications Minister and vice-president of Petrobras Distribuidora S.A. – BR.

Eduardo Borges de Andrade (effective member): Civil engineer, former CEO of Construtora Andrade Gutierrez S.A. (1979-2000); currently president of the Administration Council of Construtora Andrade Gutierrez S.A. and Companhia de Concessões Rodoviárias (CCR), in addition to being an effective member of the Administration Council of Andrade Gutierrez S.A.

Ricardo Coutinho de Sena (effective member): Civil engineer. Effective member of the Administration Council and President of Andrade Gutierrez Concessões S.A., as well as effective member of the Administration Council of CCR, Corporación Quiport and Dominó Holding S.A.

Carlos Augusto Leone Piani (effective member): IT graduate from PUC-RJ and Business Administration at IBMEC. Awarded the title of CFA



Charterholder by the CFA Institute in 2003. President-director of Equatorial Energia S.A. since March 2007 and Administration Council member of CEMAR since March 2006. President-director of Cemar (March 2006 to March 2007) as well as administration-finance vice-president and director of Investor Relations (March 2004 to March 2007). Before this he worked at Banco Pactual for six years.

Firmino Ferreira Sampaio Neto (effective member): An economist from UFBA with a post-graduate degree in Industrial Planning from SUDENE/IPEA/FGV. President of the Administration Board of Equatorial since March 2006 and member of the Administration Council of Cemar since May 2004. President of Eletrobrás from 1996 to 2001 and president of Eletrobrás Termonuclear from 2000 to 2001. President and financial director of Coelba for 14 years. Board-member of the following enterprises: Furnas, Itaipu Binacional, CHESF, Eletrosul, Gerasul, Cemig, Enersul, Cemat and Light S.A.

Aldo Floris (effective member): An economist, he leads the group of investors at Luce Brasil Fundo de Investimento em Participações, which also has Braslight (Light S.A. employees' pension fund) as a partner. He has been a member of the Administration Councils of the Rio de Janeiro Stock Exchange, Companhia Monteiro Aranha, Vale and Valepar, as well as CEO of Bank of America in Brazil and a member of the Administration Council of the NGO Conservation International, which supports sustainable development.

Elvio Lima Gaspar (effective member): A mechanical engineer from UERJ (1983), with an Executive MBA from COPPEAD-URJ. He has been sub-secretary for Planning of Rio de Janeiro State (January 1999 to April 2000) and secretary for Planning and Economic Development and Tourism of Rio de Janeiro State (April to December 2002).

José Luiz Silva (effective member): Administrator, and member of Light's Administration Council as the employees' representative, through INVESTLight. He is also a consultant on contract to Light S.A. at the project for the recuperation and standardization of commercial agencies.

Ricardo Simonsen (effective member): A mechanical engineer with a degree from PUC-RJ, as well as a Master's degree and a PhD from the Post-Graduate School of Economics of the Fundação Getúlio Vargas (EPGE/FGV). In 2003 he became the technical director of FGV Projects (a position he still holds), a consulting unit of Fundação Getúlio Vargas, with offices in Rio de Janeiro and Sao Paulo. Since 2003 he has been a member of Vale's Governance and Sustainability Committee, the organ responsible for assessing the company's corporate governance practices, the functioning of the Administration Council and recommending improvements to the Code of Ethics and management system.

Ruy Flaks Schneider (member for the Independent Administration - effective): An industrial mechanical engineer, president of Schneider & Cia. He has been a director of Montrealbank, Renasce (National Network of Shopping Centers) and executive vice-president of Grupo Multiplan.

Luiz Fernando Rolla (stand-in member): Electric engineer. A member of Cemig staff since 1974, where he was responsible for the implementation of level 1 and 2 ADR programs at the New York Stock Exchange and level 1 Governance at Bovespa. Currently director of Finance, Investor Relations and Shareholding Control at the Minas Gerais company.

João Batista Zollini Carneiro (stand-in member): An economist, he is the Superintendent of Shareholding at Cemig and the administrative and financial director of Rosal Energia S.A., as well as a consultant to different enterprises in the CEMIG Group and a professor of finance at Ibmecc-MG.

João Pedro Amado Andrade (stand-in member): He holds degrees in Business Administration from PUC/RJ and AUP (The American University of Paris). A member of the Executive Committee of Andrade Gutierrez S.A. since December 2003.

Paulo Roberto Reckziegel Guedes (stand-in member): Civil engineer. Director of Business Development at Andrade Gutierrez Concessões S.A., a stand-in member of the Administration Council of CCR, and an effective member of the Administration Council of Water Port S.A. – Engenharia e Saneamento, and Companhia de Operação de Rodovias S.A.

Ana Marta Horta Veloso (stand-in member): An economist, she is a member of the Long-Term Investment area of UBS Pactual. She worked for BNDES (National Bank for Economic and Social Development) for 12 years and has been on the Boards of different enterprises: Klabin S.A. (2003/04), Acesita S.A. (2003/04), Valepar S.A. (2003), Vale (stand-in, 2003/04), and Net Serviços de Comunicação S.A. (1999). Currently an effective member of the Administration Council of Equatorial Energia S.A.

Paulo Jerônimo Bandeira de Mello Pedrosa (stand-in member): A mechanical engineer from the University of Brasilia (UnB), with further technical training in hydroelectric plant auxiliary systems, hydraulic turbines and Small Hydroelectric Plants, and an MBA from FIA-USP. He has been an independent counselor of Equatorial Energia S.A. since March 2006. Currently he is the executive president of ABRACEL (Brazilian Association of Electric Energy Commercializing Agents) and a professor of regulation at IBMEC. He has worked for Eletronorte and Chesf, and was a director of ANEEL for four years.

Lauro Alberto de Luca (stand-in member): An economist, he was the Director of Operations for Banco Liberal S.A., which later became Bank of America. Currently a managing partner of FLB Consultoria e Participações Ltda.

Joaquim Dias de Castro (stand-in member): An economist from the Federal University of Rio Grande do Sul with a Master's degree in economics from GE/FGV-RJ. A substitute member of the Administration Council of Telemar Participações S.A. since April 2007. He has also been an economist with BNDES (National Economic and Social Development Bank) since January 2004.

Carmen Lúcia Claussen Kanter (stand-in member): An architect with an MBA in Marketing, she is a member of the Administration Council of Light S.A., financial director of INVESTLight (Light S.A. Employees' Investment Club), a director of IBRI (Brazilian Institute of Investor



Relations) and a member of the Board of APIMEC-Rio. She has been on Braslight's Council of Curators, a member of the Administration Council of IBRI, and president of IBRI-Rio.

Carlos Roberto Teixeira Junger (stand-in member): He holds a degree in Accounting from the University of Rio de Janeiro State and a post-graduate degree in Tax Administration from the University of Sao Paulo (1981). Auditor with the Federal Revenue Service, auditor with SUSEP (Superintendence of Private Insurance), advisor to the costs department of Furnas Centrais Elétricas S.A. and a participant for the special group seeking agreements to avoid double taxation with the United States' IRS.

Almir José dos Santos (independent member): An economist, he has been the administrative-financial director of Fundação Eletronuclear de Assistência Médica, a financial director of Eletronorte, president of Companhia Auxiliar de Empresas Elétricas Brasileiras (Caeeb) and head of the Investment Department at Eletrobrás.

[Top](#)

Fiscal council

Light S.A. has a Fiscal Council, set up by request of the shareholders, reporting directly to the Assembly. It is made up of five effective and four stand-in members. Among its chief responsibilities is the assessment of financial statements, observing and evaluating administrative deeds and proposals, as well as evaluating reports concerning possible errors, fraud or other illegalities performed by members of the company. The Fiscal Council meets monthly, with extraordinary sessions when necessary.

[Top](#)

Board of Directors

Responsible for direct management of business, the board of directors executes the strategy called for by the Administration Council. It is made up of nine members, who are responsible for Light's active and passive representation. The president-director – the company's Chief Executive Officer – is appointed by the Administration Council, and he in turn appoints the other directors, with the Council's approval. The Board of Directors meets weekly or in extraordinary sessions when necessary.

Executive Board

- **José Luiz Alquéres** – president-director
- **Ronnie Vaz Moreira** – executive and Investor Relations vice-president
- **Paulo Henrique Siqueira Born** – director of Concession Development
- **Ana Silvia Corso Matte** – director of People
- **Luiz Fernando de Almeida Guimarães** – director de Energy and Environment
- **Roberto Manoel Guedes Alcoforado** – director of Customers
- **Paulo Roberto Ribeiro Pinto** – director of New Business and Institutional
- **Mozart Vitor Serra*** – director of Instituto Light
- **Luiz Claudio Salles Cristofaro*** – legal director

* Non-statutory

José Luiz Alquéres – An engineer with entrepreneurial experience in the public and private sectors, he has been the National Secretary for Energy and president of major concerns such as Alstom, Cerj and Eletrobrás. He has also been an executive director of Cia. Bozano Simonsen. He has led successful turnarounds in energy enterprises, such as Eletrobrás itself (1991 to 1994, the occasion when the company launched its ADRs), Escelsa (1995 and 1996) and industrial enterprises such as Alstom (2000 to 2006).

Ronnie Vaz Moreira – An economist with a Master's degree in International Administration and experience in the private and public sectors. He has been the financial director of Petrobras, president of Globopar and a senior vice-president of ABN AMRO Bank. He has wide experience of different capital market transactions, including the sale of shares and debt in the public and private markets, debt restructuring operations and investor relations.

Roberto Manoel Guedes Alcoforado – An electric engineer with a Master's degree in Science from the Technological Institute of Aeronautics. At Chesf, he carried forward activities in the transmission and generation system planning area and economic and financial planning (1975-1989). He has been Chesf's Planning and Operations director (1990-1993) as well as economic and financial director, Distribution director and vice-president of Companhia Energética do Rio Grande do Norte – Cosern (1996-2000). He has been president, vice-president and Distribution director of CELPE - Companhia Energética de Pernambuco (2000-2006).



Luiz Fernando de Almeida Guimarães – Started working for the state electricity sector (Eletrosul and Itaipu Binacional) on projects for the Itaipu and Salto Osório hydroelectric facilities, as well as Jorge Lacerda II thermoelectric plant and others. He coordinated different relevant projects at Projeto Engevix and Enge-Rio, as well as the Executive Project of the Tucuruí hydroelectric facility (Eletronorte), the inventory of the Basin of Paraíba do Sul River (Furnas) and others, in addition to self-generation studies for Vale and generating capacity increase studies for Lajes hydroelectric complex (Light S.A.). He has been a member and chairman of deliberative councils at the Paranapanema and Votorantim Groups, as well as a member of operating and environmental technical committees.

Paulo Roberto Ribeiro Pinto – He has a degree in Accounting Sciences and has been in the electric sector for 36 years, with time at Eletrobrás (as an executive he participated in the privatization program of the sector), Chesf, Furnas and Light.

Paulo Henrique Siqueira Born – An engineer with a Master's degree in Hydraulic Resources and Economics, he has been active in the electric sector since 1979, mainly in the planning and regulation areas. He has worked for Copel (from trainee to superintendent, 1979-1997), ANEEL (advisor to the Board of Directors, 1998), Eletropaulo (superintendent, 1999) and Duke Energy (vice-president, 2000-2006). Since the mid-1990s he has been very much involved in discussions about the institutional model and the regulatory framework of the electric sector.

Ana Silvia Corso Matte – A lawyer with a post-graduate degree in Human Resources, she has specialized in human resources after years of experience in labor law. She has had relevant experience in leading the Human Resources Boards at Jornal do Brasil, CSN, Sendas and Telsul. In these organizations she participated in processes of renovation of the enterprises' cultures and creating an innovative results-oriented management mentality.

Mozart Vitor Serra – An urban planner with a post-graduate degree in Economics. Over the last 15 years he has led World Bank teams preparing urban infrastructure operations in Latin America and the Caribbean. Also with the World Bank, in the studies and research area, he has worked in Asian and African countries, particularly Vietnam, Afghanistan, South Africa, Mali and Mozambique. He is a member of the Administration Council of the Urban Age Foundation and a consultant to Cities Alliance. In Brazil he has done technical and executive work in the public and private sectors. He worked for Light S.A. from 1980 to 1984 and in 1992.

Luiz Claudio Salles Cristofaro – A lawyer with an MBA in Corporation Law, he is a senior licensed partner of the Motta Fernandes Rocha law firm and a professor of Commercial Law at PUC-RJ. As a lawyer, he has participated in numerous societary, M&A and financial restructuring operations. He has also been the president-director of Myrurgia do Brasil, a Spanish multinational where he was responsible for the restructuring and sale of the enterprise's industrial unit in Brazil, with over two hundred employees (1990 a 1995).

[Top](#)

Committees

Light S.A. has five Committees for consultation, which have no executive functions or deliberative character. Such instances cannot be put in action directly by the Board of Directors. The committees are mobilized and meet to discuss matters set down in the Governance Manual or specific matters requested by the Administration Council.

Audit Committee – Responsible for analyzing and approving Quarterly Results Reports and Standardized Financial Statements before they are published. This committee is also responsible for verifying compliance with the New Market rules, and setting objectives and activities. It assists the Administration Council in defining quality standards for financial reports and internal controls. In addition, it must watch over the independence and objectivity of internal and external auditors. It meets at least once every quarter, or at any time at the Administration Council's request.

Finance Committee – Its function is to identify financial needs and propose ways to meet them. In addition, it must monitor the company's main financial indicators (cash flow, investments, loans, etc.), verify investments, identify opportunities to improve the cost of capital and recommend corrective action when necessary. It meets at least once every quarter, or at any time at the Administration Council's request.

Management Committee – Its basic tasks are to assist in defining the Enterprise's strategies for action and to interact with the executives in the preparation of the Strategic Plan, based on budgetary directions, general and specific goals, perspectives, indicators and metrics. It is also the duty of this committee to supervise management of the company in connection with economic, environmental and social performance. It meets at least once a month, or at any time at the request of the Administration Council.

Human Resources Committee – Its duties are to examine and give opinions about directions concerning remuneration, and to monitor the application of the compensation policy. It must also revise remunerations, bonuses and the management development and executive succession plan. It meets at least once a month, or at any time at the request of the Administration Council.

Governance and Sustainability Committee – Its function is to propose governance and sustainability practices and rules to ensure the proper functioning of the company. As of 2007, the Committee's scope of action has been extended. In that year it took on responsibility for watching over matters related to sustainability, in addition to evaluating the execution of governance practices, participating in the



recruitment of independent counselors and proposing how responsibilities should be divided up by the Committees. Additionally, it must monitor and suggest changes in how the Administration Council functions, including setting up meetings, agendas and information flow for the shareholders. It meets at least once every quarter, or at any time at the Administration Council's request.

[Top](#)

Consumers' Councils

With 16 representatives and one honorary member, this council is a forum for consumers with the concessionaire. Instituted by law, it congregates the most important associations in the residential, commercial, rural, and public services consumption segments, as well as academic entities. The Council meets Light's president and directors at least seven times along the year; its members participate actively and regularly by means of contributions, criticism, suggestions and demands, to which Light S.A. must always be open. All the councilors' statements are minuted and proposals, when deemed pertinent, are processed for action and followed up during subsequent meetings.

The setup of these meetings usually includes lectures and presentations by company executives, often by request of the members themselves. In 2008, a representative of the Sustainability Workgroup made a presentation on the subject, highlighting its importance not only as a commitment of Light's, but for society at large. The Council's deposition in Public Hearing during the process of tariff revision was particularly relevant.

The administration of Light S.A. recognizes the importance of the involvement of the Consumers' Council in matters related to improvement in services rendered to the population. It identified an opportunity to establish a direct channel of communication between this organ and Light's Ombudsmanship*, which is also responsible for organizing Council meetings and providing a secretarial work.

** The Ombudsmanship is subordinated to the Superintendent of Institutional Relations and the Area of New Business and Institutional Matters.*

[Top](#)

Evaluation of the Administration Council and the Board of Directors

With the approval of the Administration Council, assessment of the functioning, acts and interacting between this Council, its secretary general, its committees and the president-director is an important instrument to watch over the effectiveness of different instances and the ongoing quest for improvement in corporate governance practices.

In the environment of the Administration Council, this assessment includes matters such as: (i) the flow of information between the Board of Directors and the Administration Council; (ii) the focus of meetings and how they are run; (iii) the delay and quality of decisions; (iv) degrees of responsibility; (v) internal harmony among board members; and (vi) the members' personal behavior. There are no specifically environmental and social criteria.

Evaluation of the president-director covers matters concerning strategic vision and planning, leadership, the Enterprise's results, external relations, relations with the Administration Council, development of key executives and creating opportunities for Light S.A.

Variable compensation of the Council, Board of Directors and other executive positions is set on the basis of the evaluation of three dimensions: a quantitative dimension assessed by means of the 'Management Commitment' program, and two qualitative dimensions, covering the executive's individual performance and an analysis of the Executive Board of Directors as a body. The targets linking controllers, management and employees in complying with the company's Mission are set out in 'Management Commitment'. In 2008, the directors of Energy and Environment, People, Customers and the vice-president of Finance and Investor Relations were set goals related to sustainability indicators – such as accident reduction, environmental certification and licensing – tied into their management contracts.

[Top](#)

Auditing

Committed as it is to the transparency and reliability of information, Light S.A. keeps a detailed system of internal audits. Since the first quarter of 2008, external auditing has been carried out by KPMG Independent Auditors, which is responsible for auditing the financial statements corresponding to the 2008 fiscal year. In this fiscal year, these independent auditors acted exclusively in Light's accounting audit and did not perform any additional services or consulting for the company.

To comply with one of the obligatory items to participate in the capital market, in 2008 Light S.A. adopted the International Financial Reporting Standards – IFRS, under the guidance of PriceWaterhouseCoopers Consulting. The adoption of the new standard will be reflected in Financial Statements relative to the 2009 fiscal year.

[Top](#)

Conformity

Light's main work standards – established in accordance with the organization's strategic, tactical and operational directions – are set down in documents intended to cover all matters requiring internal control, so as to guarantee compliance with the law, regulations and strategies/directions. Light's Environmental Procedures are included here.

Verification of compliance with the main work standards, whether standardized or not, is in the first instance the responsibility of the management in each area, with the support of internal audits.

Regarding the value chain, compliance with laws and regulations is verified by means of assessments of our suppliers' performances (*read on under Suppliers*). The objective is to watch over adherence to minimum conditions observed upon qualification, which cover Work Safety management, training and qualifying personnel, organization of the workplace and the management of Human Resources and Environment.

Disputes or possible sanctions linked to legal, regulatory or contract requirements associated with the service are dealt with by the Areas of Concession Development, Legal Matters, Energy and Environment, as well as the Ethics Committee. Over the last three years, Light S.A. has registers of sanctions in labor, civil, tax and ANEEL spheres. It must be stressed that the contingency payment to the regulatory agency does not include fines related to the supply and use of products and services dealt with under indicator PR-9. [\[S08\]](#)

CONTINGENCY PAYMENT (R\$ thousand)

MATTER	2006	2007	2008
Labor	18,407	17,131	17,914
Civil	42,906	47,648	46,954
Tax	2,985	-	-
ANEEL	2,945	3,354	-
TOTAL	67,242	68,133	64,867

WATCH THE VIDEO



They talk of Light S.A.
Deposition of the Judiciary Power

[Top](#)

Interaction with the regulatory agency and associates



Light S.A. interacts closely with the regulatory agency Aneel, taking into account that the Company is in a heavily regulated sector, and any decision made by the regulatory agency may have a significant effect on our business. Light's actions take different forms: contributing to public audiences, meetings and discussions with Agency superintendents and directors, and work in partnership with sector associations such as Abradee (Brazilian Association of Electric Energy Distributors), Apine (Brazilian Association of Independent Producers of Electric Energy) and others.

Light's participation in ACRJ (Commercial Association of Rio de Janeiro) as a member of the Micro & Small Enterprise Council must be highlighted. The Company is also a member of the Rio Forum which gathers private and public entities who are concerned about associating entrepreneurial activity and market expansion. Additionally, the company endeavors to offer subsidies so that business can influence debates of an economic and social nature and be more familiar with the subjects discussed.

Light S.A., is a member of and participates in the activities of a vast range of entities within and outside the electric sector. Here is a list of some of them:

Initials	Entities
ABCE	Brazilian Electric Energy Concessionaires' Association
ABDIB	Brazilian Infrastructure and Base Industry Association
ABEE	Brazilian Association of Electric Engineers
ABERJE	Brazilian Entrepreneurial Communication Association
ABESCO	Brazilian Association of Energy Conserving Enterprises
ABGR	Brazilian Risk Management Association
ABNT	Brazilian Association of Technical Standards
ABRACEL	Brazilian Association of Electric Energy Commercializing Agents
ABRACONEE	Brazilian Association of Electric Energy Sector Accountants
ABRAGE	Brazilian Association of Large Electric Energy Generating Enterprises
ABRASCA	Brazilian Association of Publicly Held Companies
AMCHAM	American Chamber of Commerce

It is important for the sustainability of Light S.A. to have a clear, consolidated governance structure, guided by policies and principles shared throughout the organization. The structure reporting, with resumes of managers and board members, is an instrument of management transparency.

Top



Model for acting

- » The values of Light's people
- » Light's Mission
- » Strategic and tactical plans
- » Management commitments

Light's Prescription People with values, living the company's MISSION, organized in their efforts by strategic and tactical plan, sign management commitments to reach and pass objectives and targets agreed upon.

- focus on results;
- value merit;
- courage and perseverance;
- ethical behavior and solidarity; and
- oy.

On the basis of transforming action of a permanent character, Light S.A. considers that a team of professionals imbued with common values is essential for any winning strategy.

Shareholders' control

The values of Light's people

The second step is to mobilize these people, which requires all our people to be clear about the company's Mission.

Light's Mission

"To be a large Brazilian enterprise committed to sustainability, respected and admired for the excellence of the service rendered to customers and the community, for the creation of value for its shareholders and because it is a wonderful place to work."

Strategic and tactical plans

The next step is to act in accordance with what was planned. Plans are always the result of a structured process, where the context is analyzed, strategies defined, programs and assessable targets agreed upon. The execution of all this is watched over step by step, and carried forward in accordance with budgets.

Management commitments

The fourth and last step is to link the reach of all these goals to management commitments agreed upon by the Administration Council and



the directors, and later the directors and management, who will thus support global objectives. These objectives, in turn, are broken up in a structured manner into elements to be executed by each of the company's units. Commitments are the basis of management's variable remuneration.

It is **important for the sustainability** of Light S.A. to propagate and share its Mission, Vision, and Values, as well as the Light's Prescription of Company, which clearly demonstrate how the company intends to act to achieve its Strategic Ambition.

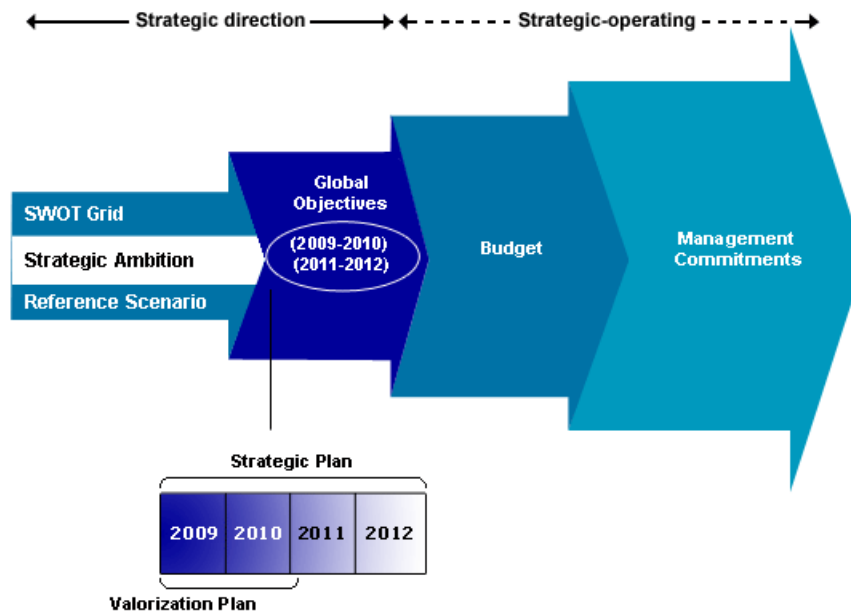
Strategic Planning

Light's strategy: to generate value for its shareholders by means of a commitment to agreed-upon results, upholding excellence in the rendering of services to customers and the community, as well as being a wonderful place to work.

The Light's strategic ambition (vision) is to be a sustainable organization, differentiated in governance, operating excellence, asset management, stock liquidity, and return to shareholders; Consolidate its cohesion around a results-oriented culture, people appreciation, customer satisfaction, and for the development of the concession area; Grow within the current business and/or new business opportunities, and create sustainable bases for results.

Light's strategic planning, developed within the premises established in its Mission and Strategic Ambition, is a guide to aligning actions taken to improve the process of complying with objectives. It is a continuous process, revised annually, with a detailed four-year horizon and an indicative one for the longer term, when necessary.

Valorization Plan is the name of the tactical plan to take the company to doubling its market value in the two first years of the 2009-2012 Strategic Plan. There are four fronts for action: Results, Product, Market and Sustainability. Led by the boards, these four fronts have specific programs to develop. Focusing on projects and attitudes that contribute to the enterprise decisively, they project Light S.A. to a position of future leadership in the Brazilian electric sector.



A major guideline of the Strategic Plan is the integration of managers. To consolidate this, directors and superintendents met in different forums to revise and update the strategic course, so that objectives, targets and management commitments were widely discussed and validated by the employees who hold strategic positions in the company.

watch the video



The Executive and Investor Relations vice-president talks about the Valorization Plan

Strategic direction

The process of strategic planning is divided into two stages: strategic direction and operational-strategic. In strategic direction, the SWOT matrix (the company's strengths and weaknesses, and external opportunities and threats) was analyzed together with the reference scenario (consensus regarding possible change). At the end of 2008 these analyses were revised in view of the deepening world economic crisis. They pointed out as the greatest challenge the company's capacity to attract investment and foster the development of the concession area.

Starting with those analyses, it was possible to review the Light's strategic ambition and define global objectives as well as objectives per area, which were in turn distributed among the four action fronts: Results, Product, Market and Sustainability.

Results

- Protect the enterprise from risk and endow it with strategic intelligence;
- Provide the enterprise with tools and processes to mitigate regulatory risks;
- Maintain EBITDA's significant growth, based on the process of rationalizing and deepening revenue diversification.

Product

- Improve and modernize the electric system with a view to integrating the entire area;
- Expand generation capacity;
- Seek systematic improvements in increases of efficiency through initiatives for cost reduction, operational improvements and the revision of processes.

Market

- Reduce losses through the implantation of new technology and process improvement;
- Contribute towards the development of the concession area;
- Make it feasible for Light's capital in real estate to be source of revenue;
- Prepare Light S.A. to be a modal player in the Brazilian electric sector.

Sustainability

- Implement a solid culture directed at results and merit, focusing on the employee and improvements to the work atmosphere;
- Consolidate institutional image as an innovative and socially committed leader in the sector;
- Promote the best governance and corporate management practices.

On the basis of these objectives, the operational-strategy phase started, in which budgetary premises and projections to the Strategic Plan's horizon were defined.

The Strategic Plan's objectives will also be fostered by directed actions at all levels in the company, coordinated between different areas and monitored by management and operational indicators. Efforts to reach such objectives will be referred to quantitative targets for these indicators, connected to management commitments, which are the basis for employees' sharing profits and results, as well as for executives' variable remuneration.

Put into place in 2008, the Valorization Plan comprises a set of twelve programs, distributed into the four action fronts. The twelve programs comprising the Valorization Plan are:

Results

V.1 – Enterprise Control and Permanent Priority Realignment;



V.2 – Development of the Concession with Integrated Risk Management and Strategic Intelligence;
V.3 – Management of Contingencies and Provisions;

Market

V.4 – Success in the Recovery of Energy;
V.5 – Regional Development, New Markets and Technologies;
V.6 – Real Estate Development; New Generating Business;

Product

V.7 - Upgrade of Electric System;
V.8 – Generation Expansion;
V.9 – Efficiency of Operational and Corporate Management;

Sustainability

V.10 – Culture of Results and Merit;
V.11 – Consolidation of Institutional Image; and
V.12 – Better Governance.

It is **important for the sustainability** of Light S.A. to have a clear view of the scenario ahead, with a deep knowledge of its risks and opportunities. Strategic Planning is a fundamental tool for such self-reflection exercise, essential for structuring the company's actions to reach its goals, according to its Mission, Vision, and Strategic Ambition.



More Value

- » Introduction
- » Internal social indicators
- » Figures for Light's people
- » Human Rights
- » Recruitment of people with disabilities
- » Health and Safety at Work
- » Promotion of occupational health
- » Recruitment and selection
- » Internal recruitment
- » Compensation and benefits
- » Complementary post-retirement income plans
- » Training and Development
- » More Value Program
- » Definition of competence and performance management system
- » Agreements with trade unions
- » Anti-corruption

Objectives of the "More Value"

Program Contribute to the alignment and mobilization of the employees to build a new reality, directed at competitiveness, excellence and valorization of our people, our company and

our concession area; and Support the creation of a solid culture of results, in which employees evolve from the concept of collaborators to that of effective partners in building value for the company, as they grow personal and professionally.

all its employees in social responsibility actions, so as to stimulate social dialogue in the company. It is based on the most important of the United Nations Organization's principles and declaration (Principles of Protection and Defense, Universal Declaration of Human Rights, Declaration on the elimination of all forms of discrimination against women, and the Declaration of the Rights of Children, as well as a great many of the principles established in the Fundamental Conventions of the International Labor Organization – ILO).

Corporate Social Policy of Grupo Light – This document consolidates directions for the Organization's social action. Its directions take into account its alignment with the principles of the UN Global Compact, the exercise of citizenship and ethics, support for the development of communities in the surroundings of Light's real estate, the search for solutions to urban problems interfering with the rendering of services, support of public policies, and the prohibition of financing political campaigns (as set out in Law no. 9096 dated September 19th, 1995). [SO6]

Light's Environmental Policy – The enterprise's formal policy regarding preservation and conservation of the environment.

Workforce Diversity Policy – A formal policy of the company's which sets out the inclusion of people with disabilities in Light's workforce, and establishes the company's commitment to pursue gender equality.

Corporate Governance Manual – This manual sets down the principles applied in managing the company and guarantees proper practices regarding corporate governance.

The reach of all these instruments extends well beyond internal boundaries, and they set out Light's commitment to society as a whole. The company endeavors to encourage their adoption by all stakeholders, as the foundation for building up a sustainable relationship on a permanent basis.

Introduction

In line with the Valorization Program, which will endeavor to double the market value of the company in the 2009-2010 biennium, Light S.A. believes that construction of value for the company will only come about if its people grow and gain value personally and professionally during the process. For this reason, Light's Prescription specifies people with values meeting with a common objective. This is the way Light's people are, and this is how the company is working to become, hand-in-hand with valorization of the market, an excellent place to work, as set down in the company's Mission. The People Area is responsible for the labor relations at Light S.A.

Supported by a body of policies defining and backing the best corporate practices, in the sense of equalitarian treatment of all employees and stimulating joy in the workplace as one of its main values, Light S.A. is developing a set of actions aimed at our employees' growth in their professional environment. This process is regulated by the following corporate instruments, which are available on the company's intranet and also in its website:

Code of Ethics – Formalizes the ethical precepts that must be present in all relationships between Light S.A. and its stakeholders; it is spread permanently among the employees, the main target-public for the document.

Social Responsibility Agreement – Ratified in 2008 and signed with the trade unions representing the employees, this document strengthens the involvement of Light's leaders and



Learn about the Grupo Light's Corporate Policies

[Top](#)

Internal social indicators

"Light is a company totally involved with the expectations of the population it serves, with the municipalities, with the governor and the State Government."

Sérgio Cabral – Governor, State of Rio de Janeiro

At the end of 2008, Light's workforce stood at 3,732 people, with an average of 14.9 years' seniority and an average age of 40.4 years. Middle school is the minimum scholastic level in the case of 86.6% of the workforce. The Company considers the educational level of its employees as fundamental for success. In 2008, Light S.A. had 6,415 employees from contractors, as compared to 6,200 in the same period of 2007. They all have labor contracts for an indefinite term and work within the time limits as established by law. In 2008, stimulated by the company, 72.6% of the workforce filled out and handed in questionnaires for a race and color census that Light S.A. had promoted the year before.

The information gathered on the racial and gender census conducted with Light's employees was compared to the characteristics of the concession area, by using data from the IBGE Census 2000. The comparison evidenced that the racial composition at Light S.A. adequately reflected the concession area's profile.

In terms of gender, Light S.A. presented predominance of men, an expected characteristic in electric sector companies. According to the census, women represented 21.85% of the workforce.

The analysis was submitted to a Board meeting. It led to a broader discussion on diversity within the company, culminating with the approval of a diversity formal policy.

[Top](#)

Figures for Light's people

[LA1] TOTAL WORKFORCE BY EMPLOYMENT TYPE, EMPLOYMENT CONTRACT, AND REGION.

Region	2006			2007			2008		
	Greater Rio	Upstate	Total	Greater Rio	Upstate	Total	Greater Rio	Upstate	Total
Labor contract									
Definite-term contract	270	26	296	19	6	25	1	6	7
Indefinite-term contract	3,343	513	3,856	3,316	566	3,882	3,174	551	3,725
Total	3,613	539	4,152	3,335	572	3,907	3,175	557	3,732

Note: All employees are full-time. The seven definite-term employees are young apprentices, according to the existing law.

[LA2] TOTAL NUMBER OF EMPLOYEE TURNOVER BY AGE GROUP, GENDER, AND REGION.

Region	Gender	2006				2007				2008			
		Age Range				Age Range				Age Range			
		< 30	> 50	30-50	Grand total	< 30	> 50	30-50	Grand total	< 30	> 50	30-50	Grand total
Greater Rio	F	16	26	8	50	21	25	45	91	23	17	43	83
	M	38	68	79	185	29	176	112	317	42	110	152	304



Total Greater Rio		54	94	87	235	50	201	157	408	65	127	195	387
No info/ Upstate	F	1	2		3	1	5	2	8	1	1	1	3
	M	1	7	8	16	11	18	15	44	8	24	23	55
Total No info/ Upstate		2	9	8	19	12	23	17	52	9	25	24	58
Grand total		56	103	95	254	62	224	174	460	74	152	219	445

[LA2] RATE OF EMPLOYEE TURNOVER BY AGE GROUP, GENDER, AND REGION.

Region	Gender	2006				2007				2008			
		Age Range			Grand total	Age Range			Grand total	Age Range			Grand total
		< 30	> 50	30-50		< 30	> 50	30-50		< 30	> 50	30-50	
Greater Rio	F	6,50%	5,60%	11,00%	6,40%	8,80%	30,50%	9,80%	11,60%	9,35%	17,89%	9,53%	10,48%
	M	8,40%	3,80%	13,40%	6,50%	8,00%	31,30%	6,90%	12,40%	11,70%	19,20%	10,48%	12,76%
Total Greater Rio		7,70%	4,20%	13,20%	6,50%	8,30%	31,20%	7,50%	12,20%	10,74%	19,01%	10,25%	12,19%
Upstate	F	5,60%	9,50%	0,00%	7,00%	7,10%	50,00%	9,10%	21,60%	8,33%	33,33%	4,35%	7,89%
	M	2,30%	1,90%	10,70%	3,20%	20,40%	17,80%	3,90%	8,20%	11,76%	23,30%	6,61%	10,60%
Interior Total		3,20%	2,30%	10,10%	3,50%	17,60%	21,60%	4,20%	9,10%	11,25%	23,58%	6,47%	10,41%
Total Upstate		7,40%	3,90%	12,80%	6,10%	9,20%	30,00%	7,00%	11,80%	10,80%	19,64%	9,63%	11,92%

* Formula = Number of dismissed in the year / Average Number of Employees

[LA13] COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER CATEGORY ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP, AND OTHER INDICATORS OF DIVERSITY – 2008

Gender	Function		Administrative	Board	Management	Operational	Professional	Técnico	Grand Total
	Age Group								
Female	Up to 30 years old		109		6	1	39	110	265
	30-50 years old		135	1	48	1	155	149	489
	Over 50		20		10	3	36	8	77
Total Female			264	1	64	5	230	267	831
Male	Up to 30 years old		65		6	168	47	209	495
	30-50 years old		112	2	141	875	215	820	2,165
	Over 50		78	5	56	179	166	185	669
Total Male			255	7	203	1,222	428	1.214	3,329
Grand total			519	8	267	1,227	658	1.481	4,160

[LA13] COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER CATEGORY ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP, AND OTHER INDICATORS OF DIVERSITY – 2007

Race	Administrative						Board						Management					
	Female			Male			Female			Male			Female			Male		
	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50
Yellow	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0
White	11	25	9	7	27	33	0	1	0	0	0	4	1	24	6	4	78	37
Indigenous	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0



Dark	7	13	4	2	26	15	0	0	0	0	0	0	0	7	0	1	13	7
Black	0	3	2	0	4	2	0	0	0	0	0	0	0	1	0	0	0	1
No Information	13	20	7	10	27	30	0	0	0	0	2	1	0	11	1	1	38	14
Total	32	62	24	20	84	80	0	1	0	0	2	5	1	43	7	6	132	59

Race	Operational						Professional						Technical					
	Female			Male			Female			Male			Female			Male		
	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50
Yellow	0	0	0	4	0	1	1	0	0	0	2	1	1	1	0	0	5	1
White	0	0	0	26	151	21	28	91	23	28	98	71	50	64	5	63	194	69
Indigenous	0	0	0	0	6	0	0	0	0	0	1	4	2	0	0	9	0	
Dark	0	0	0	17	159	31	3	17	3	2	23	8	35	32	3	26	161	23
Black	0	0	0	6	57	14	2	5	0	1	2	4	4	14	0	12	37	9
No Information	1	1	2	74	412	113	10	51	13	23	70	53	82	100	3	110	403	104
Total	1	1	2	127	785	180	44	164	39	54	195	138	176	213	11	211	809	206

[LA13] COMPOSITION OF GROUPS RESPONSIBLE FOR CORPORATE GOVERNANCE AND BREAKDOWN OF EMPLOYEES BY CATEGORY, ACCORDING TO GENDER, AGE GROUP, MINORITIES AND OTHER INDICATORS OF DIVERSITY - 2008

Race	Operational						Professional						Technical					
	Female			Male			Female			Male			Female			Male		
	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50
Yellow	2												1				2	
White	24	34	14	22	31	31		1			1	6	1	23	5	3	71	39
Indigenous	1	1	1															1
Dark	12	16	5	10	19	19								8		1	12	8
Black	1	5	4	3	5	3												1
No Information	5	11	7	5	14	20								7	2		24	15
Total	45	67	31	40	69	73	0	1	0	0	1	6	1	39	7	4	110	63

Race	Operational						Professional						Technical					
	Female			Male			Female			Male			Female			Male		
	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50
Yellow				5	1	2	2			2	1		1				6	1
White				70	195	33	47	98	26	38	115	72	89	123	10	107	261	71
Indigenous				1	5						1	3	1				8	
Dark	1	1		40	187	48	4	15	5	6	21	8	37	48	7	41	176	28
Black				12	62	24	4	6		1	3	1	6	15		12	41	6
No Information	2		1	17	231	94	10	28	10	18	41	57	7	32	1	15	264	93
Total	3	1	1	145	681	201	67	147	41	63	182	140	142	220	18	175	756	199

[LA14] RATIO OF BASIC SALARY OF MEN TO WOMEN BY EMPLOYEE CATEGORY



Average male salary / Average female salary

Category	2006	2007	2008
Administrative	120%	100%	102%
Management	108%	108%	112%
Operational	113%	98%	108%
Professional	112%	112%	111%
Technical	146%	164%	157%

[Top](#)

Human Rights

Repudiation of the use of forced and compulsory labor, child labor and any form of discrimination are the main directives regarding human rights observed by the company, set out in its body of corporate policies. Employees' commitment to these directives, which are given out on a regular basis for the internal public and outsourced companies, is a requirement of the company. Compliance is ensured by the Executive and Investor Relations vice-president, the director of Energy and Environment and the director of People.

The company's relations with trade unions representing its employees are based on recognition of their representativeness and principles of cooperation for the development of the Company and its employees, as well as mutual trust, transparency and ethics. Light S.A. respects the unions' engagement with the company's employees, ensuring protection against any discriminatory action against trade union freedom.

Due to its compliance with its policies and directives and to its engagement of employees, Light S.A. has no operations presenting significant risk to the right of freedom of association and collective bargaining, or any instances of child labor, forced labor, or labor analogous to slavery. There is no presence of indigenous peoples in Light's concession area, so there is no possibility of their rights being violated. [\[HR5\]](#) [\[HR6\]](#) [\[HR7\]](#) [\[HR9\]](#)

As a matter of principle, the Company repudiates any form of discrimination or harassment. Any possible cases are brought to the company's attention by reporting them to the Ethics Committee, an immediate superior or registered legal action.

Over the last three years there have been 12 reports of infractions of the [Ethics Code](#), all of which were submitted to the Ethics Committee for analysis. Of these, only one is still under investigation; all the rest have been analyzed and solved. The committee maintains regular contact with the person who reported the infraction so as to watch over the matter until an effective solution is found.

REPORTS OF INFRACTIONS OF THE ETHICS CODE

Reason for Report	2006	2007	2008
Moral Harassment	6	2	2
Sexual Harassment	1	-	1

In addition to the reports of infractions of the Ethics Code, between 2005 and 2008 Light S.A. was sued in six instances falling under the category of moral harassment. Of the three lawsuits already tried, the result was favorable to Light S.A. in two cases, and unfavorable in one case, where the Company appealed. In view of the nature of these lawsuits, Light S.A. believes it will be judged not guilty in all cases. [\[HR4\]](#)

Training in human rights

Light S.A. is reviewing internal procedures in its Security area, which falls under the director of People. This activity is performed by contractors and the contracts with the service providers ensure proper qualifications and certification of 100% of the professionals involved. Their training includes work on the fundamental principles of human rights and all the procedures inherent in how these professionals perform their duties, in accordance with the organization's Ethics Code. Effective employees are due to be recycled in 2009. [\[HR8\]](#)

[Top](#)



Recruitment of people with disabilities

Light S.A. has been recruiting people with disabilities for over 14 years. In 2008, 55 people falling under this heading were taken on, in addition to 147 professionals already on the payroll, working in the areas of administration, attention to the public, invoicing, collections, and in the virtual agency, among others. This total is 20.5% higher than that for 2007. Several of our partners support us in recruiting such professionals, including IBDD (Brazilian Institute for the Rights of People with Disabilities) and entities such as Assidef, SINE, Cead, CVI, Apael and Andef. In the process to fully comply with current legislation, Light S.A. and the Labor Public Attorney's Office signed a Conduct Adjustment Term (TAC) calling for advertising professional opportunities for handicapped people at the database of job openings of the Labor and Income State Secretariat.

In accordance with what Light's [Diversity in the Workplace Policy](#) extols, in addition to professional insertion, the company stimulates the formation of such employees. One specific program, put together by the Light Academy, includes a basic model for integration into the enterprise and training in basic administration skills, routines, internal procedures and systems, Office suite, and Portuguese language. Those who have not yet concluded secondary school level are guided to the alternative adult-education course, developed in partnership with SESI.

A number of sensitiveness workshops, designed to prepare the organization for the arrival of new handicapped people, involved approximately 90 employees, ranging from the organization's main leaders to professionals in the receiving areas.

WATCH THE VIDEO

[People director talks about diversity at Light S.A.](#)



[Top](#)

Health and Safety at Work

The best practices to ensure the physical integrity and good health of Light's employees are explained in the body of programs and actions based on the Work Safety and Occupational Health Policies.

Safe Work Management System – Put in place in September 2008, this system was developed in Canada and focuses on a prevention attitude, linked to risk management in the principal activities developed by companies in the electric sector. The systems extols attention to the best practices, by means of compliance with protocols organized in 22 elements grouped round five major subjects: Leadership, Risk Management, Education, Control and Monitoring.

In 2008 Light S.A. made a diagnosis of the current situation, to evaluate its practices level of adhesion to the management system under discussion. It also held sensibility workshops for leadership directly involved in the company's operational activity. The plan of action for the implementation of the Safe Work Management System was quickly developed. This work is expected to conclude in 2011.

Work Safety Management Audits – Carried out regularly by Light's Safety at Work team, these audits render it possible to make a diagnosis to identify and monitor the quality and efficiency of practices adopted on the job. The following are audited:

- technical supervisors' actions
- methods and procedures
- qualifications and authorization of professionals working in risky areas

During the auditing process, personal and collective protection equipment, vehicles and work tools are all thoroughly inspected. All items audited are substantiated in the Ministry of Work and Employment's Regulatory Norms and in Light's operational and technical safety procedures, as well as in specific ABNT Standards and the Brazilian Traffic Code.

With on-the-job audits and Inspection & Troubleshooting Programs, Light S.A. transfers technical knowledge to its partners and stimulates the commitment of the companies under contract.

In 2008 seven audits were carried out in companies under contract, equivalent to 116% of what had been planned (six audits). During these events, activities mapped out as high risk were analyzed in all their scope. The process involved directly 61 operational teams comprising 162 employees, 15 technical representatives, six leaders of companies under contract, 21 employees of Light's management and seven managements.



Permanent Committee for the Prevention of Accidents – Presided over by the director of People, this Committee is present in different areas of the company and trade unions representing the employees. Meetings take place fortnightly and Committee members are expected to watch over compliance with directives in the Safety Policy, develop a culture of prevention, assess results, and propose action intended to preserve workers' health. Its actions affect 100% of the workforce and also include employees from contractors, to whom decisions and action are transmitted by contract managers (superintendents and managers). In the case of a serious accident involving this public, the Committee calls a meeting in which management explains the causes of the accident and the plan of action implemented to make sure no further accidents of this nature happen. [LA6]

Commitment to Safety at Work Management – In the second half 2008, the company promoted a number of meetings between the People and Customer Areas and the top administration of the nine principal companies under contract involved in activities related to the distribution grid, with the direct participation of 1,500 workers involved in these processes. At every meeting Light S.A. stressed once again that safety at work must be a commitment for everybody and that it is the responsibility of management to ensure a workplace free of the risk of accidents. Upon signing a Safety Protocol, Light S.A. and its partner-companies reaffirm their commitment to adopt the best practices for safety at work management, focusing on the reduction of accidents and on the preservation of life.

Monitoring the Fleet by GPS – Since July 2008, 80% of Light's own fleet and outsourced vehicles have been watched over by the Fleet Monitoring GPS System. During the process of implementation, the company organized a number of lectures on accident prevention, the "dry law", and GPS for more than 900 of Light's drivers, with the objective of orienting them and making them well aware of the importance of safe behavior when driving vehicles.

One of the main reasons for the implementation of the new system was the need to eliminate the high incidence of speeding for Light's vehicles, with the objective of reducing accidents, especially the most serious. Results were immediate: with monitoring, speeding incidents dropped from 504 in July last year to only two in December. This mark no doubt contributed to the fact that in the first fortnight of this year Light S.A. celebrated one year with no accidents involving vehicles leading to sick leave.

[Top](#)

Promotion of occupational health

Prevention Programs

Occupational Health Medical Control Program (PCMSO) – This Program promotes the preparation of diagnoses and the development of action relative to occupational activities in the workplace, with the objective of managing risks related to the health of Light's people. It is important to stress that in 2008 there were no records of any case of professional illness stemming from work activities amongst the Company's employees. One of the Program's innovations is the use of Mobile Occupational Medicine Units so that employees do not have to go to the Central Unit for their Periodic Health Exam.

Check-up program for executives – In a single day and place, Light's executives undergo a thorough health diagnosis. Results are assessed by the Company's MDs who perform individual feedback consultations, with the objective of orienting the executives about possible treatments necessary and about preventive measures to reduce factors of risk.

Quality of Life Program – Carried out in partnership with the Health Plan operator, the objective of this Program is to promote healthier lifestyles and welfare among the employees, as well as generating greater motivation, stimulating the feeling of belonging to the company, improving the corporate image and fostering interpersonal relationships.

In 2008, the schedule of activities was fully complied with: the 17 actions carried out were supported by 28,149 people between employees and their families.

The program made significant contributions to the organizational climate, as proved by the results of surveys taken among participating employees: the satisfaction index reached the 86.4% mark. This result is 23.5% better than the target established for the period (70%).

Integrated health and prevention action

Health Profile

A biannual Program mapping employee's health, aimed at discovery, early intervention, orientation and treatment of risk factors for identified illnesses.



Posture Correction Unit	An annual corporate program of holistic gym on Company premises, focusing on preventing, treating and orienting a wide array of posture-related pathologies.
Campaigns for the prevention of flu and other respiratory illnesses	An annual program taking place before the winter period starts, to protect employees from the influenza virus and its complications (infections in upper respiratory system). The goal is to reduce respiratory illnesses and, as a result, absenteeism.
Program for the Prevention and Treatment of Chemical Dependency	Aimed at ensuring that the workplace is free of improper use of alcohol and other drugs by promoting the health and safety of employees, the community and the environment. It involves prevention campaigns and orientation of employees requiring special assistance.
Baby Health	An annual program, carried out in groups. It is aimed at pregnant women and includes theoretical and practical aspects of breast-feeding, care of women's health during the pre-natal period and baby care. The goal is to make it safer for participants to deal with this period of life: the arrival of a baby.
Active Life Program	Carried out in groups with the periodic participation of a multidisciplinary team (nutritionist, gym instructor, MD, psychologist and social worker). The goal is to develop healthy habits, stimulating eating re-education and physical activity. The goal is to promote a healthier lifestyle and reduce the number of cases of obesity among the employees.
Anti-tobacco Program	A pilot-activity carried out in groups watched over by a multidisciplinary team (psychologist, MD and social worker). Its purpose is to raise awareness among employees about diseases caused by smoking, recommend treatment where necessary and promote abstinence.
Live Well Program: Hypertension	The program's objective is to inform employees about symptoms, care required, and treatment of diseases affecting the cardiovascular system. Space has been set aside at four of the company's addresses for checking blood pressure and abdominal circumference, watched over by a multidisciplinary team.
Walk for Quality of life + Prevention of Skin Cancer	This action takes place once every half year, and its goal is to make employees aware of the importance of physical exercise, as well as fostering an atmosphere of integration in the open and leisure with their families. There were two walks in 2008, with the participation of employees and their families. In the first half the theme was <i>War on Sedentary Lifestyles</i> , and in the second <i>Prevention of Skin Cancer</i> . Sunblock and material with information about the risks of exposure to the sun and harm caused by UV rays were distributed.
National AIDS Day	Carried out on the commemorative date, with the goal of making employees sensitive to the importance of preventing AIDS and other sexually transmitted diseases.
Dental Clinic	The objective is to promote dental health. A dentist made individual assessments to identify the risk of diseases of the mouth and pass on up to date, useful and effective information to improve employees' oral hygiene.
Commemorative Dates on the Ministry of Health's Calendar	The goal is to make employees more sensitive to factors of risk to health, on the basis of the Ministry of Health's guidelines.
Live Better	Carried out on a Saturday at Light Cultural Center, this day of activities had a high impact on the social health of employees and their families. In 2008 participants took part in workshops on Healthy Posture, Oral Health, Bodily Harmony (alternative therapies) and Body Workshop (dance). Two plays were put on, and there were guided visits to the Energy Planet space.

Among the countless actions promoting employees' citizenship and welfare, we must highlight commemorative dates (International Women's Day, Children's Day), the Personal Financial Planning program, the Iluminar program (which opens employment positions for young people with neuropsychic disorders) and programs helping people on indefinite leave, watching over those who have suffered work related accidents, and the psychopedagogic assistance programs, which gives financial assistance to employees with children who need specialized educational assistance and/or rehabilitation treatment for those with neuropsychic disorders.

[LA8] Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.

ASSISTENTIAL PROGRAMS	Education / Training		Counseling		Risk Prevention/Control		Treatment	
	Yes	No	Yes	No	Yes	No	Yes	No
Employees	x		x		x		x	
Employees' Families	x		x		x		x	
Members of the Community		x		x		x		x

Light's activities do not exhibit high incidence or high risk of specific diseases among employees or the community it acts in [LA8].

[LA7] RATES OF GENERAL ABSENTEEISM FOR MEDICAL LICENSE BY REGION

REGION	2006	2007	2008
Greater Rio	2,98	3,22	3,81



Upstate	3,73	3,55	3,83
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Note: Absenteeism was calculated based on leave for work-related accidents and other occupational diseases, and diseases not related to work.

[LA7] REGISTERED IN THE LAST TRIENNIUM – GRUPO LIGHT – VALUE BY REGION

REGIONS	2008		2007		2006	
	GREATER RIO	UPSTATE	GREATER RIO	UPSTATE	GREATER RIO	UPSTATE
Total employees	3,169	472	3,340	478	3,483	581
Number of accidents – Typical	13	5	11	1	20	3
Lost days	124	21	163	15	339	418
Debited days	0	0	0	0	0	6,000
Injury Rate (accidents and occupational disease)	2,05	5,29	1,6	1,02	2,84	3,44
Lost-day rate	20	22	24	15	48	5,526
Fatalities – Typical	0	0	0	0	0	1
Number of Accidents – Route	22	5	26	0	18	0
Fatalities – Route	0	0	1	0	0	1

Note: The registration and reporting of work-related accident statistics comply with the parameters as established by the Regulated Brazilian Standard – NBR 14280, published by the Brazilian Association of Technical Standards (ABNT).

[LA7] TYPICAL OCCURRENCES WITH SICK LEAVE IN LAST TRIENNIUM – CONTRACTED WORKERS

Accidents and occupational diseases	2008			2007			2006		
	Fatality	No fatality	Total	Fatality	No fatality	Total	Fatality	No fatality	Total
Contracted workers	3	84	87	1	75	76	2	74	76

Note: The statistics referring to contracted workers have been presented globally and in absolute figures as the employed methodology does not include all required data for calculation of injury/illness rates.

Recruitment and selection

Attracting people whose values are in line with the Company's mission and values is the main focus of Light's Recruitment and Selection Policy. To ensure the success of this strategic objective, the Company has invested heavily in programs for the retention of employees and the renovation of their talents. The following must be highlighted:

Trainee Program – This program has short and medium-term objectives. In the short term, it seeks to attract and develop young talent to act in strategic projects under managerial supervision; in the medium-term the objective is to meet the demand for professionals qualified for key positions in the organization.

The 29 young professionals taken on through the Trainee Program in 2008 attended an 8-month formation program coordinated by Light Academy. The program's goal is to accelerate these talents' learning curve, by expanding their vision of the business, developing certain skills (including systemic vision and personal relationships) and their participation in programs being developed in the company. Coaches watch over them, give them orientation, assess them, provide them with feedback on their performance, and any need for further development. In

2008, the Trainee Program's retention rate was 86%, higher than the goal set.

Internship Program – The objective is to identify, attract and develop young professionals by offering middle and upper education students technical-professional formation in their respective areas. At the end of 2008, Light S.A. had 105 interns; the rate of permanent hiring was 22%.

It must be highlighted that the Trainee and Internship Programs led to the renewal of 8.5% of Light's professional staff in 2008.

Young Apprentice Program – Light S.A. continues with its historical tradition of offering inclusion opportunities to young people from deprived backgrounds. In partnership with Associação Beneficente São Martinho, the company is developing this program, which is approved by the Apprentice Law, and whose objective is to offer work opportunities to adolescents from deprived communities in high risk areas. In addition to their normal activity, the young people attended lectures on Rights and Duties and Preparation for the Job Market. Supervisors are specially trained to receive them, and watch over and assess their development, as well as orienting them in matters such as posture, behavior in the workplace and performance of activities.

Light S.A. concentrates its recruitment and selection processes in its region of action. The processes are open to candidates from any region of the country. With regards to filling executive and management positions, the specifics of a vacancy may make it necessary to search in other regions, as the process of selection is based on experience, specific skills and knowledge about the business .[EC7].

[Top](#)

Internal recruitment

The Opportunities at Light S.A. Program, which was redefined in 2008 in response to needs identified by the atmosphere survey carried out in 2007, has two main goals: to promote the growth and development of the Company's professionals, and to make internal recruitment more transparent. More than one thousand people put down their names for the program in 2008 out of which 31 vacancies were filled for different positions for technicians, analysts, engineers and coordinators. This represents 22% of total vacancies in 2008, well over the target of 15% set for the period.

[Top](#)

Compensation and benefits

In May 2008 the Collective Work Agreement and the Participation in Profits and Results Agreement were signed. Both the joint bargaining of these two agreements and the results reached reflect the continuity of the enterprise's philosophy regarding labor relations, with greater emphasis on variable remuneration.

The company's remuneration policy consists of a monthly salary, benefits and variable remuneration (Participation in Profits and Results Program). Salaries paid by Light S.A. are not linked to the minimum salary and comply with professional thresholds where set down by Law. [EC5]

[EC5] LOWER BASE-WAGE AT SIGNIFICANT LOCATIONS OF OPERATION

2006			2007			2008		
Workplace	No. Employees	Lower Base-Wage	Workplace	No. Employees	Lower Base-Wage	Workplace	No. Employees	Lower Base-Wage
Av. Mal Floriano 168	991	649	Av. Mal Floriano 168	1,147	672	Av. Mal Floriano 168	1,272	470
Estr. do Tindiba	257	665	R. Frei Caneca 363	543	688	R. Frei Caneca 363	564	723
R. Frei Caneca 363	562	665	R. Venceslau 192	99	757	R. Venceslau 192	95	730
R. Venceslau 192	183	665	Estr. do Tindiba	201	757	Estr. do Tindiba	228	838
Cascadura	337	782	Cascadura	315	1,156	Cascadura	213	470



Triagem	161	769	Triagem	119	876	Triagem	103	950
Barra do Pirai	168	665	Barra do Pirai	150	757	Barra do Pirai	144	730
Pirai	62	863	Nova Iguaçu	317	570	Nova Iguaçu	322	838
Nova Iguaçu	339	551	Pirai	142	998	Pirai	135	1,069

The Variable Remuneration Program is based on team and corporate results, in addition to individual aspects. For executives, in addition to corporate goals, specific goals are contracted within their action area, through Management Commitments, aligned to the company's strategies. In 2008 the global VRP goals included aspects of sustainability, such as the frequency rate for accidents and the number of new environmental certifications and re-certifications.

Among the main benefits offered we would like to highlight: health plan, dental plan, psychopedagogic program (reimbursement of rehabilitation expenses for employees and dependents with neuropsychic complaints), private pension scheme (Braslight) and assistance with day care center expenses. The company stopped contracting employees on a fixed time basis in 2007 and benefits are the same for all employees. [LA3]

"We are the third in our sector, but our size does not compare to that of Light's. However, we share common values: environmental respect, respect toward people, and involvement with the community."
Fernando Berardo – Wirex (supplier)

Top

Complementary post-retirement income plans

Light S.A. sponsors the Braslight Social Security Foundation, a non-profit closed pension scheme. Set up in 1974, its objective is to provide employees linked to the Foundation with post-retirement income and their dependents with pensions. The Foundation has the following plans:

Plans A/B – Closed to new entries, it has a fixed benefit system. Its annual defrayal rate, which is put up by participants and sponsors, is determined on the basis of current studies under the capitalization system.

Plan C – Puts together the fixed benefit and fixed contribution systems. It received the migration of 96% of the active participants of the other plans. To gather funds to cover the defrayal of benefits of the fixed contribution type, participants choose how much they want to contribute. The sponsors' contribution is reckoned in accordance with the Plan C Regulations.

The full regulations of the plans, specifying benefits and contribution rules, are available in Braslight's website: <http://www.braslight.com.br/>.

[EC3]

Benefits of Braslight Complementary Income Plans

Plans A/B	Plan C
Complementary income after retirement due to invalidity; complementary income after retirement due to time of service; complementary income complementary income after retirement due to age; complementary income for illness assistance, as well as institutes: deferred proportional benefit, redemption and portability.	Full retirement income; reduced early retirement income; retirement due to invalidity; and illness assistance, as well as the institutes: deferred proportional benefit, redemption and portability..

Technical deficit

On October 2nd, 2001 the Secretariat of Complementary Pensions approved a contract for equating the technical deficit and refinancing of reserves to be amortized, which is being paid off in 300 installments as of July 2001, adjusted in accordance with IGP-DI variations (one month behind) and 6% actuarial interest per annum.

In accordance with an actuarial assessment report issued on January 19th, 2009, in the 4th quarter of 2008 Braslight exchanged its general



mortality chart for the AT-83 chart. This change was effected in accordance with CGPC Resolution Number 18, dated March 28th, 2006. The actuarial result of the fiscal year and the change of charts resulted in an increase of R\$ 71.8 million in the deficit equating contract. The value of the technical deficits corresponding to Plans A/B and the Fixed Paid-up Benefit sub-plan in Plan C totaled R\$ 1,031.2 million as at December 31st, 2008.

[Top](#)

Training and Development

Light Academy, defined as a center for fostering the company's employees' knowledge and human development, is structured into four schools: Leadership, Personal Development, Technical and Commercial.

In accordance with its plans for 2008, Light Academy provided an average of 55.2 hours' training per employee in programs focusing on the entity's objectives: integral development of employees, alignment of learning processes to strategy, Light's mission and values. The programs carried forward contributed significantly to the enterprise's results for 2008.

[LA10] AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY EMPLOYEE CATEGORY – LIGHT S.A.

Nature of Position	M/H average 2006	M/H average 2007	M/H average 2008
Administrative	11,6	28,6	59,4
Management	90,1	142,8	31,3
Operational	52,5	48,4	66,9
Professional	34,5	29,7	42,5
Technical	114,8	55,8	47,4
General Average	69	53	55,2

In the modality of distance-learning, the course on defensive driving, the Development Portal and the Ethics course were outstanding.

Schools	Objectives	Main Programs	Total Hours of Training	Participants
Leadership School	Develop management's leadership skills, handle processes and services, and multiply knowledge, the enterprise's mission and values to its teams. Responsible for educational solutions that develop human & entrepreneurial skills in management, so they act creative and effectively in the leadership of Light's People and in managing processes.	Management Tools (How to produce an Action Plan)	3,243	328
		Results-Orientation		
		Corporate Governance		
		Negotiating with Negotiators		
		Communicating Leader Program		
		Portal Harvard Manager Mentor		
Technical School	Develop & coordinate educational activities for qualification and technological updating of professionals in the areas of: generation, operation, transmission & distribution of electric energy; IT; materials; equipment & safety at work.	Formation of Coaches	100,526	6,854
		NR10 Safety		
		Operational Technical Program		
		Defensive Driving		
		IT Update Programs		
		Protection of Electric Systems		
		Training Trainers		
		Workshop for New Engineers		
Workshop on Strategic Projects & Actions - Light's Vision and Market Vision				



Personal Development School	Meet needs to integrate new employees, form & develop young apprentices, interns, trainees, complement educational formation (including specialization) and set up programs stimulating personal and professional development of Light's People;	Integration of New Employees	89,865	6,216
		Graduation Grants		
		Educational Program for Young People and Adults		
		English Language		
		Writing Techniques Update		
		Trainee Development Program		
School of Commerce	Meet educational needs of businesses in Grupo Light, their commercial development, administrative & management techniques, integration of productive chain, processes & business in the greater economic, political and social context, development of the concession and social & environmental responsibility.	More Value Program	14,816	1,998
		Harvard Manager Mentor Program		
		Training in the LIBRAS Systems		
		Workshop on New Technologies		
		Round of Lectures – Process Improvements		
		IT Programs (SAP)		
		Program to Foster a Culture of Ethics		
		Program for Formation of ISO 14000 Auditor		

[Top](#)

More Value Program

To support Light's Valorization Plan, the new tactical plan set up in 2008 with the objective of doubling the company's market value over the next two years, in 2008 Light Academy launched the More Value Program, designed to align organizational culture and the objectives of the tactical plan. In September and October the program trained 100% of the employees with an approval rate of 88.9% among participants. The best-evaluated item was the program's alignment with organizational strategy.

Other highlights of the Academy's activity in 2008 were the **Face to Face Program** (quarterly meetings of management and their teams), the **Communicating Leader Program** (training for leaders) and Light's **Education for Young People and Adults Program** (in partnership with SESI – Social Service for Industry).

WATCH THE VIDEO



Talking About Light S.A. - Employees and the More Value Program

[Top](#)

Definition of competence and performance management system

"Partnership with Light, in rainy days... Whenever we call them they are ready to respond. They visit the community, and we always have an association employee to follow up them, so that the service is always properly executed. It may be raining, or when the community is closed for any other kind of event, we postpone to another day. The

In the scope of the Culture of Results and Merit project, set up in the Valorization Plan, Light's organizational and human competences are to be reviewed in the first half 2009, with the implementation of a model of performance management based on newly defined competences.

With this initiative, employees will be clear about the organization's expectations regarding their performance. This will foster and make possible a process of individual feedback regarding strengths and opportunities for improvement, as well as the continuous evolution of team performance.

In 2008 the evaluation of all the members of the Board was carried out. The evaluation of other top management for the same period will be carried out in early 2009, together with the process of verification and conclusion of management commitments and mapping out



partnership always happens".
Reginaldo Felix – President, Inhabitants’
Association of Morro da Formiga

successors. With regard to all the rest of the employees, 2009 will see a definition of competences, training in the process of performance management and preparation for evaluation in 2010. [LA11] [LA12]

Top

Agreements with trade unions

In 2008, Light S.A. and the unions signed three formal agreements: the Collective Labor Agreement, the Profit Participation Agreement and the Social Responsibility Agreement, which cover 100% of the employees. The Social Responsibility Agreement is an integral part of labor contracts and thus the responsibility for ensuring it is complied with is extended to contractors. [LA4]

"We can only build a strong State, the state's economic, social and cultural development with the involvement of all social agents. Light has been a company for the State development, and for cultural development. Light is a company with a very consistent cultural investment policy."

Adriana Rattes – State Secretary of Culture

The Prior Conciliation Commission was set up in 2008 on the basis of Light's proposal, as an addition to the Collective Labor Agreement signed by Light S.A. and the majority trade union. Its function is to conciliate individual conflicts on the job.

This concept of remuneration is in line with the Focus on Results value, by which all employees benefit from good performance of the company. Salaries were increases 5.1% with the exception of management whose fixed remuneration was maintained. The real increase in these professionals' remuneration will be verified on the basis of EBITDA results, specific global goals and the employees' participation in said results.

Health and safety topics covered in formal agreements between Light S.A. and trade unions over the last three years. [LA9]

Collective Labor Agreement	Social Responsibility Agreement
<ul style="list-style-type: none"> ● Complement for rehabilitation of people who have suffered work accidents; ● Assistance-disease/additional – people who have suffered accidents and those bearing professional diseases; ● Complement of assistance-disease; ● Assistance to people who retired due to invalidity; ● Indemnity of invalidity or death in a work accident; ● Social & psychological assistance; ● Periodical health check-up; ● Leave to accompany dependents in hospital; ● First Aid; ● Permanent Committee for Prevention of Accidents; ● Communication of work-related accident; ● Water analysis; ● Minutes of CIPA meetings; ● Professional Diseases; ● Fire and civil defense brigades; 	<p>Employees' health and safety:</p> <ul style="list-style-type: none"> ● Work atmosphere favorable to safety and physical & mental health; ● Safety training; ● Investments that will not endanger personnel's health or the safety of personnel and neighboring population; ● Implementation of action designed to prevent professional risk, particularly electrical & traffic accidents; ● Action in favor of making people sensitive to major health causes & prevention of practices involving chemical dependency; ● Upkeep of Permanent Commission for Prevention of Accidents (CPPA) as a forum over Internal Commissions for the Prevention of Accidents (CIPAs), with participation of directors & top management, trade unions & other representative entities; ● Certification of health, safety and environment. <p>Health & safety for service providers:</p> <ul style="list-style-type: none"> ● Watch over the practices of our service providers regarding compliance with the law, health and safety, ethical behavior with our customers and respect for the environment. <p>Social protection, especially regarding coverage of work accidents, health and retirement:</p> <ul style="list-style-type: none"> ● Coverage for employees by social protection systems ensuring their physical & moral dignity in cases of work accidents, illness, etc.



- Health Plan;
- Providers.

The Social Responsibility Agreement demands the prior communication to the signatory Trade Unions and social observation of organizational restructuring by the company, as well as Light's commitment to implement the best practices for professional guidance, assistance with external relocation, specific training and other matters. [LA5]

This commitment is based on three principles established in the Social Responsibility Agreement:

Principle of anticipation	Transparency of information provided about strategic decisions made by the company; Action aimed at the employees to make it easier for them to make necessary adjustments.
Principle of social dialogue with Trade Unions and employees' representatives	Information and ongoing dialogue about economic challenges, the consequences of decisions and proper adaptation of individual and collective measures for observation, as well as monitoring their application.
Principle of responsibility with respect to employees and local economies	To the greatest extent possible, limit social consequences for employees involved and for the economic equilibrium of territories. To this end, measures aimed at avoiding or limiting collective dismissals to the greatest extent possible (mobility measures within the Group, changes of trade, etc.) must be systematically examined.

[Top](#)

Survey of organizational climate

On the basis of the results of Light's Engagement Survey (2007) carried out by the consulting firm 'Great Place to Work' who are specialists in running surveys on organizational climate, the company better understood its strengths and opportunities for improvement from the employees' point of view. A Work Group set down the action to be implemented with the objective of obtaining greater satisfaction, especially in the dimensions of credibility, respect and impartiality, which were awarded the lowest scores in the survey – as well as enhancing internal communication mechanisms, another of the needs identified.

Initiatives proposed in the Action Plan

- Improvements in physical environment
- Quality of Life Program
- Safety at Work Project
- Program of Education for Young People and Adults
- Light's Rodeo for Electricians
- Consolidation of Light Academy
- More Value Program
- Communicating Leader Program
- Revision of Face to Face Program
- Revision of Face to Face Program
- Revision of Internal Recruitment Plan – Light Opportunities
- Diversity Appreciation Policy

The next survey of organizational climate is scheduled for 2009, after implementation of 100% of the Plan of Action. The goal is to obtain an employee satisfaction index higher to that registered in 2007.

[Top](#)

Anti-corruption

Light S.A. adopts a position of zero tolerance in cases of corruption. On the basis of its Code of Ethics and in the action of the Ethics Committee, the Company repudiates each and every form of corruption, a practice considered contrary to the Code.



To strengthen this posture, in 2008 the Company developed the Program for Strengthening Ethical Culture, which went into the subject of ethics and anticorruption procedures, both online and hands-on. Training submits matters relative to ethics and corruption and stresses the reasons why transparency, prevention and battling corruption are intensely present in major enterprises.

In addition to highlighting the value of ethical behavior and its application on a day-by-day basis, the program stresses rules of conduct and the behavior expected. It also presents instruments and internal and external procedures the company possesses to combat corruption, such as the Code of Ethics, the Ethics Committee, the Ombudsmanship, the telephone program called Dial-Light and Report, as well as internal policies and norms.

In 2008, priority was given to employees working in areas identified as more exposed to risk (Field Operations, Attention, Acquisitions and Logistics, Treasury, Safety at Work). [SO3]

Percentage of employees of the organization trained in anticorruption policies and procedures	50.34% of a total of 3,732 employees.			
	Managers	%	Others	%
Total number of trained employees, broken down between top management and others	130	60%	1,749	50%
Total number of trained employees	1,879			

Ethical standards and analysis of complaints

Among Light’s work standards preventing the occurrence of cases of corruption or conflict of interest, the Procurement Board deserves to be highlighted. The Procurement Board approves all purchases where value exceeds R\$ 100 thousand. It brings together representatives from the Purchasing, Financial, Treasury and Legal areas. Another important control instrument is monthly controls of usage reports of the SAP commercial system. All requests for and approvals of purchases of materials and contracting services follow the procedures established in the corresponding competence grid. [SO2]

Additionally to the normal practices of the Ethics Committee, in 2008 Light S.A. set up a new channel for complaints involving irregularities or other matters related to its employees or service providers. Such complaints must be made directly to the Ombudsmanship, which forwards them to the Customers area, through Contracts and Services management, where they are evaluated by the Ethics Authority.

In the case of employees from contractors, evaluation is made together with Management and the service provider. If the complaint is confirmed Light insists on the service provider’s taking measures. In the case of employees, the complaint is forwarded to the Ethics Committee and receives the same treatment as those coming through the Committee’s Ombudsmanship. The result of concluded procedures is registered and made available for consultation. [SO4]

It must be stressed that Light’s Ombudsmanship has an exclusive channel for anonymous reports or complaints.

It is **important for the sustainability** of Light S.A. ethical and transparent relations with its people. These are based on behavior backed by clear, objective policies designed for the employees’ well-being. Further to complying with labor legislation, Light S.A. endeavors to ensure an excellent work climate, favorable to personal progress and perspectives for the future, nurtured by mutual respect and transparent actions also regarding the organs representing the employees, in addition to constant attention to health and safety in all aspects involving the work climate, respect for diversity and the free expression of opinion.

Top

Market

- » Introduction
- » Consumption by class
- » Use of the grid

“Rio is Light” is much more than a publicity slogan. It is the expression of an essential link. It shows to what extent the sustainability of the company is related to the development of its area of influence, the city and State of Rio de Janeiro. In times of interdependence, there is no isolated success for enterprises, especially in the service sector.

Like all the rest of the country, Rio de Janeiro needs to develop economically to correct its social imbalances and not compromise the environment. By providing energy, and solutions to use it efficiently, Light S.A. has become a stimulator of this process of development, even as it benefits by acting in an increasingly healthier and more vibrant economy. For this reason the company involves itself in public and private initiatives such as enhancing urban planning, reducing informality and revitalizing industry. In the end, it is on the basis of growing demand for its solutions that Light S.A. will be able to extend its generation of value for all.

WATCH THE VIDEO



New Businesses and Institutional Director talks about the Light’s institutional relations

Introduction

The year by year evolution of Light’s performance in providing its services is essential to ensure extension of its sustainability and the valorization of the Company itself, whether in the capital market, or in the perception of society as a partner fundamental to development.

Total consumption of electric energy registered in Light’s concession area in 2008, taking both regulated and free clients into account, was 23,698 GWh, which is in line with 2007, as a result of the stability of the regulated and free markets. At the end of 2008, Light S.A. was billing 3.9 million customers, 1.2% more than the figure registered in December 2007. In 2008 32 free clients were billed, of which three are self-producers. Nine generators are connected to Light’s distribution grid.

Regulated clients’ consumption was 18,292 GWh in 2008, in line with invoicing for the same period of 2007. In addition to unusually low temperatures (La Niña² effect), the interruption of supply from Energia Plus¹ to high and medium tension clients as of February 2008 was another factor in the drop in consumption. If the effect of Energia Plus (177 GWh less invoiced in 2008 as compared to 2007) is not taken into account, the regulated market grew 0.9% in 2008.

¹Energia Plus is an energy package offered to major clients with their own energy-generating capacity during consumption peaks.

²According to climate reports issued by meteorological institutes, the La Niña effect atypically reduced the year’s temperature to 23.8oC, as compared to the historical average of 24.5 oC over the last 20 years.

In 2008, measured free clients consumed 26 GWh, 0.5% more than in 2007; total consumption in the fiscal year was 5,406 GWh. New clients measured were responsible for 41 GWh, which partly offset the 15 GWh drop in the performance of already existing free clients. In 2008, three medium-tension commercial clients migrated to the free market, and one industrial class client in the free market (alternative sources) returned to the regulated market.

**Electric Energy Consumption (GWh)
Total Market (Regulated + Free)**

[Top](#)

Consumption by class

The residential segment accounted for 40.4% of Light's regulated market consuming 7,388 GWh in 2008, 0.6% more than in the same period of 2007. Average monthly consumption per client 3, 170.5 kWh/month, dropped 1.3% as compared to 2007. In December 2008 residential consumers numbered 3,624,425. The 1.4% increase over the 2007 figure is due principally to an increase in the number of homes in the concession area, which led to new hook-ups.

³Monthly average consumption per client refers to the average of monthly consumptions in 2008

The regulated commercial class's share of 2008 consumption amounted to 32.0%. As compared to 2007, the increase was 1.7% or 96 GWh. It must be borne in mind that it is difficult to compare the two periods because medium-tension commercial clients consumed 40 GWh from Energy Plus in 2007, as against only 3 GWh in 2008. Not taking Energy Plus's effect into account, growth of the regulated commercial class would be 2.3%.

The regulated industrial segment was responsible for 10.3% of total regulated market billing; 2008 consumption was 1,875 GWh, 6.8% less than the year before. The fact that high and medium-tension industrial clients were no longer consuming Energy Plus must be considered a factor in the drop. In the same period of 2007 these same clients consumed 152 GWh, in 2008 only 12 GWh. Without the effect of the interruption in Energy Plus, industrial consumption would have shown a positive performance of 0.2%. As of July 2008, one industrial client consuming energy from alternative/fostered sources (approximately 8 GWh/month) went back to being billed as a regulated client.

Regarding the other classes, which were responsible for 17.4% of the regulated market, highlights were the positive performance of the public powers (7.2%) and public services (5.8%). Nevertheless, total consumption showed a 0.6% drop in comparison to 2007.

The consumption of free commercial clients climbed 23.9% in 2008, with a 56 GWh increase compared to the previous year. Of this volume, 41 GWh correspond to new free clients and 15 GWh to higher consumption by already existing clients. Free industrial consumption dropped 0.7% as a result of a 7.2% reduction in consumption in the fourth quarter of 2008.

"I was enchanted by this Council. Out of all of those in which I participated, this is the only one in which the president met with the council to offer explanations, transparently and efficiently, without hiding anything."
Francisco Paulino Campelo - PROCON

CONSUMPTION OF ELECTRIC ENERGY

Class & type of client	2007 GWh	2008 GWh	2008 - 2007 GWh	Variation (%) 2008 vs 2007	Share (%) 2008
Regulated	18,292	18,307	-15	-0,1	100.0%
Residential	7,388	7,344	45	0,6	40.4%
Industrial	1,875	2,011	-136	-6,8	10.3%
Commercial	5,852	5,756	96	1,7	32.0%
Others	3,177	3,197	-20	-0,6	17.4%
Free (*)	5,406	5,380	26	0,5	100.0%

Residential					
Industrial	4,948	4,982	-34	-0.7	91.5%
Commercial	293	236	56	23,9	5.4%
Others	166	162	4	2,4	3.1%
Total	23,698	23,687	11	0.0	100.0%
Residential	7,388	7,344	45	0.6	31.2%
Industrial	6,823	6,993	-170	-2.4	28.8%
Commercial	6,144	5,992	152	2,5	25.9%
Others	3,343	3,358	-16	-0.5	14.1%

(*) Values refer to clients whose consumption was measured.

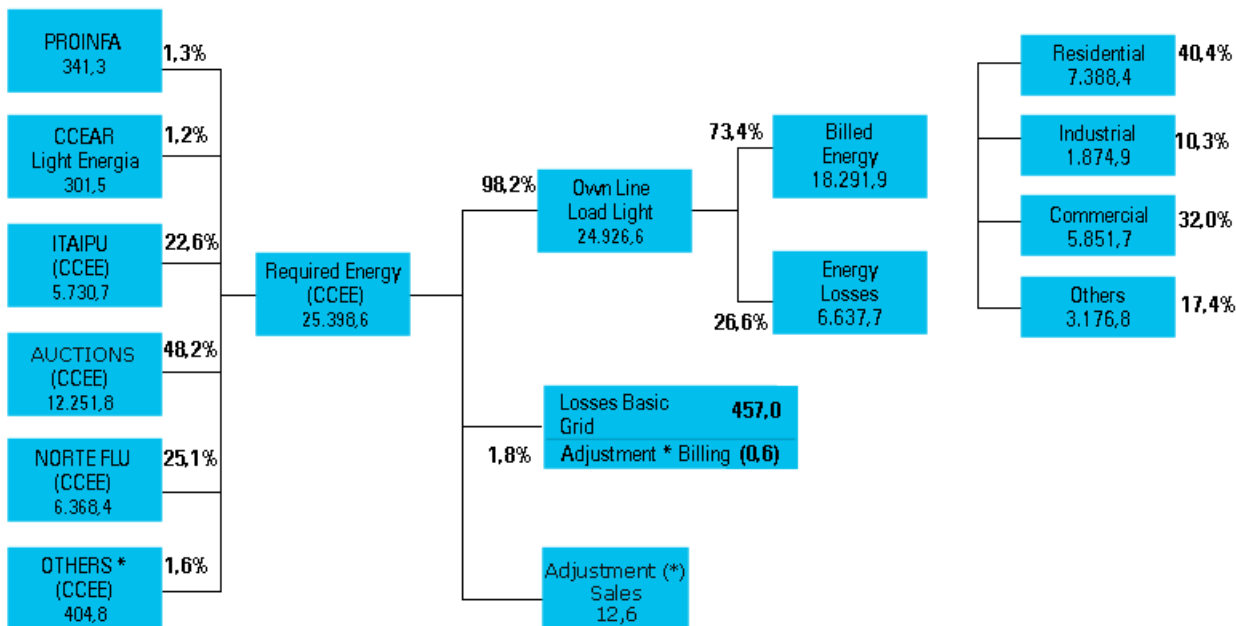
[Top](#)

Use of the grid

In 2008, energy transported by the grid totaled 8,025 GWh. This volume is 0.1% higher than the figure for the same period of 2007. Of this total, the volume transported for free market clients increased 0.5% while the volume for other concessionaires was 0.7% less than in 2007.

ENERGY DISTRIBUTION BALANCE – GWh

Position: January to December 2008



(*) Others = Spot Purchases – Spot Sales

(**) billing adjustment referring to line load not yet accounted at CCEE.

OBS: 1) At Light S.A. there is elimination of purchase/sale of Electric Energy between companies.
2) Energy purchase figures as of January 9, 2009 (subject to change)



IT IS IMPORTANT FOR THE SUSTAINABILITY of Light S.A. to know its market well, so as to correctly evaluate the challenges and opportunities in facing current demand and projected growth.

[Top](#)



Operational Performance

- » Losses
- » Default
- » Operational Quality

Losses

Energy loss is the difference between the volume of electric energy made available in the electric grid for the use of clients, and the volume of energy effectively invoiced by Light S.A.

Between technical losses (which occur in the process of transmission and distribution) and non-technical losses (theft of energy or technical deficiencies in equipment and processes), total losses on the line load were substantially reduced in 2008; the balance, equivalent to 20.23% of the total electricity circulating in the company's grid in the period, represents a 0.45% reduction as compared to 2007.

In 2008 Light S.A. intensified its effort to fight energy losses. It must be highlighted that as of June 2008 the MCC (Measurement Control Center) opened and new technology to identify and prevent energy losses was put in place, in addition to conventional action already practiced. This caused the level of investment in energy loss reduction to climb from the R\$ 70 million mark in 2007 to over R\$ 150 million in 2008. The result was a reduction of 0.53%. In non-technical losses on line load and 207 GWh (2.8% less) as compared to the year before. This important victory of Light's goes to show that, despite socio-economic conditions in its concession area, the company has been able to improve loss recovery over the last three years. Greater investment has made it possible to extend the struggle against the vegetative growth of losses, which are greater in informal areas or areas where circulation is restricted. In the latter, the work of teams battling the fraud industry is severely hampered, or even thwarted.

In 2008 the number of normalizations (removal of fraud by regularizing measuring equipment) and replacements of meters climbed 64% as compared to the previous year. Additionally, intelligence was enhanced, mainly by means of identification software and control of inspections. It is an intelligence tool that identifies potential subterfuge in billing and monitors the results of corrective measures. It was thus made possible to considerably improve investments, enhance analyses and better aim action seeking increases in process efficiency and continuous improvement of productivity.

Results are already apparent: between January and December 2008 more than 282 thousand consumers were inspected by anti-theft teams. Negotiation of debits of clients with proved fraud led to an 80% increase, equivalent to 130 GWh, in terms of recovered energy (invoicing the difference between energy originally billed and the estimate of consumption during the period when the fraud was committed).

As a complement to the conventional process to fight losses, the Company has invested in new measuring technology, and technology to protect the distribution grid. The year 2008 saw the installation of more than 62 thousand individual and centralized electronic meters, with direct communication with the MCC, together with the installation of more than 120 km of multiplex technology line in the grid. The MCC, which started operations in June 2008, is responsible for the automatic management of the processes for reading, cut-off, reconnection, as well as identifying irregularities or fraud in measuring.

At the end of 2008, Light S.A. initiated concentrated action to fight energy theft in regions with high loss indices where, historically, conventional action has not led to effective results. The installation of individual electronic meters was concluded in high income condos in the Barra and São Conrado regions, giving priority to places where there are clients with high energy consumption so as to make possible a speedy return on investment. In concentrated actions, large inspection and normalization teams are sent into the region, where they work together to fight fraud and constantly monitor cases of recurrence. Areas for the program of new technology and grid shielding are identified by evaluating the results of such actions.

Even greater investments in the struggle against losses are planned for 2009, due to the excellent results obtained by the 2008 initiatives. The installation of new electronic meters should exceed the 100 thousand unit mark in 2009, affecting nearly 160 thousand clients and adding up to more than 800 km of grid shielding. The objective of these investments is to reach the regulatory level of loss, set at 19.15% of line load in the November 2008 tariff revision.

[Top](#)

Default



The struggle against default continued in 2008 in accordance with the directives in the plan set up by Administration in 2007. Focusing was maintained: segments with the greatest impact on revenue, recovery of overdue balances and regular actions for market discipline. As a result, Light's total revenue rate reached the 98.2% mark in 2008, well on the way to the 98.8% target set for the period, even though it was 1.2% less than what was registered in the previous year. This result is a consequence of the regularization in payment of the flow of monthly bills, to which must be added the debits negotiated with other important segments: Public Powers, major private clients and higher retail billing.

Light S.A. registered additional revenue equivalent to R\$ 401.6 million 2008, as compared to 2006. This increase is above all the result of the effort made by the company's new leadership to reduce defaults. Results were already apparent in 2007 when revenue leapt up in comparison to its historical average and reached a new mark, which has been maintained since.

Retail segment

In 2008 the Customer Area was restructured, after being joined in 2007 to the organizational structure responsible for collection. Several managers were no longer subordinated to Regional Superintendents, which brought about greater agility and focus on operational activities, including cut-offs due to default. Incisive action in cutting off clients for non-payment generated a monthly average of 70 thousand cut-offs that year, when 400 thousand Taxpayer Registry Numbers were blacklisted with credit protection organs. Most were customers in high risk areas, where the difficulties involved in cut-offs are greater. Light S.A. intensified matters and took legal action against 657 defaulting customers in 2008. These actions had a significant impact on improvement of revenue.

Major billings in this segment are now watched over by a coordination system created exclusively to this end. Differentiated collection rules were adopted, reducing the period from the bill's due-date to notice of cut-off. In December 2008 the yearly accumulated collection rate reached the 103.2% mark, much higher than the result for 2007 (99.5%) due to market discipline imposed on these customers in connection with both the flow of collections and installments negotiated.

In the retail segment, these actions generated an accumulated yearly collection rate of up to 94.2%.

Provision for doubtful customers in 2008 represented 3.2% of total gross billings for energy (R\$ 233.4 million, 0.8% greater than 2007), especially on account of an adjustment of about R\$ 42.1 million in the calculation of provision on past-due balances of installment payments. Of this sum, R\$ 21.7 are not recurrent. Not taking this adjustment into account, nor a reversion in the provision of Supervia debits which took place in the 4th quarter of the previous period, the provision for 2008 actually stood at 2.9% of gross energy billings, as compared to 3.7% registered in 2007.

Medium and high-tension segments – private customers

With these clients Light S.A. has developed a policy of permanent contact and strict time periods for cutting off supply, in accordance with ANEEL Resolution 456/00, in addition to blacklisting customers with credit protection organs and taking legal action. Another important measure is negotiating agreements in legal proceedings involving collection, which results in the recuperation of old debts and in the regularization of customers' flows of payment. These actions constitute an important instrument to maintain the collection rate, which in 2008 reached 100.0% of the sum billed.

Proceedings with the Public Power

Light S.A. maintained its institutional actions with the municipal, state and federal Public Powers, for which it has put together a policy based on action for approximation and reciprocity, which led to success in negotiations that were important for the company.

The Company is carrying forward a proactive policy with the Government of Rio de Janeiro State and the municipalities, with the objective of putting together strategic partnerships contributing to the socio-economic development of the concession area. Actions with the National Congress, Rio de Janeiro Legislative Assembly (ALERJ) and Municipal Chambers all over the state in defense of the organization's legitimate interests are also relevant.

The monthly flow of payments has been regularized, not counting the recuperation of debts stemming from fiscal years prior to 2007; the accumulated collection rate for 2008 was 110.2%.

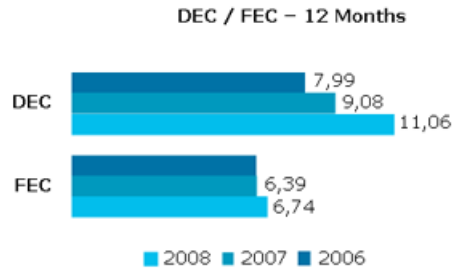
CEDAE - In 2007 the past-due accumulated balance of R\$ 118 million was negotiated. Since then the customer has honored payment of the monthly flow invoiced, as well as installments of R\$ 2 million. In 2008, the accumulated collection rate stood at 135.8%.

Supervia – Payments relative to the 2007 negotiation of Supervia's debt of R\$ 169 million have been made regularly in strict accordance with the terms of the agreement; the accumulated collection rate for 2008 was 109.1%.

Operational Quality

In 2008 the Company intensified its investment program to improve the quality of the distribution grid and increase its capacity, with a total of R\$ 85 million realized, in comparison to R\$ 54 million the year before. In 2008, 647 km of conventional lines were replaced with spacer-cable, against 26 km in 2007. It must be highlighted that the new networks allow cables to be closer together, even when they are near tree branches; this lessens the risk of short-circuits leading to interruptions in supply. Additionally, 373 telecontrolled switches were installed in the period, in comparison to 33 the previous year. In 2008, 1,897 interventions called for in the Maintenance Plan were carried out, as opposed to 1,400 in 2007.

Due to the large volume of investment in the grid, which brought about an increase in the number of programmed blackouts, Light's supply quality indices decreased in 2008 in comparison to the previous year. In addition, weather conditions in 2008 also affected continuity indicators negatively. In 2008 rainfall indices increased 33% to a total of 1,200 mm, as compared to 900 mm registered in 2007.



DEC – Equivalent Duration of Interruption per Consumer (h)
 FEC – Equivalent Frequency of Interruption per Consumer (number)

[PR9] SIGNIFICANT FINES - DEC/FEC

	2005	2006	2007
Monetary value of fines paid to ANEEL for noncompliance with laws and regulations concerning the provision and use of products and services. (R\$ thousand)	0	4,450	26

IT IS IMPORTANT FOR THE SUSTAINABILITY of Light S.A. the constant challenge of battling against loss, informality and payment default taking into account the specifics of the concession area, so as to ensure revenue compatible with energy effectively distributed and invoiced.



Relationship with suppliers and contractors

- » Stimulating quality
- » Selection and monitoring
- » Ethics and development
- » Evaluation
- » Contractor management
- » Support of suppliers and contractors in the State of Rio de Janeiro

Stimulating quality

The relationship with Light's suppliers and contractors has traditionally developed on several fronts: meetings, workshops, visits, training, participating in congresses and fairs, distribution of the corporate newsletter and extension of extremely important campaigns like Safety at Work. In March 2008 Light S.A. made an innovation: the event called "Building Results – Gathering of Light's Suppliers & Providers", aimed at strengthening even further the relationship.

Of the 120 suppliers and contractors invited, the company took care to ensure the participation of those considered most critical. The entities responsible for materials and operational and corporate services, as well as those invoicing the most, were also present.

On the occasion, suppliers and Light's contract managers, members of the Purchasing team and members of the Board of Directors went into the enterprise's strategic objectives and business processes. There was a question and answer session with the Board of Directors, and at the end of the workshop the suppliers were asked to fill in a survey questionnaire.

The survey brought in important information which is food for thought: a) subjects of interest to our suppliers and contractors; b) it showed heterogeneous participation of our suppliers and contractors of corporative and operational materials and services; c) it showed that Light's most popular channels of communication with suppliers and contractors are: telephone (24%), e-mails (22%), contract manager (20%), buyers (17%), e-commerce tools (10%), and website (7%); and d) it registered these stakeholders' perception of the company's website, the posture of transparency, management of suppliers and contractors, influence on adopting good social responsibility practices, access to company representatives to discuss matters of mutual interest, and evaluation of the event.

On this opportunity, all participants were given a copy of Light's Purchase Manual. This publication contains the foundations, principles and processes guiding the Company's purchasing, it sets out communication channels set up to foster contacts and it clearly highlights what is expected from suppliers and contractors. Additionally, the Purchase Attention Service was officially opened and information about it given out – yet another channel for the relationship between the Purchase area, suppliers and contractors, and internal customers and clients.

This event also saw the company's first prize-giving ceremony for Quality in Supply. Twelve suppliers/providers were awarded, selected on the basis of the following criteria: quality, lead time, service level, commitment, efficiency in attention, creation of value, technological innovation, sustainability and proactive attitude.

Taking into account the success and importance of this event, Light S.A. decided to repeat it in ensuing years. The next, to take place on March 30th, 2009, will be based on the survey answered by the participants at the first edition, and will bring up the following topics:

- **The company's Strategic Plan and challenges;**
- **Expectations of operations, management of contractors and investment plan;**
- **Contracts for generation of energy;**
- **Safety at work and diversity;**
- **General contract conditions;**
- **Light S.A. in the context of the resumption of development in Rio de Janeiro; Sustainability and the Integrated Supply Chain.**

Naturally the culminating point in this event will be the awards, which are intended to distinguish the suppliers and contractors who are most closely aligned to the company's criteria and policies.

In September 2008 the company also set up the Monthly Meetings with Suppliers and Contractors, with the objectives of getting better acquainted with product lines and services, and increasing opportunities for homologation, consultation and contracting. At those meetings, new suppliers and contractors as well as those the company already knows, have an opportunity to present their business. Professionals from different areas in the company participate in the meetings, where Light's services, mission, vision, policies, procedures, principles and communication channels are presented.

WATCH THE VIDEO



Talking about Light S.A. Suppliers' Testimony

Top

Selection and monitoring

Light has two categories: supply of material/equipment and rendering services.

From the moment the contract is signed, supplies considered critical - be it because of their economic and strategic impact on Light's activities or the level of availability or ease of getting in the market - receive differentiated monitoring by the specific coordination responsible (Operational Materials, Operational Services, Corporate Materials and Services) within the Management of Contracts for Materials and Services.

In the category of material and equipment, those linked to the Company's core business are considered critical: electric conductors, transformers, measuring equipment, switches and correlative items. .

Grid expansion, maintenance, emergency, connecting, recuperation of energy, reading and delivery of bills are considered the most critical operational services, related to energy distribution.

Within corporate services, those considered critical are: IT services and equipment, maintenance of premises, fleet, medical assistance, communication and legal services.

SIGNIFICANT SUPPLIERS AND CONTRACTORS

Table with 4 columns: Year, Category, Material, Service, Total. Rows for 2006, 2007, and 2008, each with Contractor and Suppliers with contracts above R\$1MM.

Top

Ethics and development

In harmony with the UN Global Compact and the Universal Declaration of Human Rights, Light S.A. endeavors to promote the best human rights practices among its suppliers and contractors. This constitutes an important selection criterion, set out in contract clauses, next to the evaluation of the quality of the service or material, as well as the company's economic-financial and legal-tax situation. To this end it is vital that the supplier or contractor accepts the terms of Light's Code of Ethics and Social Responsibility Agreement, which are explained in relation to the following items: fight against any form of discrimination; use of forced and compulsory labor; use of child labor and the exploitation of children; risk to employees' health and safety; risk for the environment.



The Contract Area set up significant improvements in the process of selection of suppliers and providers as of the end of 2007. E-commerce has automated, sped up and given greater transparency to the acquisition process. Restructuring the work environment brought team members mobility, a significant reduction in the use of paper, greater integration and flexibility at work, and a 50% reduction in the physical space used. The partnership with the Brazilian Council of Purchasing Executives (CBEC), which promoted and supported participation in activities involving formation, development and training in the function of Purchasing, as well as alignment with the best practices for contracting materials, was reflected in an improvement in the action of the members of the Contracts team. Digitalizing documents sped up controls and the flow of documents, as it reduced the use of paper even more and was able to offer different areas in the enterprise greater support.

To afford the acquisition process maximum transparency and security, quotations and contracts are made through the e-commerce platform, which is totally interactive and connected to Light's ERP-SAP. In addition, more than 97% of values contracted for are approved by the Purchasing Board, where management or representatives from the Areas of Purchasing, Processes, Controls, Treasury and Law unanimously approve processes submitted by Purchasers, in the presence of representatives of the area placing the order. Additionally, it must be highlighted that 100% of the enterprise's purchases are watched over by the Purchasing Area; even small decentralized acquisitions go through the e-commerce platform. The last stage is carried out by a Purchasing manager.

The company encourages its suppliers and providers to be proactive in the search for better technical and productivity solutions for Light S.A., which will maximize added value. A good example of this practice is the Printing Outsourcing Project, where Lexmark was awarded the contract. The project won:

- a 50% reduction in volume of equipment;
- 100% of the printing equipment bears the Energy Star seal (a guarantee of greater energy efficiency); its performance reduced energy consumption by 37% and CO2 emissions by 57 tons;
- collection and recycling cartridges to avoid undue discarding and environmental contamination; and
- a 25% reduction in the consumption of paper.

Light S.A. reckons that with this project, pessimistically, cost savings in the order of R\$ 500 thousand a year will be made.

We would like to highlight Grupo Staples' support for the program. This company was contracted to supply office material. In line with the best sustainability practices, Grupo Staples sells its customers the idea of reducing carbon emissions by taking deliveries at longer intervals. In the case of Light S.A. deliveries are now made twice a week in Rio de Janeiro and Greater Rio de Janeiro and once a week upstate, instead of on a daily basis as before.

[Top](#)

Evaluation

The evaluation of the performance of service providers is carried out by the contract managers by means of SQM (Supplier Quality Management) system. This assessment includes criteria related to the technical and operational quality of services, image and relationship with consumers, quality of materials, vehicles, equipment and tools, training and qualification of personnel, organization of work premises, supervision, personnel policy, environment, contract management and safety at work.

For invoices relative to services to be approved for payment, Light S.A. also insists on the presentation of vouchers proving compliance with obligations stemming from fiscal and social security legislation, as well as authenticated copies of certain official paperwork (Social Security and FGTS) and the payroll with the names of the employees.

Light S.A. also has a Quality team. It is a part of the Acquisitions and Logistics Area, and is responsible for monitoring materials and equipment acquired, by means of tests, inspections and analysis of certificates and reports. When processes are relevant, this team carries out quality inspections at the premises of contracted suppliers while the respective contract is valid, or in the case of potential future suppliers with good prospects of winning a contract, during the bidding phase.[\[HR2\]](#)

SELECTION AND EVALUATION OF SUPPLIERS

	2006	2007	2008
Active suppliers	4,419	5,013	5,783
Suppliers inspected by the Company / total suppliers (%)	3.90%	3.60%	0.29%
Suppliers with SA 8000 certification or equivalent / total active suppliers (%)	ND	ND	0.02%
Percentage of suppliers inspected for social responsibility practices	0	0.2	0.38

Contractor management

In January 2008, Light S.A. established a work group with the responsibility for developing a Contractor Management plan of action that would deal with the company's position regarding outsourced service suppliers and their respective workforces. The group's work resulted in the preparation of the document, [Policy for the Management of Outsourced Service Supplier Companies](#).

In addition to ethical aspects, the goal of this policy is to continuously support and watch over providers in their development of the best management practices for rendering their services – and prevent Grupo Light's being provided services by entities that have not adopted these practices, which include full respect of collective bargaining and legislation in general (labor, social security, tax and environmental). The Client Area – the largest in number of contractors and outsourced employees - is responsible for managing it. A specific nucleus in the task force has been working on the development of action ensuring the employees' treatment in line with Light's policies.

Action related to Contractor Management will be reinforced by the Valorization Plan. One of the plan's programs is carrying out a detailed study of the process of contracting all services rendered in the field, to identify opportunities for improvement, increase controls, reduce risk and ensure they act in full accordance with Light's policies.

Support for suppliers from the state of Rio

In line with the "Buy Rio – Value what is from our state" [1] project, which Light signed onto in 2007, the Acquisition and Logistics Superintendency also encourages suppliers from other states to open up branch offices in Rio de Janeiro when they want to work with the company. A notable example is the installation of Wirex Cable Condutores Elétricos in quatis, including with the support of the State Economic Development Secretariat, which made it possible for companies to receive fiscal incentives. [\[EC6\]](#)

4 A project of the State Secretariat of Economic Development, Energy, Industry and Services.

WATCH THE VIDEO



Testimony of Wirex.

SPENDING ON LOCALLY-BASED SUPPLIERS 2008

State	Material		Service		Total	
	Qty	% in value	Qty	% in value	Qty	% in value
Rio de Janeiro	232	24%	430	59%	662	55%
São Paulo	214	42%	171	29%	385	32%
Paraná	24	6%	20	6%	44	4%
Minas Gerais	13	13%	13	2%	26	2%
Ceará	15	1%	11	1%	26	2%



Santa Catarina	13	6%	2	0%	15	1%
Bahia	11	1%	2	0%	13	1%
Pernambuco	0	0%	8	1%	8	1%
Espírito Santo	4	4%	1	0%	5	0%
Rio Grande do Sul	2	2%	2	0%	4	0%
Imported	0	0%	4	1%	4	0%
Brasília	1	0%	2	0%	3	0%
Mato Grosso do Sul	0	0%	2	0%	2	0%
Goiás	1	0%	0	0%	1	0%
Total	530		668		1.198	

IT IS IMPORTANT FOR THE SUSTAINABILITY of Light S.A. to have a healthy and ethical relationship with its suppliers and contractors, based on equity and clarity regarding the processes of selection, monitoring and evaluation. It is essential for both parties to be clear about each other's expectations and develop a relationship based on continuous improvement of processes and attention.

[Top](#)



Relationship with the Community

- » Efficient Community
- » Our people do miracles
- » Light Institute
- » Light Cultural Center
- » Sponsorships

Efficient Community

Energy efficiency is in the foundations of the relationship Light S.A. has been developing with the communities in its concession area. Action for social inclusion, strengthening citizenship, urban development, stimulating cultural activities, education, health, sports and the transmission of knowledge reflect the company's constant concern about the intelligent use of energy, so that everyone can use it without risk of a breakdown in supply.

Light S.A. reinforces its commitment to sustainability by means of specific policies, plans of action and management engaged in attending the communities in its concession area. Sharing responsibility is an advanced exercise requiring patience and confidence in good results. On these lines the company has been implementing its Attention to Community Plan, by means of partnerships with the community and public power for the construction of an efficient development project benefiting everyone.

[Top](#)

Our people do miracles

The Efficient Community Project has existed since 2002 and rests on the three legs of the sustainability tripod: generating income, economy of energy and social inclusion. Most action is taken in low-income communities in the city of Rio de Janeiro; in six years the project has attended 266 thousand households in 229 localities as at the end of 2008.

The project focuses on the efficient use of electric energy and carries out action in three main areas: education, donation of efficient equipment and technical and commercial regularization.

On the *Education* front, the project stresses awareness-raising in the community of the benefits of electric energy and how to make the best use of it. To this end, the project selects and qualifies young agents from different communities, who carry out a door-to-door educational task. During their training, all these agents are given didactic material prepared by Light S.A. exclusively for their orientation. These agents take inhabitants very didactic and accessible orientation and information to help them reduce their consumption of electric energy. With the agents' help, community families also learn to understand their electricity bills, how to use electric devices correctly, and they are informed about the risks of irregular connections. Besides all this, the agents may carry out surveys and update the company's information about homes.

On the Donation of efficient equipment front, highlights are: a) substitution of incandescent light bulbs with compact fluorescent ones, which includes the donation of the new ones and, when deemed necessary, redoing the electric installation; and b) exchanging fridges for more efficient models. Besides donating the new equipment, Light S.A. is responsible for discarding the old material and the CPC gas, adhering to the strictest environmental criteria.

Renovation of electric installations is the high point in this front, because the risk of short-circuits and fire is substantially reduced. This means enhanced safety for families and community, as well as generating savings in electric energy bills. Between 2002 and 2008 the project has redone electric installations in 4.5 million homes in the Metropolitan Area and Greater Rio de Janeiro, in Light's concession area.

In October 2008, Light S.A. carried out a pilot project for redoing electric installations, including the substitution of electrically heated showers for other more efficient ones, in partnership with the Brazilian Pro-copper Institute. This benefited 100 poor homes at risk, of which 30 are on Morro da Formiga, in Tijuca, North Zone of Rio de Janeiro, and the remaining 70 in Beira-Rio Community, in Vargem Grande, West Zone of the city. Thirty electricians, who had been trained by Light S.A. in September, moved through the communities

and redid the electric installation of the houses, with new cables, sockets, switches and fluorescent light bulbs. Additionally, more modern circuit breakers, which are safer than the traditional ones – were fitted, and old electrically heated showers were replaced with more economical ones compatible with the kind of circuit breaker fitted.

The change of type of light bulbs generated an average 20% reduction in electric energy bills, while the replacement of electric installations, added to the change of showers, generated an average consumption reduction over 15%.

On the *Technical and commercial regularization* front, which focuses on the reduction of commercial losses, and includes redoing and installing electric networks, the installation of meters without charge and urbanization action – such as the recent initiative of putting up signs with street names. All told, Light S.A. put up 291 street identification signs in different localities: Parque das Palmeiras (Belford Roxo), Nova Conquista e Terra Encantada (Pavuna), Monte Sinai, Jardim do Amanhã II (Cidade de Deus) and Andaraí/Arrelia Community. The safety of operational teams in the communities also increased upon establishing partnerships with local leadership and inhabitants’ associations, which is essential to diminish risk for technicians in the field.

Strengthened communities

Besides *Efficient Community*, several other social projects continued in 2008. One good example is the partnership with the Committee for the Democratization of Computing, which has been promoting digital inclusion since 2006 and trained 9,800 students at the Computing and Citizenship Schools.

A result of the partnership between Light S.A. and the Bank of Providence, *Family Agencies* continued promoting communities’ access to basic rights such as documentation, schooling, training for the workplace, and increase of income.

The pre-university entry exam course is an initiative of Light S.A. among young people from the Maré and Caju communities. The goal is to help them make real their dream of going to university.

Light S.A. has been setting up stations and agencies especially for low-income communities since 1998. They are manned by young people from these very communities recruited and trained by the company. There are also regional Community Coordination Centers with their own teams including social workers and field technicians.

WATCH THE VIDEO



Testimony of the President of the Inhabitants’ Association of Morro da Formiga

Monitoring satisfaction

Light’s customer satisfaction levels with the action carried out by the company at the community level are assessed in two ways: by means of structured surveys with individual questionnaires especially developed to this end; and meetings with the Consumers’ Council, which are seated in the main federations representing the communities attended..[SO1] [EC8]

RESULTS OF ACTION IN COMMUNITIES

	2006	2007	2008
Communities attended	80	85	57
Customers visited for educational task	75,000	85,000	46,729
Stations / Agencies in Communities	6 stations	9 stations	9 stations
Entry Interfaces donated	-	9,760	13,000
Fluorescent light bulbs donated	40,000	94,400	123,000
Commercial units with illumination efficiency action	547	658	Project concluded
Students benefiting from "Light in Schools" Project	9,500	12,500	Project concluded
Labor contracted in the communities	76	76	46
Young people entering University	76	72	(*)



(*) At the time of publishing this, the universities' selection processes had not been concluded. For this reason, the number of young people in the Pre-University Entry Exam Program who go on to University will be shown later on Light's website.

In 2008, the number of served communities and visited customers was lower than that of 2007 because the program concentrated its action in 57 communities, where all homes were visited by community agents trained by Light S.A.

The company promoted large and small events to complement the education task. Included in the latter were 66 lectures given in the communities, with a total audience of 915.

*The largest event was the **Show your Community** competition, which took place between March 17th and August 5th with the participation of 100 communities and 300 videos registered. The competition was a great instrument for mobilizing the communities through culture, because it stimulated the development of talent, creativity, and the simple but revealing discovery of participants' potential for making videos. The six best were given prizes, in two categories. First place in the Master category was **Chronicles of a Simple Fact**, from Cidade de Deus; **Where you Live**, from Comunidade Cesarão, took first prize in the Beginners' category. Besides the prizes there were several mentions.*

IT IS IMPORTANT FOR THE SUSTAINABILITY of Light S.A. to make an enormous effort to raise awareness of energy efficiency and form the vision of all the company's stakeholders – with special emphasis on low-income communities, so as to support them in the process of building up citizenship and improving their quality of life.

[Top](#)

Light Institute

The main mission of the Institute, structured in 2007, is to contribute to enhancing economic and social conditions in Light's concession area. The Institute also acts as an interface with consumers and society in discussing and seeking solutions to the urban problems that interfere with rendering our service.

The organ has five axes: Urban, Social, Environmental, Cultural and Institutional. The objective of programs developed is to work on matters related to the promotion of public good and economic sustainability, as well as promoting culture, memory (of Rio de Janeiro and Light S.A.), fostering science, history and literature, promoting conservation and the rational use of electricity, among others.

[Top](#)

Urban Axis

(Urban policies, urban planning, the struggle against informality)

An important initiative in this axis is support for the urban project for recovering and revitalizing the former Rua Larga, today's Marechal Floriano Avenue where Light's headquarters are located, and all its surroundings. In partnership with different enterprises located in the same area - Embratel, Eletronuclear, Central Bank and Senac, among others – the Institute started the Corporate Nucleus of New Rua Larga, comprising large and small businesses. The "Folha da Rua Larga" newsletter was set up at once, and started telling the story of this road and its characters, and giving information about cultural activities and restaurants, so as to awaken the public's interest.

**"For long it has been working well for us. There are still many problems, but I know people are trying hard."
Customer – North Zone Dweller**

Another of the project's initiatives was the "Housekeeping – Revitalization of the Rua Larga Region" seminar, which took place at the Commercial Association of Rio de Janeiro, to promote the exchange of information about the urbanism situation of Rua Larga, initiatives to recuperate it, and possible initiatives regarding its renovation. Research on the condition of the region's buildings and an evaluation of the chances for recovery of its real estate sector are also included in the project.

With regard to the fight against urban informality, a project in connection with a piece of real estate called Largo do Tanque deserves to be highlighted. This is in Jacarepaguá and has belonged to Light S.A. since 1948. At first it was a tram station for passengers and their baggage; later the company built an energy substation called "Tanque" there. However, some ten years ago squatters moved into the area, and there are now more than 1,000 families living there.

The solution suggested by the Institute is sustainable land deed regularization responsible for economic, social and environmental aspects, supported by the Judiciary and the Public Attorney's Office. The projects' high points are urbanization of the area and organization of the



community, so as to reduce environmental impact and improve the quality of life.

Light Institute is also active in projects like "Participation in PAC urbanization projects for shantytowns" and "Via Light Expansion", developed by the State Government and by the Municipality of Rio de Janeiro. [EC8]

Social Axis

(Incentives to Science, History and Literature)

Science: Energy Museum

This space will be dedicated to fostering interest in science, with special focus on electric energy. Visitors will have the opportunity to learn about different matters related to electric energy and the benefits and responsibilities stemming from its use, especially the aspect of energy efficiency and the battle against waste, stressing the consumers' role. This will be a first class complement to school formation, with the use of playful and interactive resources.

History: Rio de Janeiro House

The proposal is to present, by means of a full of fun and educational experience, the impact caused by the arrival of electric light and urban services in Rio de Janeiro at the dawn of the 20th century.

Reading: The Joy of Reading

Aimed at young people from teaching institutions and communities near Light's headquarters in downtown Rio de Janeiro, the project seeks to awaken interest in reading and the written word, so as to promote the area's cultural and educational growth. Among activities included in the Project's Module II, which started in August 2008 and is still in progress, the visits of Brazilian authors to the region's schools are outstanding, as well as spectacles encouraging the formation of readers, support of activities carried out by schools, cultural exchange with local artists and setting up the first community library for students near Rua Larga. Module I (August 2007 to February 2008) benefited 420 students, while Module II (August 2008 to March 2009) has 860 participants.

Environmental Axis

(Conservation of the environment and the Rational Use of Energy)

The adoption of measures to improve environmental and economic conditions in the Ribeirão das Lajes area, where Light's generating facilities are, was one of 2008's highlights. Work continues on a Master Plan taking the entire Lajes complex into account and presenting alternatives for the use of the different areas.

Another project in this axis is "Ruins of São João Marcos Park", which calls for setting up a tourism facility with a visitors' center, where an exhibition will show archaeological work done and tell the story of the city, which gave way to a Light S.A. dam in 1960. The project is intended to contribute to the historical, cultural and environmental preservation of the Paraíba Valley area, and the development of a tourist industry in the valley, turning the park into one of the main centers for historical tourism in the southern region of Rio de Janeiro State.

A feasibility study for the use of electric buses in the passenger transport system is yet another initiative backed by Light S.A. It is in line with the company's strategy of promoting quality of life in the city of Rio de Janeiro, with faster transport and a reduction in the use of traditional fuels, so as to promote the planet's sustainability.

Cultural Axis

(Appreciation of historical heritage, courses and publications)

Historical Heritage: Inventory of Farms in the Paraíba Valley

More than 100 farms in 23 municipalities have been mapped out, and their history recorded, in the three volumes of "Inventory of Farms in the Paraíba Valley", which was published with the support of Light Institute. The inventory comes with a Conservation Manual with information to guide proprietors in the restoration and maintenance of buildings, and it was distributed to libraries in the region as well as the farm owners themselves and the State Institute of Cultural Heritage (INEPAC), in Rio de Janeiro. This publication goes deep into the study of rural architecture in the Rio de Janeiro State region during the Coffee Cycle and its production and social structures. In addition, it will help governmental entities, researchers, teachers, students, inhabitants and urban planners carry out studies and come up with more sympathetic plans for the region's development, as well as constituting important material for consultation. All the material produced is also available in www.institutolight.com.br.

Courses and publications

The historical and physical formation of Rio de Janeiro was presented in the following didactic and accessible courses:

- **Urban History of Rio de Janeiro**



- Geology of Rio de Janeiro
- Environmental Geography of Rio de Janeiro – Physical Environment
- Environmental Geography of Rio de Janeiro – Ecosystems
- Environmental Geography of Rio de Janeiro – Climate

Support for compiling the Houaiss Dictionary and the publication of three books with the titles "Light – History of the Company that modernized Brazil", "Studies on Rio Light", "Princess Isabel Collection – Photography of 19th Century" and "History of Public Illumination", and others, are initiatives promoting cultural matters and the preservation of the company's memory.

Education in Music

The Institute supports the Maestro José Siqueira Children's Orchestra, which is training 30 youngsters in string instruments – the violin, viola, violoncello and contrabass. Another 20 sing in a choir. The students involved in the project are from schools near Light's headquarters and the children of our employees.

Institutional Axis

(Performance of public entities and promoting effective public service)

Light Institute promotes watching over public entities, in the sense of mobilizing society to monitor the transparency, effectiveness and efficiency of governmental programs. The institute promotes effective public service with proposals for institutional reform applicable to the government of Rio de Janeiro and city halls in the company's concession area. [S05]

The "Performance Indicators System" (Institutional Axis) and "Study of the Impact of Climate Change (Environmental Axis), which were due in 2008 under the aegis of ANEEL's Research and Development area, have still not been started because of the long period of study necessary to set up the Agency's new regulations and procedures for taking on projects.

[Top](#)

Light Cultural Center

Established in 1994 with the objective of spreading culture and information, focusing on the intrinsic relation between the history of Rio de Janeiro and that of the company itself, the Cultural Center went through a period of cultural ebullience until 1999, which has resumed with full vigor as of 2006.

The Cultural Center's activities strengthen Light's historical involvement with culture. Besides its presence in the imaginary of the Carioca (native of Rio de Janeiro) with carnival tunes and other popular songs, the company has had several recognized artists in its ranks.

With a vocation for putting audiences together and integrated with the company's headquarters, a historical and well-preserved building right in downtown Rio de Janeiro, the Cultural Center promotes activities focusing on students from the city's public and private schools (Light Cultural Center for Students) as well as concerts, theatre, exhibitions and thematic events.

In 2008 the Cultural Center was visited by more than 40 thousand people, who were able to enjoy its activities and learn not only about Light's rich history, but also see temporary exhibitions and the institution's beautiful space.

WATCH THE VIDEO



Testimony of the State Secretary for Culture

Light Cultural Center in 2008

Cultural Project

Objective

Public



Cultural Centre for Students	Visit guided by interns, covering a three-and-a-half hour circuit: Energy Planet, a play called "Wheel of Time", Memory Space, Small Gallery and temporary exhibitions	2008: 18,943 students & teachers from 284 teaching establishments in Rio de Janeiro, as well as other visitors
Music in the Museum	An incentive musical Project, with the objective of putting audiences together and renovating the public interested in Brazilian classical music	Students, visitors & the Center's regular public
Musical Tuesdays	An incentive musical Project built on the life & work of characters who created trends and helped build up part of the history of Brazilian contemporary music. In partnership with the <i>Viva Cazuzal</i> Society	Visitors, employees & general public
Bossa Nova forever	An incentive musical Project paying homage to 50 years of Bossa Nova. Over 4 months the project promoted 12 shows in Light's theater and an exhibition of Antonio Nery's work.	Visitors, employees & general public
Popular Brazilian Song (MPB): 12:30 sharp	An incentive musical Project putting on shows as 12:30 in Light's theater, with famous MPB artists	Visitors, employees & general public
Cartola forever	An incentive musical Project that put on 6 musical spectacles with great names in Rio de Janeiro samba in Light's theatre over 4 months, focused on different stages of the great samba singer's career	Visitors, employees & general public
Laughing at Nothing – Chico Anysio & Friends	Sketches put on by Chico Anysio & his friends in Light's theatre	Visitors, employees & general public
Musical Sauce	An incentive musical Project putting on MPB shows during lunch time, with famous MPB musicians	15,000 people, between visitors, employees & the general public

Top

Sponsorships

Light S.A. considers a sponsorship to be a financial contribution or the use of its brand in events that contribute to build its image. The following fit this definition:

- campaigns or activities led or supported by one of the Light's areas;
- financial support of cultural or sporting events;
- the company's institutional celebrations or those of customers;
- technical or commercial events;
- R&D projects.

Projects are analyzed by a sponsorship commission and submitted to the approval of the Board of Directors, in accordance with the following:

- **Interest:** It must be in Light's institutional interest to associate its name with the project because it is linked with sustainability and in line with the interests of the company, its Cultural Center, Institute or Academy.
- **Cost benefit ratio:** Scale and perspectives for a large public or reach specialized opinion-leader niches.
- **Relevance:** Be important for the economy, appreciation of culture or sports in Light's concession area, and contribute to the well-being of Rio de Janeiro State and City inhabitants.
- **Motivational:** Appreciate the private enterprise, observing, as the case may be, synergy with sports and cultural public policies.
- **Relationship:** Meet customers' or partners' aspirations and thus contribute to reaching Light's global or commercial objectives.

"It is very rewarding for us, as employees, to know that we are a part in this comeback. Now the challenge is huge. Because Light is no longer the lame-duck of the electric sector. And, if it is now an actor in leading role in this moment of Brazil and the electric sector, there is still very much ahead to do."

Luís Felipe Sá – Light's Financial Operations Manager

According to their thematic area, projects are placed in the following categories:

Institucionais – Education, Health, Sport, Technical (R&D), Energy Efficiency, Environmental, Socio-Cultural, Interior.

Entrepreneurial – Technical Events and Seminars.

Light Institute – Literature, Urban, Social Matters, Exhibitions, Historical Heritage.

Light Cultural Center – Performance Subjects, Cinema, Theater, Audiovisual, Music.

Events sponsored by Light S.A. are funded with the enterprise’s own resources or governmental incentives (Rouanet Law, or ICMS Law).

In the 2007-2008 biennium, the biggest project sponsored by Light S.A. was a series of “Special Concerts” by the Brazilian Symphonic Orchestra of the City of Rio de Janeiro – OSB.

WATCH THE VIDEO



Talking about Light S.A.
The repercussion of Light’s cultural action.

Light’s Investments in Sponsorship - 2008

Category	Incentive Resources	Own Resources
Institutional	4,554,652.13	1,109,930.43
Entrepreneurial	3,321,286.52	814,757.31
Institute	2,534,451.37	506,872.08
Cultural Center	3,344,230.39	674,646.08
Total	13,754,620.41	3,106,205.90

IT IS IMPORTANT FOR THE SUSTAINABILITY of Light S.A. to positively affect cultural formation in its concession area, with a substantial and well-defined contribution towards spreading qualitative cultural information in the spheres of education, the arts and social action focusing on the development of the concession area.

Developing the concession

- » Engagement in local and regional development
- » Vision of community and conscience
- » Relationship with the regulating organ

WATCH THE VIDEO



Testimony of the Light's New Business and Institutional Director.

Light S.A. and its subsidiaries act in the electric energy sector which, under the Federal Constitution, is submitted to a regulatory framework consisting of laws, decrees and regulations. The latter are defined by the National Agency for Electric Energy (ANEEL), which must regulate how the sector functions in accordance with sector policies expressed in laws and decrees. In addition to this, the sector is submitted to strict environmental legislation applicable to concessionaires and entities authorized for electric energy services.

Because they are natural monopolies ⁵, the transmission and distribution of electric energy are strictly regulated and considered public services. These segments are exploited by means of concessions granted by the Conceding Power, represented by the Ministry of Mines and Energy (MME).

⁵ A market situation where costs are decreasing, making it unviable the operation of two or more companies in the same geographical area.

Note - Anticompetitive behavior, anti-trust, and monopoly practices are not applicable, due to the characteristics of the concession. There is therefore no record of legal action in these categories. [SO7]

Although the generation and commercialization segments, which complement the electric sector's activities, are regulated, they afford the entity exploiting them greater freedom of action, as a result of the possible existence of competition.

Grupo Light holds two concessions: one in the generation and transmission segment, where the concessionaire is Light Energia, and the second in the distribution segment, where the concessionaire is Light SESA.

The group additionally holds the concession for developing Itaipu hydroelectric utilization and authorization to set up the Paracambi Small Hydroelectric Center.

The commercialization sector is the responsibility of Light Esco, authorized by Aneel.

Upon administrating and developing these concessions over the short, mid and long terms, Light S.A. complies with its duties to the Public Power and society at the economic, social and environmental levels, as well as ensuring the enterprise's future and its renewed commitment to sustainability.

In this context, the following points sum up the panorama Light S.A. envisions for its action:

Energy distribution (main activity) - Legally restricted to the 31 municipalities where the company holds the concession. As electric energy is directly associated with quality of life and conditions for development, it is essential that these two items be strengthened in Light's area of action.

As Light S.A. is well aware of the problems relative to security, informality, deficiencies in infrastructure and restricted growth in its concession area, the company prepared itself to support the action of all the public actors present – especially the Federal, State and Municipal governments – whilst not forgetting the complex challenge of meeting the electric energy needs of the country's second largest metropolis.

Generation – After a long period without relevant investment, Light S.A. has resumed full action and started an expansion program that is to increase generation by 15% in the short term, whilst not neglecting the search for new opportunities.

Engagement in local and regional development

Light S.A. has substantially expanded its concept of concession area development, because it believes it should be an active part of economic and social development where it is present, as the very service the company renders – generated, transmitted and distributed electric energy – is in itself one of the forces of development.

Unremitting in its compliance with legal regulatory obligations, the company has strengthened its action in public and private instances, enterprises, associations and public opinion, with the objective of helping to enhance local and regional development.

This vision of its role was more than opportune. The company had been through a period of passivity and lack of sympathy with society, and had taken on the role of 'victim' of social sores – such as indiscriminate theft of energy, lack of interest on the part of public service organs and concessionaires, and generalized disrespect on the part of customers.

On the basis of awareness that the concession contract is its greatest asset, Light S.A. has rebuilt its reputation with untiring attention to all aspects that might influence different publics' perception of the company's activity. In this spirit, different State and Municipal organs were visited, as well as a number of customers, with the objective of going into their complaints, renegotiating their debts and promoting ongoing assistance. As a consequence of this initiative, defaults were substantially reduced and no premises of public services or organs have had their electric energy cut off as a result of non-payment.

As a matter of priority, customer service, especially in the retail sector, was directed to virtual agencies, telephone attention or commercial agencies. These, in turn, went through a process of standardization, and they are also active in supporting and spreading information about matters of public interest, strongly supported by the community, especially in provincial towns.

WATCH THE VIDEO



Talking about Light S.A.
The opinion of Public Power about Light's action.

Vision of community and conscience

Light's action with the population of high-risk areas, which are responsible for almost half on the company's commercial losses, was restructured on the basis of the three legs of the *awareness – articulation – operational action tripod*.

Awareness-raising campaigns concentrated on putting across the notion that the company has a *basic pact* with its customers: providing good quality service and supporting the community. Consumers must thus pay for the services they receive. The media, company posts at Computing and Citizenship Schools in 104 low-income communities, 80 Bank of Providence posts and agencies, lectures, seminars and interviews with Light's directors were all involved.

This seemingly simple message is contested by the historic assistential and political populism that prevailed in Rio de Janeiro for decades. Joint efforts with new and dynamic public administrations at the State and Municipal levels have only just started to change this vision; it is essential that consumers understand that respect for the pact is a passport to citizenship.

The articulation axis is based on the premise that the company's efforts on their own are not enough to change the mentality of informal customers. In general, it is not Light S.A. alone that suffers from evasion; public service concessionaires and the state itself are also affected. A joint pro-formalization effort has thus been launched, which is supported by urbanization actions included in the Growth Acceleration Program (PAC) and by a program launched by us, called Legal Rio.

Taken together, awareness-raising and articulation are expected to lead to the reinsertion of about 30% of our concession area, which



clearly illustrates how important these actions are. Remarks about operational action are to be found elsewhere in this Report.

The concept of concession development, however, goes far further. Light S.A. has associated itself with efforts for the economic rehabilitation of Rio de Janeiro at the Federal level. The company is active in AD-Rio's 6 initiative in support of all measures for promotion by the State of the cities and towns in its concession area. Among the most relevant examples is action for the urban renovation of the Port Area and downtown Rio de Janeiro, as well as focusing on the promotion of the 2014 Soccer World Cup and the 2016 Olympic Games. [EC8]

6 Agency for the Development of Rio de Janeiro State

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Talking about Light S.A.
What class associations think of Light S.A.

[Top](#)

Relationship with the regulating organ

Light's proactive and participative posture regarding the regulating organ has led to Aneel's recognition of a number of specifics in the concession area.

At public hearings sponsored by the agency for improving the methodology of Periodic Tariff Revision (RTP), Light S.A. saw its participative stance recognized publicly by Aneel. On the occasion, the entity registered fundamental and balanced suggestions to attend to the legitimate concerns of consumers and the concessionaire.

On a more technical level, Light SESA has sought a dialogue with the regulating organ about, among a number of issues, compliance with quality indicators (DEC & FEC) – especially on account of the concession area's geography, which hampers the action of maintenance teams in reconnecting interrupted electric energy supply.

Light S.A. argued strongly in favor of extending the period granted for registering consumers in Federal Government social programs, taking into account that this is an essential condition for obtaining reduced tariff benefits. The company also took part in the enhancement of legislation on the matter, which is under discussion in the National Congress. Results were positive, because Aneel granted the extension sought and furthermore, the bill of law enhancing concession of the benefit is being substantially adjusted by the Federal Senate.

The Council of Light Consumers supports the company's proposals. It meets regularly and meetings are well attended.

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Testimony of PROCON

Light S.A. also endeavors to take advantage of possibilities in the regulatory framework, in the sense of creating opportunities for its customers' development. Energy Efficiency and R&D programs which were set up with compulsory investments as determined by law and regulated by Aneel are good examples: they focus on the efficient use of energy with positive effects on energy bills, especially among low-income consumers.



Still in the field of opportunities, Light S.A. has supported projects such as electronic metering and a system for pre-payment of electric energy, because we believe they contribute to social justice. It must be borne in mind when one person doesn't settle his bill, the burden falls on those who do.

Regarding the environment, an area where the regulatory framework has become increasingly demanding, the company's action in revitalizing the Lajes Complex project and setting up the Itaocara Hydroelectric Power Plant deserve highlighting. Environmental concerns became even more relevant after the adoption of the concept of sustainability in Grupo Light's business. Thus, the environmental variable is present in the stages of planning, construction, maintenance and operation.

The Concession Development Area, which is oriented towards the concept of sustainability, has started coordinating the company's environmental strategy carried forward in different areas.

Finally, in Light's opinion, developing the concession means taking responsibility for responsibilities. It was not for nothing that the company adopted the institutional sign "**O Rio é Light**", an unequivocal demonstration that the destinies of Light S.A. and its concession area are intertwined – and that all company action must necessarily bear this in mind.

IT IS IMPORTANT FOR THE SUSTAINABILITY of Light S.A. to develop the concession conscientiously, in a participative way, and with great respect for the environment and the population. This means generating more energy to meet growing demand, and taking action to ensure the preservation of the territory for future action. It also implies that the company must help communities to develop a healthy and responsible relationship with electric energy, as well as committing itself tirelessly to the development of alternative sources.

Action in the face of environmental challenges

With a history marked by important socio-environmental action, and responsible behavior regarding society and the regions where it is present, Grupo Light has consolidated in its Environmental Policy, a global strategy of clear and concrete action in the face of the growing challenges pressed upon energy enterprises by preservation matters.

The company's Environmental Policy and all its actions for preservation and stimulating environmental development, which have been reviewed in the light of our ongoing commitment to the mitigation of environmental impact caused by climate change, are guided by our vision of sustainability. This commitment involves a constant search for solutions for the company's customers, and the pursuit of environmentally correct energy alternatives that are sustainable in the long run.

In the internal arena, restructuring environmental management has proved a decisive measure in this connection, with the creation of specific coordination reporting to the Concession Development Board, to define and set up Grupo Light's environmental strategy and align the corporate policy to sustainable development.

With this widened scope of action, Environmental Management, which reports to the Energy and Environment Board, is now responsible for all technical support, focusing on the Environmental Management System (EMS) as well as environmental licensing and audits. All these units now have the support of a responsible corporative organization ensuring that all environmental license conditions as well as obligations linked to EMS certification are adhered to.

WATCH THE VIDEO



Talking about Light S.A.
Carlos Minc, Minister of State for the Environment
Marilene Ramos, State Secretary for the Environment

Environmental performance

- » Light S.A. and water
- » Water consumption at the facilities
- » The Environmental Management System
- » Impact management
- » Materials Management
- » Management of residues
- » Emissions
- » Investments
- » Environmental protection areas
- » Environmental education
- » Environmental Health
- » Environmental legislation

Light S.A. and water

Since the 1940s, Light S.A. has played a fundamental role in water supplies in the Metropolitan Region of Rio de Janeiro. Water arriving from the Lajes Reservoir, which had been feeding the turbines of Fontes Power Plant since the beginning of the 20th century, received a substantial addition around 1913, when the Tócos-Lajes tunnel was put into use to divert water from the Pirai River in the Rio Claro region. Around 1940, when no more important springs were to be found in the city's surroundings, these waters were fed into two pipelines and ensured water supply in Rio de Janeiro.

A fact that deserves highlighting is that, due to the excellent state of preservation of the environs of the Lajes Reservoir, which is ensured by Light S.A., this water is of outstanding quality and is still distributed today without any kind of treatment except chlorination.

Another water diversion built by Light S.A. later on – the Paraíba-Pirai – was to become the most important reinforcement for the supply of potable water to Rio de Janeiro. With this, the rate of flow of the Guandu River could be increased and regularized which, in turn, made viable the construction of the Guandu Water Impounding and Treatment Station, which came into operation in 1955.

In the eyes of Light S.A., therefore, water is both a source of energy and of quality of life for the population of our City and our State.

Of all water consumed in the capital of the State of Rio de Janeiro and the Baixada Fluminense municipalities, 96% passes through Light's reservoirs and electric plants, of which 5.5 m³/s (11% of the volume) is crystalline water from the Ribeirão das Lajes Reservoir. [\[EN8\]](#) [\[EN9\]](#)

Water consumption at the facilities

[\[EN8\]](#) TOTAL WATER WITHDRAWAL BY SOURCE FOR GENERATING ENERGY AND OFFER OF WATER FOR THE SUPPLY OF THE METROPOLITAN REGION OF RIO DE JANEIRO

	Quantity of water – average annual flow (m ³ /s)		
	2006	2007	2008
PARAÍBA – GUANDU diversion	148,61	133,99	143,91
PIRAÍ – GUANDU diversion	15,22	19,98	18,45
TOTAL WITHDRAWAL	163,83	153,97	162,36

[\[EN9\]](#) TOTAL CONTRIBUTION OF WATER TO THE GUANDU RIVER: PUBLIC SUPPLY IN THE METROPOLITAN REGION OF RIO DE JANEIRO

Quantity of water – average annual flow (m³/s)



	2006	2007	2008
GUANDU: via RIBEIRÃO DAS LAJES	158,12	143,91	156,13
Via channel CEDAE	5,64	5,58	5,76
TOTAL CONTRIBUTION	163,76	149,49	161,89

QUANTITY OF WATER CONSUMED – LIGHT S.A.

Water consumption (m3)	2006	2007	2008
Grand Total	202,000	183,250	157,250
Via channel CEDAE	48	46	42
Reduction previous year (%)	3	9	14

Total water discarded, by quality and destination

Impacts caused by water discarded by Light S.A. are insignificant in quantitative and qualitative terms, because of both low outgoing rates and how they are treated – and also due to the flow of receiving bodies of water. We thus consider that Light's activities do not generate contaminated effluents in bodies of water. [EN21] [EN25]

The Environmental Management System

Light's Environmental Policy, set up together with the Environmental Management System (SGA in Portuguese initials), guides our environmental practice and ensures continuous improvement in environmental performance. The first NBR ISO 14001 standard certification was earned in 2002. Today the company has 182 certified units: substations, transmission lines, hydroelectric power plants, commercial agencies and self-service posts. The certification of the complex of generating plants includes, in addition to the SGA, OHSAS 18001 standards (safety and health) and the ISO-9001 series (continuous improvement of process quality). The fact that ISO-14001 also includes requirements linked to health and safety of communities deserves to be highlighted. [PR1]

Since the SGA was set up, all environmental aspects related to the organization's activities have been put under the control and consideration of Light's Environmental Procedures, and the Environmental Aspects and Impacts Worksheets. These documents are filed in the company's Technical Documents Database (BDTL) where they are available to all employees. They set out how the company's different organs must proceed in the face of maintenance, operations and construction activities, for both old jobs and new, as well as contractors and suppliers of services and materials.

SGA external audits fall into two categories: maintenance and (re)certification. Certification issued by the certifying entities is valid for three years. During this period five half-yearly maintenance audits and one recertification audit are carried out.

Different areas of the organization participate in these audits; on average each lasts one week. During this period auditors visit certified units searching for possible faults in the SGA, both operational and documentary. The process allows possible deviations found to be taken care of and the system continues in the process of continuous improvement.

In the case of recertification audits, the certifying entity assesses whether the company's SGA is still in conformity with the items in the norm and, therefore, whether facilities can keep their certificate for another three years. To date none of Light's facilities has been refused recertification.

Internal audits share the same basis as external maintenance audits and are performed by a team of SGA internal auditors. Besides being a requirement for the NBR ISO-14001 Series, internal audits are an excellent instrument for keeping the system working adequately, and engaging our employees even more in the environmental cause.

In 2008 the number of SGA certifications and re-certifications was included in the organization's global objectives, which directly affect all employees' participation in profits. In 2008 we managed to exceed the goals with the certification of 30 new installations and recertification of other 32. This success only reasserts our commitment to certify all installations by December 31st, 2010.

Impact management

The SGA allows the organization to maintain detailed control of all environmental impacts caused by its activities. It also allows for periodic verification and revision, by means of internal and external audits.

Generation – Hydroelectric works, with the construction of dams and formation of reservoirs in rivers, alter the environment with impacts of varying degree and scope. Dams and reservoirs affect the dynamics of these environments and usually cause changes in water-flow, preventing the free circulation of fish that migrate for reproduction. This can modify the physical and chemical quality of the water and the composition of aquatic flora and fauna communities.

Mitigating action in 2008

Action	Place	Objectives
Project for monitoring the mechanism for fish transposition ("stairway for fish") in partnership with LACTEC Paraná	UHE Ilha dos Pombos (Hydroelectric Plant)	To mitigate alteration in composition of fauna and extinction of fish species, an impact commonly attributed to dams.
Pisces Project – 2nd Stage: freeing 20 thousand newly hatched fish of different species	Different stretches of the Paraíba do Sul River basin	Recovery*, increase and monitoring of fauna of fishes in Light's reservoirs: restocking with species native to the region.
Planting more than 80 thousand tree shoots	Mainly in environs of plants and reservoirs	Continue Program for Recovery of Degraded Areas, which has planted 3.2 million trees since 1992.
Planting 365 thousand shoots of native species	Municipalities in the area of influence of the generating plant	A commitment with the State Secretariat for the Environment's Contador Project for Atlantic Forest Trees

* In 2009 this action will be intensified, so as to reduce the impact suffered by the fish fauna of the Paraíba do Sul River with dumping of waste and toxic chemical products in November 2008.

R&D Projects - Environment

Title of Project	Investments (R\$ thou.)		
	2006	2007	2008
Macrophytes – Dynamics and sustainable handling of macrophytes invading Light's reservoirs	-	-	214
BIOÁQUA – biodiversity of aquatic communication and quality of water of Santana, Vígário & Lajes reservoirs	-	-	176
Development of a model for the assessment of a stairway for fishes at the Ilha dos Pombos Hydroelectric Plant	118	-	442
Thermal stratification in hydroelectric reservoirs	96	32	-
Environmental solution for restraining transformer oil spills & leaks	213	159	132
BIOÁQUA II – quality of water, biodiversity and biomanipulation of aquatic communities in Ribeirão das Lajes, Santana and Vígário reservoirs	-	238	-
Dynamics & sustainable handling of macrophytes invading reservoirs of Light SESA	-	120	-
Pisces II – assessment of environmental quality & monitoring Light's reservoirs	-	149	226
Development of polymeric posts from resin of PET bottles	-	-	44
TOTAL	427	699	1.234

Transmission and distribution – The main environmental impact of activities involving the transmission and distribution of energy take place when changing equipment with oil-based insulation, pruning trees and generating waste matter. The operation of conventional substations in urban areas, especially in densely populated regions, may also cause the population inconvenience such as visual and aural pollution, the latter originating in transformers.

Light Energia has a 230-kV transmission line. The others, belonging to Light SESA, are not high tension: they transmit energy under 155 kV. For this reason, the *rights of way* (in this case, safety areas the transmission lines pass through) are relatively small and so is their environmental impact. [EN12] [EN14] [EN26]

Mitigating action 2008



Action	Objectives
Monitoring transport & movements of oil	Control & verification (corporate SGA) of environmental aspects, completion of register of material movements & observation of all Feema norms in the execution of the operation. [EN29]
Periodic monitoring of noise level in units with transformers	To assess aural impact & repair equipment if results are higher than limits set by environmental legislation
Conclusion of project for process & device for separating oil & water in transformers' contention box – Patent pending	To reduce or eliminate risk of pollution due to oil spills
Replacement of 550 km of conventional electric network with protected/compact network	To ensure safety of equipment. Reduce pruning of trees made necessary due to distance required between lines in conventional networks (2.4 m)

watch the video



Talking about Light S.A. Testimony of Light's environmental partners.

Materials Management

Growing investments made by Grupo Light in generation, transmission and distribution of energy, including programs for the operational improvement of the system, are responsible for increased consumption of different kinds of material. On the other hand, recycling and recovery programs have been extended to reduce possible environmental impact. [EN1] [EN2]

In 2008 the organization consumed only recycled paper or from a source certified by the Forest Stewardship Council. This certification guarantees that the paper is from a productive process managed in an environmentally adequate, socially fair and economically viable manner, in compliance with all valid legislation on the matter.

Light SESA has a number of projects, in the development phase or already in process, which are in line with the 7R concept: Rethink, Refuse, Reduce, Reuse, Reutilize, Recover, Recycle:

• Zero Waste Project – In agreement with the concept of Reverse Logistics, Light S.A. is to start reutilizing its useless material in partnership with enterprises engaged in recuperation, recycling and distribution, to ensure that operational materials return to their original form with the least possible use of energy and environmental impact.

• Treatment of Oil – The Oil Treatment Center is responsible for the distribution, pumping and quality monitoring of the insulating mineral oil used in Light's equipment (approximately 10 million liters). In only 2007 and 2008, 216 thousand liters of oil were regenerated.

Besides these projects, in October 2008 Light S.A. initiated a new process for regenerating oil used to insulate maneuver switches in the underground distribution network, which is to reuse 80 thousand liters of insulating oil per year.

• Photocopying and printing – In a joint task carried out by the IT Area, Acquisitions and Logistics, and Property, Light S.A. put in place a project for the modernization of photocopying and printing services by adopting multifunctional printers which allow for better control and use of materials. Light's partner company in this project is Lexmark. Studies estimated that the project will prevent the felling of 40 trees/month, in addition to saving 37% of the consumption of energy and reducing CO2 emissions by 57 tons a year. The project also includes important social responsibility action: Lexmark will collect toners and donate US\$ 2.00 per unit to a charitable entity to be named by the Volunteer Light program.

In 2008 Light S.A. started to monitor information received from suppliers of products that contain oil or are made of wood (posts and crosspieces), as well as other materials acquired in accordance with environmental criteria – Green Label, Procel Seal, forestry certification and others.

[EN1] MATERIALS USED

Materials / unit	2006	2007	2008
Transformers / pc	2,525	4,984	6,731
Concrete posts / pc	3,629	8,256	10,601
Wooden posts & crosspieces / pc	13,941	32,434	46,574
Protectors / pc	30	21	23
Meters / pc	112,389	143,937	152,731
Insulators / pc	24,880	75,181	158,824
Connectors, terminals & accessories / pc	863,271	2,132,910	2,811.380
Cables / kg	12,666.57	36,040.53	41,688.98
Cables / meter	2,534,071.99	6,587,033.95	9,671,017.48
Óleo Mineral / l	53,414	103,806	124,046

Legend: pc – piece

[EN2] RECYCLED MATERIALS USED

Materials/ unit	Repaired					
	2006		2007		2008	
	Repaired	%Repaired/ Consumed	Repaired	%Repaired/ Consumed	Repaired	%Repaired/ Consumed
Transformers / pc	1,162	38,1	1,343	2,398.21	919,00	76,84
Meters / pc	10.037	3,7	14,137	15,201.08	46.409	65,20
Protectors / pc	40	100,0	18	85,71	21	91,30

Legend: pc – piece

Management of residues

In accordance with its commitment to sustainability as set out in its Mission, in 2008 Light S.A. initiated a project contributing to the sustainable development of Rio de Janeiro. The Company set up 11 new transformers with aluminum structures and biodegradable vegetable insulating oil, which promise a greater degree of environmental safety.

The new pieces of equipment were set up along the stretch adjacent to the ecological reserve located between the neighborhoods of Barra da Tijuca and Recreio dos Bandeirantes. This equipment was manufactured at the request of Light S.A. and these transformers are the first of this type in the country. The Company no longer uses transformers insulated with PCB, the last of which were discarded in 2007.

Since August 2008, the Residue Centers of the Rua Larga and Frei Caneca units have had a team to manage solid residues and send them off for recycling, which contributes substantially to efficiency in selective collection. The construction of a new Residue Center in Light's Material Distribution Center is planned for 2009, which will considerably increase the volume of material for recycling.

A new R&D Project is due to be set in place in 2009, with duration of two years. Its objective is to study sustainable solutions for the different kinds of solid residue generated by the organization's different activities. The project is to include a cycle of environmental awareness-raising lectures for all the employees, including top management. [EN22] [EN24]

"Light is the leading representative of a new moment. In spite of advancements, there is still a hurdle to overcome: the issue of its concession area, the metropolitan area of Rio de Janeiro, we know it has problems, with high levels of energy loss and default."

Marcos Severine – Analyst, Unibanco



TOTAL AMOUNT OF NON-HAZARDOUS RESIDUES - CLASS IIB DISCHARGED

Residue / Unit	2006	2007	2008	Method of Disposal
Washable towels / pc.10 ³	ND	ND	#REF!	Reuse
Paper, cardboard / ton	ND	ND	577,895	Recycling / Sale
Plastic / kg	15.290	4.510	9.089	Recycling / Sale
Glass & light bulbs / kg	36.230	10.070	5.839	Recycling / Sale
Metal/ kg	871.842	283.646	6.853	Recycling / Sale

Legend: pc – piece; kg –kilo.

TOTAL AMOUNT OF HAZARDOUS RESIDUES - CLASS I DISCHARGED

Residue / Unit	2006	2007	2008	Method of Disposal
EPI / kg	1.800	14.510	5.388	Co-processing
Batteries / kg	2.150	12.040	5.517	Recycling
Oil Residues / Lt	19.818	80.210	57.289	Co-processing / incineration
Cartridges / pc	485	1.904	343	Recycling
Stationary Batteries / pc	7	1.004	49.860 (kg)	Recycling
Incandescent light bulbs / kg	nd	nd	8.170	Recycling
Fluorescent light bulbs / pc	833	176.880	20.842	Recycling / Decontamination

Emissions

Inventory of Greenhouse Gases

Climate change can only be got around with the effective and integrated action of all spheres of society. Light S.A. is determined to play its part, and in 2008 it concluded its first inventory of Greenhouse Gases, linked to activity in 2006-2008. Results will help the company to assess its environmental performance, as well as controlling its emissions and studying new ways to reduce them, as a complement to measures already in place.

To the effects of this Report, we considered emissions coming from *stationary sources* (like generators and machinery running on diesel/gas and consumption of electric energy), *movable sources* (fleet of light vehicles, trucks, etc.), *fugitive emissions* (like refrigerating gases), *discarding residues and treatment of liquid effluents*.

Direct and *indirect* emissions were set apart from those produced by companies rendering services. Classified as other indirect emissions, the latter cover the outsourced fleet or discarded residues in landfills.

Results indicate that direct emissions account for the greatest volume produced by Light S.A., especially due to the contribution of the gas SF6 – a substance used to insulate equipment necessary for transmitting electric energy.

The reduction observed in Light's emissions over the years reflects, among other factors, greater investment in maintenance of pieces of equipment isolated by SF6 and the use of vehicles running on alcohol and natural gas.

Light Energia's reservoirs were not taken into account in the process of information gathering because according to the Good Practices Guide issued by the Intergovernmental Panel on Climate Change, the principal emissions of greenhouse gases are linked to the decomposition of organic matter already in the area before flooding. This activity would seem to be limited to the first ten years after building a dam. Light's most recent reservoir was completed in 1963. [EN16] [EN17]

With regard to substances depleting the ozone layer, Light's emission is small, consisting of gases used in refrigeration systems. [EN19]

The changeover of the fleet to newer and flex type vehicles running on alcohol (553 in 2008), reforestation of cleared land and the generation of energy from renewable sources are examples of action developed by Light S.A. to contribute to the Clean Development Mechanism (CDM). This is one of the flexibility mechanisms created by the Kyoto Protocol to assist the process of reducing greenhouse gases or carbon absorption (sequestration) on the part of some countries. Management of the internal fleet includes regular and corrective maintenance performed by authorized service providers, with the objective of reducing possible leaks and emission of greenhouse gases. In order to further strengthen its actions in the field of Climate Change, Light established a target of 6% for reducing its direct emissions of greenhouse gases (GGs) between 2008 and 2009. This percentage corresponds to the avoidance of the emission of 830 tons of CO₂ equivalent into the atmosphere. [EN29] [EN18]

[EN16] TOTAL DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS BY WEIGHT (OWN)

Emission CO ₂ eq (tons)	2006		2007		2008	
	DIRECT	INDIRECT	DIRECT	INDIRECT	DIRETAS	INDIRECT
Light SESA & ESCO	25,567	1,263	18,276	1,132	16,279	1,092
Light Energia	384	8	265	12	246	88
Total Light SA	25,951	1,271	18,541	1,144	16,525	1.180

[EN17] OTHER RELEVANT INDIRECT GREENHOUSE GAS EMISSIONS BY WEIGHT (SERVICE PROVIDERS)

Emission CO ₂ eq	2006	2007	2008
Light SESA & ESCO	4,852	10,452	12,472
Light Energia	263	280	163
Total Light SA	5,115	10,732	12,635

[EN19] EMISSIONS OF OZONE-DEPLETING SUBSTANCES BY WEIGHT

Emission CFC-11 (kilos)	2006	2007	2008
HCFC-22	46,70	47,87	41,16
HCFC-141	5,72	5,86	0,00
HCFC-123	1,76	1,82	0,00
Total Light SA	54,18	55,55	41,16

HCFC-22

Light's 2006-2008 environmental investment reflects the company's concern about developing its business in conformity with pertinent legislation. [EN30] As a result of the strict observation of legal requirements, Light S.A. was not awarded significant fines or sanctions during the period. [EN28]

[EN30] Total Environmental Protection Investments (R\$ thou.) – Light S.A.

Nature of Investment	2006			2007			2008		
	SESA	Energia	Total	SESA	Energia	Total	SESA	Energia	Total
Maintenance & Safety of Lines & Substations	-	-	-	1,852	-	1,852	4,286	-	4,286
Environmental Education	-	-	-	22	-	22	31	-	31
Environmental Projects	464	-	464	6,894	140	7,034	1,359	-	1,359
Environmental Licensing	4	4	8	5	4	9	34	109	143
Sundry – Consulting,									



Seminars, Audits	32	385	417	60	-	60	98	-	98
SGA Implementation & Maintenance	1,362	87	1,449	925	-	925	871	710	1,581
Urban Tree-Planting	4,326	-	4,326	6,063	-	6,063	6,480	-	6,480
Replacement of Distribution Transformers (PCB)	2,465	-	2,465	3,458	-	3,458	-	-	0
Contention of Slopes	NA	355	355	NA	345	345	NA	1,746	1,746
Removal of Plants	NA	1,452	1,452	NA	1,496	1,496	NA	1,124	1,124
Attention to Legal Requirements	-	-	-	41	-	41	-	-	-
R&D	427	-	427	699	-	699	793	422	1,215
Total	9,080	2,283	11,363	20,019	1,985	22,004	13,952	4,110	18,062

The investment made in 2008 was lower than that of 2007 due to the conclusion of the PCB elimination project, as all PCB had already been eliminated.

In addition to the investments set out in the chart, we would like to highlight the investment made in line compacting, which reached the R\$ 45.4 million mark in 2008, as compared to R\$ 6.3 million in 2007.

With compact lines the urban distribution grid becomes more robust. Additionally, breakdowns due to leaks, the action of external agents, and tree branches are minimized. Construction standards call for covered lines that will bear temporary aggression by contact, thus improving the performance of networks. The selection of locations for replacing the existing network followed the criterion of tree density, which further reduces the environmental impact.

Environmental protection areas

Rio de Janeiro is the Brazilian state with the greatest variety of Atlantic Forest domains, and it has a significant concentration of endemic species. Taken together, the 31 municipalities in Light's concession area would account for approximately 25% of the state's territory.

Light's activities have been adapted and planned for harmonious cohabitation with the extremely varied ecosystems they are inserted in – from the Rio de Janeiro coast with its beaches, lagoons, mangroves and mountains, the Rio de Janeiro flats, the Serra do Mar mountain range and the Paraíba Valley. Some of our facilities are adjacent to Conservation Units (UCs) and Environmental Protection Areas (APAs), which are vital for the maintenance of Biodiversity Corridors.

Light's sponsorship of the Rio de Janeiro Botanical Gardens, which was kept up in 2008, is a partnership affording the city's population direct benefits. During the second half of last year, Light S.A. made a commitment to the Public Attorney's Office to plant 500 shoots of 40 different species in the 3,500 m² area surrounding a substation located within the Botanical Gardens.

[EN11] LOCATION AND SIZE OF LAND OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS

UNIT	LOCATION	STATUS	SIZE (Km2)	RELATIVE POSITION
Santana Reservoir	Pirai (RJ)	In Operation	5	Mata do Amador Municipal Park
Vigário	Pirai (RJ)	In Operation	0,01	Mata do Amador Municipal Park
Lajes Reservoir	Rio Claro (RJ) Pirai (RJ)	In Operation	30	Area with high biodiversity index
Fontes Hydroelectric Power Plants	Pirai (RJ)	In Operation	4	Adjacent to Guandu EPA
Paracambi	Paracambi(RJ)	Project	4	Guandu EPA
Ponte Coberta	Pirai(RJ)	In Operation	1,07	Adjacent to Guandu EPA
Transmission Line ILH-SJS-RCD	Petrópolis(RJ)	In Operation	2,066	Petrópolis EPA
Transmission Line TSU-JP	Rio de Janeiro (RJ)	In Operation	0,293	PARNA Tijuca
Transmission Line TSU- GRA	Rio de Janeiro (RJ)	In Operation	0,08	PARNA Tijuca

Transmission Line São Conrado	Rio de Janeiro (RJ)	In Operation	0,093	PARNA Tijuca
Transmission Line Rocha Freire	Nova Iguaçu (RJ)	In Operation	0,111	Tinguá EPA
Transmission Line JP-ITP	Rio de Janeiro (RJ)	In Operation	0,262	Pedra Branca State Park
Transmission Line JP-TSU	Rio de Janeiro (RJ)	In Operation	0,424	Pedra Branca State Park
Transmission Line R. Curicica	Rio de Janeiro (RJ)	In Operation	0,081	Pedra Branca State Park
Transmission Line R. Taquara	Rio de Janeiro (RJ)	In Operation	0,023	Pedra Branca State Park
Transmission Line R. Vila Valqueire	Rio de Janeiro (RJ)	In Operation	0,049	Pedra Branca State Park
Transmission Line R. Padre Miguel	Rio de Janeiro (RJ)	In Operation	0,03	Pedra Branca State Park
Transmission Line GRA-CCD	Rio de Janeiro (RJ)	In Operation	0,204	Pedra Branca State Park
Transmission Line LTSU 141	Rio de Janeiro (RJ)	In Operation	0,0003	Pedra Branca

[EN13] HABITATS PROTECTED OR RESTORED WITHIN THE COMPANY, BY LOCATION AND SIZE

Habitat	Size (hectares)	Location	External Approval	Situation in 2008
Lajes Reservoir	19.800	Rio Claro (RJ) Pirai (RJ)	Yes1	Protected/ Restored
Reforestation Ilha dos Pombos	53,5	Carmo (RJ)	Sim2	Restored
Reforestation Santa Cecília	12	B. do Pirai (RJ)	Yes2	Restored
Reforestation Ribeirão das Lajes	1.158	Pirai (RJ)	Yes1	Restored
Recovery from Erosion - Reforestation Ponte Coberta Reservoir	76	Pirai (RJ)	Yes3	Restored
Recovery from Erosion - Reforestation Santa Branca	118	Sta Branca (SP)	Yes4	Restored
Total Protected Area	19.800			
Total Restored Area	1.417,5			

Legend: 1. Feema / SOS Mata Atlântica; 2. Feema; 3. Feema / SOS Mata Atlântica / ANEEL; 4. CPRN / DAIA

Conservation of species

Construction of the two Small Hydroelectric Centers in Lajes and Paracambi is underway. The latter is within the boundaries of Guandu APA and of Itacoara AHE, located in Paraíba do Sul, in the northwest of the State of Rio de Janeiro. It must be remembered that the fish fauna of the Paraíba do Sul River is highly diverse; of the 198 species catalogued, 41 are salt-water and 157 are fresh-water species. Of the latter, at least 20 (12.7%) are mentioned in lists of endangered species.

[EN15] NUMBER OF ENDANGERED SPECIES IN PARAÍBA DO SUL RIVER

State of Conservation*	Nº of Species
Undetermined	1
Endangered	1
Critically Endangered	3
Vulnerable	15
Total	20

* State of conservation of species: critically endangered; endangered (Biodiversitas Foundation; vulnerable; undetermined (Rosa & Menezes, 1996); vulnerable; endangered (Rio de Janeiro, 1998, Official Gazette).
Font: ARAUJO, 2006.

Environmental education

Internal Public

Every year sees the start of a new cycle of courses and lectures related to the contents of ISO-14001 and environmental awareness. This is planned with the areas involved and in 2008 alone, 159 employees from different areas in the organization participated in courses. In addition to this, Environment Teams give awareness-raising lectures to employees from contractors. Use is also made of internal events, such as Safety and Occupational Health meetings.

To improve selective residue collection along Rua Larga (Marechal Floriano Avenue), 35 employees in the cleaning area were trained in general matters and matters linked to residue management.

Community

In 2008 Light S.A. started a partnership with the Municipal Secretariat of Education of Pirai to set up the Socio-Environmental Inclusion Project, in which Ibama's Wild Animal Screening Center (CETAS – Seropédica Unit), the Federal University of Rio de Janeiro State (UniRio) and the Federal Rural University of Rio de Janeiro (UFRRJ) also took part. Planned to continue for three years, the project has already attended some 800 people, between students, Light's employees and those from communities depending on the Lajes School.

In addition to more than 1,200 wild birds set free by CETAS/Ibama in the forested part of Ribeirão das Lajes Reservoir and 15,000 newly-hatched fish of native species set free in the region's rivers by the UFRRJ's PISCES R&D Project, different events were carried out throughout the year, with the participation of the community.

- Celebration of Environment Week
 - a) Presentations on the subjects of Hydro Pollution (UNESP - Sao Paulo State University); Trafficking of Wild Animals (CETAS/Ibama); and Environmental Health (Oswaldo Cruz Foundation).
 - b) In Light's headquarters in Rio de Janeiro, a group of actors toured the workstations of 2,600 employees from different areas in Light SESA's administration units. The intention was to make them more sensitive to subjects such as saving energy, water, paper and plastic by means of a funny play.
- Celebration of 100 years' operation of Lajes reservoir, where the Socio-Environmental Inclusion Project was presented.
- A mini-course on Microscopy at Lajes School, given by the University of Rio de Janeiro's Bioaqua II R&D Project, in partnership with the Secretariat of Education of Pirai.
- Celebration of Tree Week, with a lecture on Waters & Forests and field classes on Lajes Reservoir and in the Lajes School lab. The talk and the classes were the responsibility of the EGM team and students and teachers of Lajes School.

At the close of the Socio-Environmental Inclusion Project's first year of work in 2008, a digital album was presented with films of the year's work and projects carried out by teams of students in their neighborhoods. The students brought up the main environmental problems and proposed solutions based on what they had learnt during the year.

Communities located in the environs of the future worksite of Paracambi PCH, which is to be built in the Lajes Complex, were the focus of the "Socio-Environmental Diagnosis and Dialogue" developed by Light S.A. The objective was to gather information about the communities' socio-economic profiles, impressions and expectations in connection with the construction project.

"Energy from the River" was the subject of intensive awareness-raising activities at the region's schools. In addition to distributing educational material, Light S.A. organized a writing and schoolwork competition in which 1,500 students took part.

Environmental Health

The term Environmental Health was defined by WHO in 1998 as everything linked to the aspects of human health and quality of life determined by environmental factors, whether physical, chemical, biological or social. In this sense, Light S.A. has had an agreement with the Municipality of Pirai's Secretariat of Health since 2004 whereby the company has made available the premises for a Health Clinic in the neighborhood of Ribeirão das Lajes. The premises, furniture, equipment and ambulance are ceded by the company, and the Pirai City Hall provides the professional team and medical supplies necessary.

This unit looks after not only the inhabitants of the neighborhood, but also families living in smaller communities in the surroundings where access is difficult, including communities on the reservoir's shores. The community of Light's employees, and others on the boundaries of Fontes Power Plant, can therefore count on medical attention for ambulatory patients, and they are visited at home by members of the Family Health program. They are included in vaccination campaigns, anti-dengue and others. As well as making available the necessary infrastructure, Light S.A. gives field workers logistic support by supplying boats and guides so that health teams can get to the homes of families living on the reservoir's shores.

Another important action in the area of environmental health is support given by Environmental Management of Plants and Reservoirs and Plant Superintendence to a research program called "Forest fragmentation as a modulator of the population structure of parasites and hosts and its influence on the development of infectious diseases", developed by biologist Vanderson Corrêa Vaz, of the Laboratory of Trypanosomes Biology at the Oswaldo Cruz Foundation's Department of Protozoology (Fiocruz/RJ).

During the first phase of the project (2006/2007) an inventory of small mammals was made, as well as a diagnosis on the existence of the transmission cycle of protozoans (*Trypanosoma cruzi*) and bacteria (*Rickettsia rickettsii*) which are of interest to public health, as well as other parasites in the domains of Ribeirão das Lajes Reservoir. The second phase extends the scope of the first and has already commenced for the 2008/2009 biennium. We would also like to highlight the 2008 lecture for the community on Environmental Health, in which participants were informed about the influence of environmental impact on public health. Light Energia's logistic support for the project includes lodging, boats with guides, and infrastructure to help with the initial procedures of collecting and processing samples.

Also in the area of control of infectious diseases, Light Energy is in contact with a company specializing in the control of vectors which acts in all the company's installations as well as the residential area. The unit's team has a "smoke car" for the preventive control of dengue and other diseases transmitted by insect bites.

Environmental legislation

Environmental legislation sets out legal norms relative to the protection, conservation and improvement of the environment and the use of environmental resources. In addition, there are other legal requirements, such as:

- Documents of different origins applicable to environmental matters regarding activities, products and services;
- Corporate commitments and requirements;
- Conditions set out for environmental licenses and authorizations;
- Requirements, specifications and commitments established in Light's agreements and negotiations with the Public Power and private entities in general.

To ensure full compliance with all such requirements, the Environment Area is responsible for identifying, assessing and classifying legal documents and other applicable environmental requirements, to keep them up to date and well monitored.

To ensure that new projects undertaken take environmental and social variables into account, the organization follows a procedure establishing mechanisms for taking out environmental licenses in compliance with the different chronological phases established by law, while ensuring that the requirements of Brazilian legislation are also adhered to.



Energy Efficiency

- » Energy Efficiency Programs
- » Light Esco

Although Light S.A. is an electric energy distributor, it does not wish to be regarded merely as an enterprise trying to increase its market, but rather as a quality energy supplier striving to achieve excellence of attention, concerned about the conservation of non-renewable resources and the development and growth of purchasing power in its concession area. The initiative reflecting all aspects of the sustainability of the Company's business and society is the body of initiatives aimed at the efficient use of electric energy.

Action in favor of Energy Efficiency is taken in the arena of Energy Efficiency Programs regulated by Aneel, which are compulsory in nature, as well as in the sphere of action of Light Esco's, the company's commercializing sector, whose responsibilities also include the areas of infrastructure and efficient energy service.

Side by side with different agents of society's and the Public Power (Federal and State governments and the Authorities of the Municipalities in its concession area), Light S.A. is engaged in endeavoring to help consolidate the market for efficient energy in the country and stimulating the creation of new habits, products and services centered on the rational use of energy. In the same line of action, the company has been developing courses, workshops and business meetings with the objective of disseminating concepts and instruments related to the efficient use of energy. [EC2]

Energy Efficiency Programs

Between 1999 and 2008, Light S.A. carried out 139 projects in the milieu of Aneel's Energy Efficiency Programs, with a total investment of R\$ 176.6 million. Annual energy savings stemming from these projects amount to 478.4 GWh/year, which is equivalent to approximately 3% of the consumption of Light's regulated market in 2008.

Energy savings accumulated until 2008 equal the average yearly consumption of some 250 thousand households, which is equivalent to the residential consumption of a city with 1 million inhabitants.

Actions implemented range from changing productive processes, to replacing equipment with more efficient equivalents, to educational and social initiatives such as taking on people for the execution of the project from the low-income communities themselves.

In the last three years Light's investment has remained at about R\$ 64 million, with annual energy savings of 99.4 GWh. In 2008, R\$ 15.6 million were invested on the execution of 21 projects, of which 15 are still in progress.

We would like to highlight strong action in some of Rio de Janeiro's communities with the least income, where Light's initiatives included the replacement of incandescent light bulbs with compact fluorescent ones; the regularization/normalization of customers; and the substitution of high energy-consumption refrigerators with more efficient ones. In these projects alone, investment reached the R\$ 10 million mark in the last three years, with a positive effect on the reduction of technical losses and yearly energy savings of 18,294 MWh, the main consequence of which was an improvement in our customers' ability to pay their bills.

Energy saved due to conservation and efficiency improvements [EN5]

Year	Distribution of Investment by Type of Project (%)								Total Investment (R\$ thou.)	Annual Energy Savings (GWh)
	Low Purchasing Power	Public Service	Public Illumin.	Public Power	Commercial	Industrial	Education	Solar Heating		
2006	32,20	2,20	22,60	15,80	9,50	15,30	2,4%	---	16,503	26,9
2007	39,80	26,60	15,70	13,00	4,00	0,50	0,40	---	31,877	47,1
2008	62,31	26,23	---	4,93	6,53	---	---	---	15,560	25,4

In 2008, after a long period of analysis and discussions between distributors and the regulating organ, new rules were set down for the realization of Energy Efficiency Projects. This explains the deceleration in the period, which will be made up for in 2009. In this sense, Light S.A. submitted to Aneel a plan of action extending to 2010 with investment of approximately R\$ 80 million to be split up between three basic strategies:



Social Contribution - Projects with no expected return, carried out in low-income communities. Despite their compulsory nature, Light's action in projects of this kind goes well beyond the minimum required. Action is taken to promote the development of the community as a whole and training people so they will be ready to act independently of the Light's project.

Institutional Support of Public Powers and Services - Projects in the areas of Sanitation, Health, Transport, Education and Public Real Estate, developed jointly with the State Government of Rio de Janeiro and the 31 Municipalities in Light's concession area with the objective of contributing to reduction in public expenses and, therefore, to greater efficiency in the public organs' and services' performance, thus rendering more efficient services.

Business - Projects developed in industrial and commercial units, with the objective of promoting greater efficiency of the State's economic sectors. For their execution, Light S.A. constantly seeks partnership with Class Associations and representatives of the State's economic sectors. The objective is to make every project into a showcase and, after its implementation, give out information about the results obtained with these partners, to stimulate other consumer units to adopt measures for the rational use of energy.

Projects are generally prioritized according to the following criteria:

- To contribute to an increase in Energy Efficiency;
- To look after customers' interests with the introduction of more efficient technology to reduce consumption and, therefore, costs;
- To be easily reapplied;
- To increase the competitiveness of the industrial and commercial sectors;
- To play a role in the reduction of commercial losses and in the struggle against informality;
- To find partners for the development of the project who will not only ensure its execution but also keep up results and train personnel to manage the use of energy after the conclusion of activities.

Light Esco

Today Light Esco is among the largest Brazilian enterprises acting in the area of infrastructure and energetic efficiency services. In 2008 its revenue from services saw an increase estimated at 110% as compared to 2007.

In the area of infrastructure services, the highlight for 2008 was the construction, still in progress, of the branch line and 134 kV substation for the Oswaldo Cruz Foundation - Fiocruz. This undertaking will make possible the expansion of the Foundation, with the consequent increase in demand for electric energy.

Light Esco is a pioneer in Brazil of the implementation of a technology known as District Cooling (centers for the production and distribution of chilled water). This solution is considered the most efficient for large scale environmental conditioning of large entrepreneurial and commercial centers, in both energetic and operational terms. In 2008 the highlights were the chilled water centers built for the Santos Dumont building and the premises of the Brazilian Academy of Letters. In the same fiscal year EBL, a specific-purpose association of Light Esco, Petrobras Distribuidora/BR and Ecoluz was established with the objective of developing energetic efficiency in the facilities of telecommunications enterprises. The first large project, which is already in progress, is the automation of air conditioning systems and modernization of lighting systems in 32 buildings of a major enterprise spread out in different regions of Brazil.

In trader activity, the company commercialized 434.3 GWh directly in 2008, representing a growth of 148.1% over the volume marketed in 2007. Its 55-customer portfolio includes, among other enterprises, AmBev, Unilever, GM and Pilkinton. In broker activity, Light Esco commercialized 1,325 GWh in 2008, 8.4% higher than the previous year.

As its greatest highlight, Light Esco commercialized volumes of up to an average of 220 MW of energy in long term contracts with large clients. In current values this volume represents ensured future invoicing of R\$ 3.4 billion for Light S.A. during contract periods.

Another highlight was negotiation with Votorantim Energia for the sale of up to an average of 100 MW in a long term contract. This contract to cover the energy needs of the Votorantim Group represents, for Grupo Light, forecast revenue of approximately R\$ 2 billion up to 2027.

It is **important for the sustainability** of Light S.A., the country, the planet and people at large to adopt a permanent commitment to develop its activities with minimal environmental impact, with a guarantee of the quality of waters, compliance with environmental legislation and the inclusion of actions mitigating the impact of all new projects, as well as taking permanent actions for the preservation of health and the safety of people, equipment and the environment, in addition to zeal in the quest for innovative solutions in the field of energetic efficiency.



Change in perception

Two years after Rio Minas Energia - RME's takeover of the company in 2006, Light S.A. overturned a long period of inconsistent results, remunerated its employees with the maximum profit sharing in its history, intensified its investments and turned a profit, which means that the enterprise generated value (paid dividends to shareholders).

The fact is not the result of chance but of the firm will that united the Board and the employees, with the support of the Administration Council, in concrete planning for the 2006-2008 period called the Transformation Plan. The result is expressive, and results relevant.

A well structured and feasible system of objectives, even if challenging, set the company's objectives along four axis inspired by the methodology of Balance Scorecard: Results, Product, Market and Sustainability. A body of objectives was set for each, watched over and measured, and a system of global objectives broken down into goals, which will lead the company to double its market value in 2010.

To take on the Valorization Plan, it is essential to realize a cultural change stimulating management and employees to construct a collective vision that this is the time to valorize. From company in crisis to important player in the electric energy sector, Light S.A. now seeks valorization and sector leadership.

Promoting the shift from a results-generating model to one of creation of value demands that the entire organization rebalance and redirect its efforts to put its tangible and intangible assets at the service of this objective, generating a body of variables that transcend the mere obtaining of profit: it is the search for perennality – that that will make the enterprise reach and maintain a standard of excellence, without forfeiting its capacity to adapt and grow in an economic environment of permanent evolution.

It is **important for the sustainability** of Light S.A. to embark on the quest for perennality through the valorization of human and physical assets channeled to rendering services with growing quality and efficiency.

Customers

- » Safety
- » Training
- » Ethics and confidentiality
- » Quality of attention
- » Customer Satisfaction
- » Attention Channels
- » New agencies inside and out
- » Light S.A. in communication
- » Marketing

Our greatest goal for the next two years is to grow closer and closer to our customer.

José Luiz Alquéres, president of Light S.A.

Ensure that customers are respected, heard out and treated as equals, as well as making sure they enjoy a quality service at adequate prices, is Light's fundamental commitment, set down in its Code of Ethics.

The safety of our customers is also our commitment – and that means adequate maintenance of electric installations, as well as the terms of commercial agreements between parties.

Safety

Awareness-raising campaigns developed by Light S.A. for customers are ongoing. The adequate use of electric energy is our permanent focus, especially aspects that involve the risk of accidents. After all, it is not only so that it is not lacking that it is necessary to use energy correctly.

Matters such as the installation of TV aerials on roofs, flying kites near electricity lines, building near electricity posts, stealing energy, are the highlights in such campaigns, which have seen favorable repercussions among the target public. Radio, the Mobile Attention Agency and the company's website itself – as well as a body of standardized informative material, including brochures and posters – are some of the vehicles used in these campaigns. The efficient use of energy and services rendered by Light S.A. are also relevant subjects. The Week for National Safety with the Electric Network, an event promoted by Abradee in which Light S.A. was present in 2008 for the third consecutive year, is another important forum for awareness-raising and exchanging information with the target public.

Recent statistics covering accidents with kites have led the company to intensify its educational and preventive action, as in 2008 there was a 38% increase in the number of cases involving the electric network.

In 2008, in a population of 10 million inhabitants, 44 accidents due to contact with the electric energy network were reported. Of this total, six were deemed Light's responsibility, none of them leading to death. The others were the responsibility of third parties. [\[PR2\]](#).

TOTAL NUMBER OF INCIDENTS

	2006	2007	2008
Accidents among the population not leading to death	22	31	33
Accidents among the population leading to death	13	15	11

Training



Forty-six young people over 18, selected by Light S.A. in their own communities, were trained to play the role of facilitator and multiplier – i.e. spread the concepts of energetic efficiency professed by the company in their communities. These concepts include, for example, tips on safety and essential care when remodeling their homes or building. Training was carried out under the aegis of the Efficient **Community** project.

Ethics and confidentiality

Restricted use of client information is guaranteed by a [Code of Ethics](#). Because this practice already is consolidated, there have been no complaints or lawsuits that involve the violation of privacy or the loss of client data through any of its channels of communication. [\[PR8\]](#).

Quality of attention

Customer satisfaction is one of Light's most important objectives. The Company invests heavily in the modernization of services, the development of the commercial team and attention channels, which are always in line with customers' needs and changes in the market.

Annual business meetings with large consumers, industries, and residential and commercial complexes, are opportunities created by Light S.A. to debate matters that are essential for the relationship with major customers. The quality of energy supply, regulation and the Brazilian energy market, and the energetic efficiency of the company's products and services are but a few of the subjects that have come up in these meetings.

In 2008 the authorities of municipalities in the concession area had an opportunity to learn about different energetic efficiency projects developed by Light S.A. in an event designed to strengthen the company's relationship with this customer segment.

Watch the video

[Testimony of final consumer Inhabitant of North Zone](#)

Customer Satisfaction

Surveys are an important instrument to further improve Light's relationship with its customers, because they show their degree of satisfaction with the quality of the product and services supplied by the concessionaire, as well as providing tools and incentives for us to enhance our performance.

Three important surveys are carried out every year by Light S.A.: in Aneel, in Abradee and in the company itself. [\[PR5\]](#)

In its annual research Aneel produces its own Customer Satisfaction Index (IASC). Customers evaluate distributors from five points of view: quality of service, value (tariff price), loyalty, confidence and satisfaction. The survey compares customers' perceptions of service quality for Brazil's 64 energy distributors. In the 2008 survey, Light's approval rate was 56.20%, as compared to the national average of 64.15%.

Abradee's survey has been carried out by the Vox Populi Institute until 2008, measuring residential customers' degree of satisfaction with quality of product and services rendered by the distributors, expressed in three main indices:

Customer Approval Index (IAC) – Reflects the public's impression of the enterprise, based on the reply to a question at the beginning of the survey. Here Light's 2008 index was 64.20% as compared to the Brazilian average of 73.60%.

Satisfaction with Perceived Quality Index (ISQP) – This index takes into account the customers' assessment of each item. The percentage obtained by Light S.A. in 2008 (72.50%) showed a slight drop with respect to the 2007 results (74.10%). The Brazilian average was 77.40% and Light's target for the indicator was 76.00%*.

General Satisfaction Index (ISG) – The reply given to a question at the end of the Abradee survey questionnaire reflects the customer's final opinion after assessing the company. The percentage obtained by Light S.A. was 69.90% while the national average was 79.90%.

Light's own survey has been carried out since 2005 and analyzes residential customers' satisfaction with respect to quality of attention and services rendered by the company. In 2008 it was carried out by the Vox Populi Survey Institute, using the same methodology as the Abradee Survey. Light reached the 92.20%* mark for satisfaction, which is 6% higher than the result for 2007 (86.20%).

In December 2008, the Consumidor Moderno magazine published the result of the survey "Companies with most respect for consumers", with Light S.A. appearing as second best ranked among companies of the electric sector that best serve and understand their customers.

Specific action plans are under development to enhance the company's perception among customers and other stakeholders, as part of the Program for Institutional Image Consolidation (V.11)

CUSTOMER SATISFACTION INDICES

	2006	2007	2008
Consumer Satisfaction Index (IASC) - Aneel	66,97%	66,88%	56,20%
Satisfaction with Perceived Quality Index (ISQP) – Abradee	74,10%	74,10%	72,50%
Customer Approval Index (IAC) – Abradee	61,00%	71,00%	64,20%
General Satisfaction Index (ISG) – Abradee	68,80%	75,70%	69,80%
Index of Customer Satisfaction with Services Rendered by Regional*	83,80%	86,20%	92,20%
Large Customer Satisfaction Survey	Not done	73,00%	77,01%

* Nota - Although the methodology for applying and interpreting Abradee's and Light's surveys is the same, the areas and features surveyed are different, as is the database and the public interviewed. This explains the difference between Abradee's results and those of Light's own survey.

In Abradee's survey, customers assess the supply of energy, information and communication with customers, electric energy bills, attention to customers, Light's image, public illumination, social responsibility, price and other items. This survey allots municipalities, and, in each, interviewees are selected at random. There is thus no guarantee that the customer has had no contact – whether positive or negative – with Light S.A. The database comprises 100% of customers billed.

In Light's survey, customers assess the eight main services executed the previous year. In the latest survey items assessed were: *New Low Tension Connection, Low Tension Disconnection, Low Tension Substitution, Low Tension Checking, Rectification of Name and Address, Opening a New Contract, Modification/Maintenance of Low Tension Metering, Load Change, Increase and Decrease of Low Tension Load.* In this survey, only customers contacting the company and having direct contact with us were interviewed. The database comprises only customers who requested the above services in a three-month period.

WATCH THE VIDEO



Customers of Light's talk about the quality of care

Service Channels

To attend to customers upon request in a single contact whenever possible: this is the objective with which Light S.A. centralized its attention structure in 2008, with the implementation of improvements and standardization of commercial procedures.

A key factor for the success of this strategy is to ensure efficient communication channels to facilitate access to information, products and services, complaints and requests for action. Learn about the Consumer Attention Channel set up by Light S.A.:



Dial-Light attention)	(telephone-	Free 24-hour service in two segments : Commercial Dial-Light – 0800 282 0120 Requests for service, complaints, information & campaigns Emergency Dial-Light – 0800 0210 196 Interruption of energy supply & damage involving electric grid
<hr/>		
	http://www.light.com.br/	Easy and agile communication with the company. Through Virtual Agency and Click-Light (online chat), retail customers can request services and make enquiries online; the website also has a consumption simulator, information about programmed interruptions and hints for economy and safety, among other services. In 2008 the Virtual Agency took on new functions and services to simplify matters for customers. Information for large customers is comprehensive & exclusive: not only is the account available online, but also details about special tariffs, solutions for enterprises, notions about energetic efficiency, structure of commercial attention, hints on economy and other services can be accessed.
<hr/>		
Commercial agencies and self-attention		There are a total of 36 agencies, of which 29 are commercial & 7 are self-attention, spread over the 31 municipalities in Light's concession area. In 2008 the Ilha do Governador and Miguel Pereira agencies were remodeled; additionally Light S.A. opened another two, in Rio Claro and Mendes.
<hr/>		
Self-attention machines		A total of 30 terminals offering a number of services: bill copy printing, changes in customer data, automatic debit authorization, end of contract, requests for bill to be delivered to another address, change of expiry date.
<hr/>		
Mobile Attention Agency		A new channel implemented in 2008, consisting of a vehicle especially adapted and equipped with an online operational system via internet wideband. All attention handled by a commercial agency is available. Additionally, awareness-raising activities are carried out with the exhibition of institutional & educational videos about the efficient use of electric energy & safety concerning risks involving the electric grid. The mobile agency has a fixed agenda and also visits municipalities which do not yet have any commercial agencies.
<hr/>		
Ombudsmanship		Light's Ombudsmanship receives and forwards customers' complaints & suggestions.

New agencies inside and out

The exterior of Light's commercial agencies now reflect the inside, and vice-versa. Modern standardized visual identity, comfort and ergonomics for customers and employees. All services in one place. Consideration of people with disabilities: access ramps, priority attention, special toilets and other features. New and existing agencies, fully remodeled, reflect Light's zeal in customer satisfaction, in approaching the thousands of people who, behind their electric energy bills, behind identity codes, live their daily lives with the providential support of the energy the company produces and delivers to their homes and places of work.

Light's new agencies have three internal areas: self-attention, services, and space exclusively for employees. Among the different services offered, there are ATMs, self-attention terminals, direct Dial-Light, virtual agents and information brochures. There are also areas for requesting services and another for complaints.

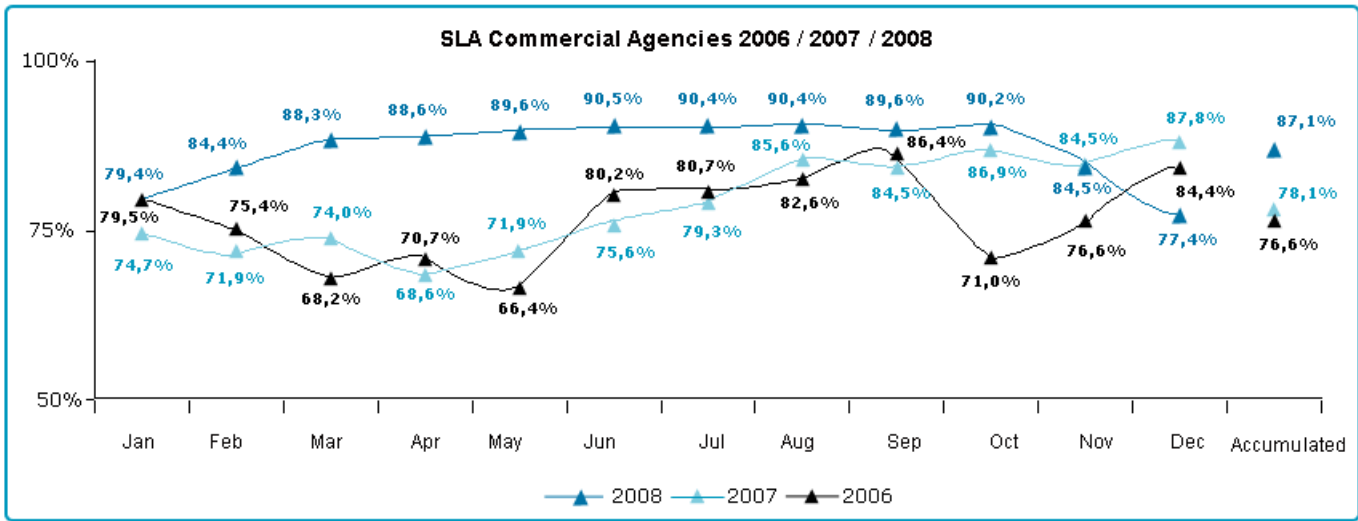
Under-the-skin changes are deeper: the management system adopted allows for remote monitoring and visualization. Personal attention can thus be watched from a distance, and monitored attendants are given feedback. The system ensures productivity, as well as close control and intelligent management of the agencies' attention requirements. In-person attention has been successful in obtaining a higher number of service requests, which keeps down the need for clients to go to the agency to register complaints.

Safety and inclusion are aspects included in attention given by commercial agencies. In March 2008 Light S.A. concluded training of the first group of commercial attendants in the Brazilian sign language (LIBRAS), with the objective of offering people with hearing impairment differentiated attention in the agencies. In November 2008 attendants were also trained as volunteer fire-fighters.

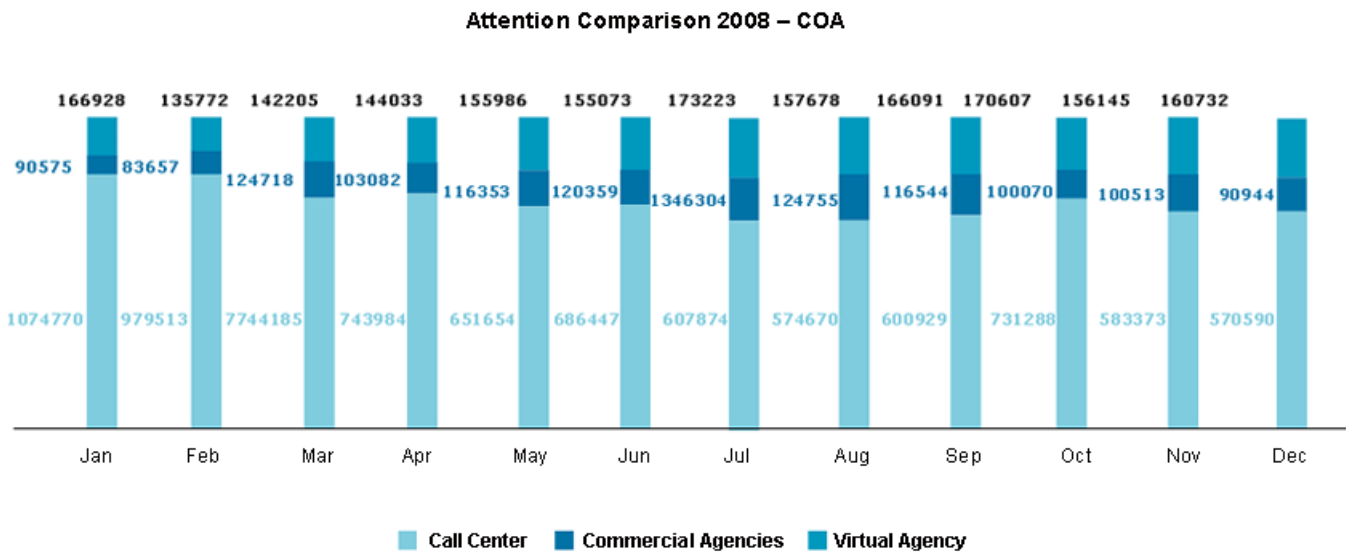
As a consequence of all these actions, in 2008 personal attention had the best results in the last three years, as shown in the graph below.

Additionally, the level of service at Light's commercial agencies – 80% of customers attended in an average of ten minutes or less – is above the other concessionaires' averages.

Upon comparing virtual agencies, telephone attention and in-person attention, the graph below shows that virtual agencies are already in second place in consumers' preference, even though they are a relatively recent modality. Virtual agencies account for 16% of all Light's attention. Telephone attention is still the company's main channel, amounting to 73% of the total, while the figure for in-person attention at commercial agencies is 11%.



* Projected result



In order to offer corporate customers the same differentiation, Light S.A. has three specific managements to attend large private and public



consumers, in addition to the Large Customers' Space for personalized attention located in the company's headquarters, and a call-center for emergencies, exclusively for this kind of consumer.

Light S.A. in communication

In conformity with the directives in the company's Communication Policy and Code of Ethics, Light S.A. maintains ethical and transparent relationships with its different publics, developed on communication strategies, as well as socio-cultural and educational action related to production, distribution, commercialization and use of electric energy.

Light's communication focuses on:

- **Making the population aware of the safe use of electric energy;**
- **Giving out information about consumers' rights and duties, as well as explanations about supply interruptions, fraud, and quality of service and attention;**
- **Developing action for articulation with the Public Power, enterprises and representative entities, with the objective of highlighting the importance of electric energy as a factor in development.**

Additionally, the company complies with standard norms in advertising established by the Executive Council of Standard Norms, and acts in conformity with the Brazilian Code of Advertising Self-Regulation (CONAR) and Law no. 8078 dated November 11th, 1990. In last three years, there are no records of any cases of non-conformity with voluntary regulations and codes relative to marketing communications, including publicity, promotion and sponsorship. [PR6] [PR7].

Marketing

The Marketing Area endeavors to identify and plan commercial projects aimed at the retail trade, directed at reducing operating costs, increasing revenue and customer relations. Action implemented generates greater satisfaction and enhances the company's image.

Marketing Projects 2008

New Virtual Agency

In line with the best market practices, in 2008 Light S.A. increased investment in the virtual channel, with the objective of adjusting the mix of attention and directing customers to less expensive channels. As a result of this action, virtual attention's share increased approximately 47% in 2008 as compared to the previous year. In total 1.88 million attentions were carried out.

Several actions contributed to the growth in virtual attention: flexibility of access to the website, the implementation of online chat, as well as improvements in navigation and watching over services (new connections, load alterations, complaints and checking meters), which proved essential to improve the company's quality, productivity and reliability. After making agreements with the main collection banks, Light S.A. also started offering site to site payment.

Visanet: Expansion

Thanks to the partnership Light S.A. established with Visanet, customers can now pay their electricity bills with Visa debit cards at commercial agencies. The results of this pilot project – which was developed in October 2007 in three commercial agencies: Rua Larga, Copacabana and Barra da Tijuca – demonstrated the viability of extending the service to other agencies, which took place in 2008. Due to its agility, this project helps reduce operating costs.

Insurance linked to accounts

Light S.A. and Aon Infinity insurance broker associated to launch the Total Insurance project in 2008 – the mass offer of insurance aimed at residential customers. Prices are competitive and coverage was selected for specifics in Light's concession area. As well as generating revenue, Total Insurance adds value to the service rendered, automatically updates customers' registers, motivates punctual payment and improves Light's image. The success of the project led to the assembly of new packages of insurance and other products, with launching planned for 2009.



Incentive to Automatic Debit

Customers who register their electricity bills for automatic debiting win tickets for movies and shows. This was the spirit of the partnership between Light S.A. and PlayArte and Time for Fun, which gave customers registering their bills tickets for movies and the "Disney on Ice" show.

A simultaneous internal campaign developed for commercial agencies encouraged attendants to offer customers the automatic debit system, with the objective of decreasing collection costs as well as ensuring timely payment.

Both campaigns also included action for the retention of automatic debits.

Partnership with "Oi" Operator

In association with Oi telephone operator, in 2008, Light S.A. was able to offer retail customers special packages of fixed and mobile telephone services. The great advantage for our partner was being able to use Light's electricity billing – the company's main communication channel with its customers – as an advertising channel.

It is **important for the sustainability of Light S.A.** to ensure the satisfaction of customers in all segments by rendering quality services, efficient communication and attention exceeding every public's expectations, to generate an increasingly positive perception and continuously expand the relationship with customers in all spheres.



Information Technology

IT challenges in 2008 involved the capability of reporting on and making the company's transformation strategies viable, as well as preparing the unit for the new challenges presented by the Valorization Plan.

In 2008, Light's IT area was restructured, with reformulation of its management and governance procedures, personnel development, searches for innovative and pertinent technology, improvement of methods and processes and strengthening interaction with business areas to look after and even anticipate their IT needs.

IT staff	109 people
Users	5,700 (3,900 employees & 1,800 outsourced)
Emails received (month)	8 million (90% of which blocked by security systems)
Invoices processed by SAP-CCS (month)	170 thousand
Database capacity	4,8 terabytes
Average monthly growth of database	200 GB
SAP R/3 database (current)	600 GB

Most Outstanding in 2008

Virtualization Project – With the objective of reducing environmental impact, the project promotes action for the reduction of energy costs and increasing carbon credits.

New Telemetry Technology Project – Aimed at the implementation of new technology, the project made customer management more efficient, quicker, safer and more economic by minimizing commercial and technical losses of energy and acting against default.

Fleet Management by GPS - Implementation of this system made possible online geo-referenced monitoring of the fleet, storing data on each vehicle during its daily work. The system promotes greater efficiency in the man-equipment team, as well as increasing vehicles' yield, saving fuel and increasing drivers' safety with control data and educational action.

It is **important for the sustainability** of Light S.A. to be permanently up to date with IT advances that can ensure greater efficiency in operations, reflecting on services rendered.



Intangible assets

The term "intangible assets" is not limited to accounting. It is also used for the designation of non-material goods that produce results and benefits, whether financial or not, contributing to enrich a company's capital in many ways. Light's main intangible assets consist of *human knowledge, processes, innovation and technology related to the customers and the brand.*

Asset	Description
Human	The entire body of employees' individual skills and knowledge that, used in an organized manner, increases & enriches the organization's collection of experience & culture.
Process	Body of processes linked to the distribution of energy.
Innovation & technology	Constituted by R&D information systems (software, applications & databanks), technologies and processes.
Customer Relations	Structures & practices linked to relationship with the customer.
Brand	Brand as a differential for Light's business.

WATCH THE VIDEO



Light's image, from the viewpoint of employees and customers

The [Development and Protection of Intangible Assets Policy](#), approved in 2007, sets up guidelines for the protection and assessment of this body of assets, as well as assigning the units responsible for them. The treatment of each and every asset is the object of a work standard defined by specific internal normative instructions (information safety and security policies, communications, occupational health and others).

Intangible assets are kept for the company's use and in its domain by means of projects, norms and procedures, work registers and instructions, policies, information systems and availability on the intranet. They can be protected by access controls (whether physical or digital) when they are for classified use.

With reference to Marks and Patents, these are protected by registry and deposits with the National Intellectual Property Institute - INPI. Light's principal brand name has been registered with this entity since December 26th, 2001.

In the case of the company's intellectual capital, the goal of making Light S.A. "a wonderful place to work", which is included in the company's Mission, involves offering employees the conditions necessary for personal growth and professional accomplishment, while feeling proud of belonging to Light's team.

Attracting and retaining specialists is assisted by human resources policies, a first class organizational climate and work environment; the R&D program, the opportunity of sharing and working with professionals from renowned teaching and research entities; and the fact that Light S.A. is an ethical enterprise concerned about developing its business in a sustainable manner.

Light Academy is active in promoting the application of knowledge on the basis of coaching and mentoring, setting an example for the best practices and attitudes, and the management of knowledge. By valuing employees' knowledge and experience, the Academy trains and certifies employees as instructors so that they can share what they have learnt and perfected in the company with their colleagues.

All knowledge deemed relevant is strategic for the business, and it is identified every time there are changes in processes, procedures and technological updates. Once described, this piece of knowledge is registered in the different information systems, so as to become a part of the company's intellectual collection.

IT IS IMPORTANT FOR THE SUSTAINABILITY of Light S.A. to protect and develop its intangible assets (human, processes, technological, customer relations, and the Light brand name), that represent the body of accumulated knowledge and that allow the enterprise to carry out its activities and render the services it proposes to with excellence.



Research and Development

- » Focus on results
- » Stimulating qualification
- » Stimulating qualification

Rather than an obligation, annual R&D programs are an opportunity to foster creative and innovative thinking in the Group's companies.

As determined by regulations, Grupo Light invested R\$ 78 million in its R&D programs during the period 2000-2008, of which R\$ 28 million correspond to 2006-2008. In this last year, Light SESA alone invested more than R\$ 9 million on 61 projects, while Light Energia applied R\$ 1.2 million on five projects.

Valor Investido em P&D por Ciclo (R\$)							
1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
Light SESA							
2,526	7,325	8,977	8,247	11,533	9,387	11,373	17,657
Value invested by cycles (R\$ thou.) - LIGHT Energia							
-	-	-	-	-	-	-	1,125

Resources spent on Technological & Scientific R&D – R\$ thou./year on research subjects (R&D Manual – ANEEL)	2005	2006	2007	2008
Energetic efficiency	182,114	-	1,180,001	231,134
Renewable or alternative source of energy	924,709	307,570	461,098	-
Environment	921,060	427,047	698,565	1,234,458
Quality & reliability	847,010	553,293	1,162,489	619,527
Planning & operation	3,137,844	3,345,713	3,952,925	2,933,245
Supervision, control & protection	1,557,053	1,097,646	671,437	1,293,146
Metering	456,701	834,036	549,116	344,096
Data transmission via electric grid	754,963	436,763	-	-
New materials & components	456,413	324,153	332,523	1,101,163
Development of technology to fight fraud & theft	2,688,865	625,332	1,379,934	2,419,542
Total investment on R&D	11,926,732	7,951,553	10,388,088	10,176,311

Focus on results

Applied research has always been the focus of R&D programs. This reflects Grupo Light's concern about the viability projects generating concrete results and that can be applied to the enhancement of process management, contributing to continuous improvement of services rendered.

Results obtained with the development of R&D projects can be classified as *qualitative* (gains in the quality of service, in productivity, in image strengthening) or *quantitative* (cost reduction, tariff moderateness, revenue from patents).

As the areas to benefit – which are the potential users of the products generated by each project – are involved since the very beginning, the risks inherent in the R&D process and its uncertainty are substantially diminished. Additionally, the alignment of technical subjects and the technological paths of R&D result in greater commitment to the results arrived at, generating more applicable products and gains for the organization.

[Top](#)



Stimulating qualification

Every year some 20 research entities are involved in the development of R&D programs, with an average five researchers per project. The number of external professionals involved can reach one hundred per cycle, additionally to which approximately 60 employees participate in every cycle of projects. Employees, researchers and grant-holders from participating entities benefit equally from the qualification process.

In-Company Training

Cycles	Master's	Specialization	PhD
2006/2007	2	3	0
2005/2006	5	4	0
2004/2005	9	5	1
2003/2004	2	1	0
2002/2003	1	0	0

[Top](#)

Strategic Planning for R&D

In partnership with the Catholic University of Rio de Janeiro (PUC/RJ), Grupo Light developed a model for R&D&I strategic planning called "Agenda for Strategic Planning Integrated with Technological Innovation", which is in line with the Group's corporate objectives. The model was developed to comply with ANEEL's new regulations, which require concessionaires to submit Strategic Planning for R&D with a five-year horizon.

The project subsidized the construction of Grupo Light's R&D Strategic Planning, with the identification of thematic R&D guidelines converging with growth strategy, needs and goals of Grupo Light's. Nineteen lines of research connected to 10 specific ANEEL subjects were identified; additionally three new projects under discussion and eight sub-themes were proposed.

ANEEL Subject	Company	Line of Research
Alternative sources for generation of electric energy	Light SESA	Competitive insertion of renewable & alternative energy sources
Management of basins & reservoirs	Light Energia	Impact on use, emission of greenhouse gases & aggradation, associated with hydroelectric power plants' hydraulic basins
Environment	Light SESA	Environmental impact & innovation in environmental management: monetary measuring of damage & mitigating measures in the exploitation of electric energy
Safety	Light SESA & Light Energia	Mitigating risk, new PPEs, inspection & maintenance of electric systems
Energetic efficiency	Light SESA	Technology, indicators & evaluation of results of energetic efficiency projects
Planning electric energy systems	Light SESA	Modeling networks; potentializers of load capacity & useful life of equipment and TLs; integration of wind farms & distributed generation
Operation of electric energy systems	Light SESA	Optimization of dispatch & load management
Supervision, Control & Protection of Electric Energy Systems	Light SESA	Transmission of data by electric networks
Quality & Reliability of Electric Energy Services	Light SESA	Quality, pollution, disturbances & financial indemnification in the electric system
Metering, Billing & Fight Against Commercial Losses	Light SESA	Forecast, segmentation, identification & management of commercial losses; Metering systems, control, and regulatory, meteorological & conformity evaluation aspects
Subject proposed	Company	Line of Research
Methodologies for Improvement of Knowledge about Customer Bases	Light SESA	Commercial development of concessionaire/customer interaction
Methodologies for Evaluating		

Analysis of Economic-Financial Performance

- » Consolidated net revenue
- » Consolidated operational costs and expenses
- » EBITDA
- » Consolidated financial results
- » Consolidated net profit
- » Indebtedness
- » Cash flow
- » Performance of shares
- » Distribution of dividends
- » Investor relations
- » Tariff Revision
- » Investments

A major ICMS (value-added tax on goods and services) collector in Rio de Janeiro, Light S.A. collected over R\$ 1.95 billion in the 2008 fiscal year. The sum represents a relevant financial instrument for the sustainability of the Rio de Janeiro State economy.

WATCH THE VIDEO



Testimony of President, Commercial Association of Rio de Janeiro

[Top](#)

Consolidated net revenue

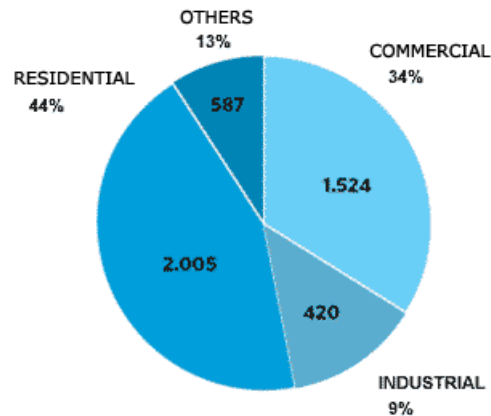
Net Operational Revenue reached R\$ 5,386.6 million in 2008, 7.9% more than revenue drawn in 2007. Consolidated performance reflects mainly the growth in distribution activity, with emphasis on the 4.70% increase in the average tariff as of November 7th, 2008, which contemplated the recognition of financial additions relative to past financial years, for the mix of distribution consumption, with greater participation of the residential and commercial classes, and also due to energy incorporated by action in the struggle against losses.

Besides these factors, the result was also influenced by growth in revenue from the energy generation and commercialization segments, respectively 12.2% and 154.7%.

Distribution

Net revenue from distribution in 2008 totaled R\$ 5,101.1 million, especially due to an average tariff adjustment of 4.70% as of November 2008 (including certified financial additions), a growth in low-income customer subsidies, and the customer mix with higher participation of households and businesses.

NET REVENUES PER CLASS – CAPTIVE R\$ MM - 2008



Generation

In the year, net revenue from the generation segment amounted to R\$ 304.5 million, a 12.2% increase over the same period in 2007. This increase in revenue can be explained by: (i) the adjustment of contracts for the sale of energy in the Area of Regulated Contracting; (ii) the strategy of greater energy allocation reserved as a hydrological hedge in the first quarter of the year, when spot market prices climbed to nearly R\$ 500/MWh.

Commercialization

Net revenue from the commercialization business in 2008 totaled R\$ 78.4 million, 154.7% than that for 2007. This result corroborates the growth of this segment of the company's activities, stemming mainly from the strategy of direct resale of surplus energy by Light Energia to free customers, at the highest average price for energy on the free spot market in the year, and also from the closing of new energetic efficiency contracts.

[Top](#)

Consolidated operational costs and expenses

In 2008, operational costs and expenses totaled R\$ 4,195.0 million, remaining in line with those for 2007.

Distribution

In 2008, the distribution business reduced its costs and expenses by 0.4% in comparison to 2007. At the distributor, costs are classified as non-manageable (referring to energy purchase and some sector charges) and manageable (referring to the company's operation: personnel, material, outsourced services and others).

Non-manageable costs and expenses

In 2008, non-manageable costs and expenses amounted to R\$ 3,080.9 million, 4.6% higher than those for the same period of 2007, mostly due to the adjustment of existing contracts for the purchase of energy, the inclusion of new contracts for energy, and charges for the use of the network, including charges for the use of the Basic Network and Connection with the Transmission System.



Manageable costs and expenses

In 2008, manageable costs and expenses totaled R\$ 993.6 million. The 13.1% drop as compared to 2007 reflects reductions in all the lines comprising PMSO (Personnel, Maintenance, Service & Others), specially personnel costs.

PMSO costs and expenses amounted to R\$ 505.4 million in the year, 6.9% less than R\$ 542.7 million in 2007. There was a 15.4% drop in personnel costs, as a result of: (i) substantial improvement in personnel costs involving remuneration, benefits and taxes adding up to approximately R\$ 7.2 million; and (ii) the increase in the volume of investments in the year and the corresponding capitalization of personnel costs.

The cost of material and outsourced services remained in line with those registered the year before – a reflection, mainly, of negotiations with suppliers and contractors, with the objective of minimizing the effects of inflation indexation on contracts in progress.

In the year, provisions (for Doubtful Debtors, for Contingencies & Others) showed a R\$ 97.6 million reduction as compared to the 2007 total. This reduction stems mainly from the reversion of a R\$ 133.8 million provision put up by Light S.A. for actuarial loss in the Braslight Pension Fund, of which Light S.A. is a sponsor. PDD for the fiscal year was equivalent to 3.3% of gross revenue from energy billing in 2008, as compared to 2.8% for the same period in 2007.

Generation

Light Energia's costs and expenses amounted to R\$ 122.8 million in 2008, a 2.3% reduction in comparison to the same period in 2007. The reduction in personnel costs stands out, due mainly to substantial improvement in working staff, the effect of which was approximately R\$ 4.2 million.

Commercialization

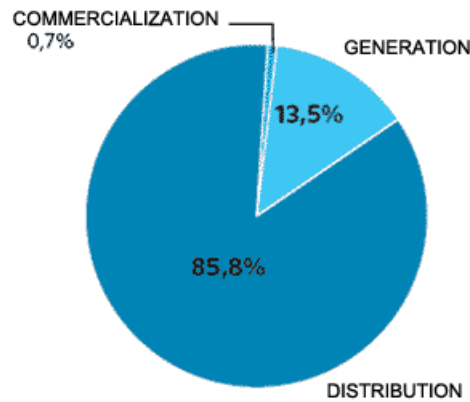
Light Esco's operational costs and expenses totaled R\$ 68.5 million in 2008, 149.7% higher than those for 2007. This increase was due mainly to the increase in the volume of purchases from Light Energia and other generating entities for resale, which totaled 434.3 GWh in 2008 as compared to 175.1 GWh in 2007, and to the construction of a substation for Fiocruz and work on the chilled water center of the Santos Dumont Business Center, totaling R\$ 5.3 million.

[Top](#)

EBITDA

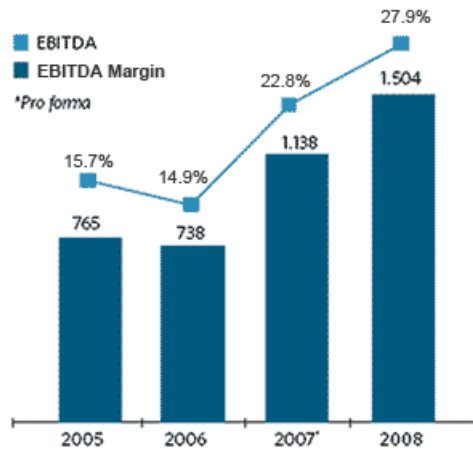
In the year, EBITDA totaled R\$ 1,504.1 million, 32.2% more than in 2007; the EBITDA margin in the period reached the 27.9% mark, in comparison to 22.8% in the previous fiscal year. Not considering non-recurrent effects amounting to R\$ 107.5 million stemming from the recognition of financial additions from previous fiscal years, and R\$ 133.8 million from the reversion of provisions for Braslight, growth stood at 11.0%, within which the 3.2% reduction in manageable PMSO costs stands out.

EBITDA PER ACTIVITY (2008)*



* Does not consider elimination

EBITDA and EBITDA margin – Evolution



Distribution

In 2008, EBITDA was R\$ 1,313.6 million, 35.7% greater than the year before, due mainly to the following factors: (i) a R\$ 34.7 reduction of manageable PMSO costs, (ii) recognition of low income subsidy, (iii) a 4.70% average adjustment of tariffs as of November 2008 and, (iv) to a lesser extent, a change in the consumption mix of the regulated market. The year’s EBITDA margin was equivalent to 25.8%, 5.4% greater than that for 2007.

Generation

In the year, Light Energia’s EBITDA showed an improvement of 20.8% in comparison to 2007, totaling R\$ 206.4 million. This improvement is the consequence of a 12.2% increase in net revenue and a 2.3% reduction in operational costs of generation. The year’s EBITDA margin was 67.8%, 4.8% greater than that for 2007.

Commercialization

In the year EBITDA totaled R\$ 10.5 million, 152.3% higher than in the same period of 2007, due to growth of trading activity with a 148.1% increase in energy sales, together with higher energy prices in the spot market and the expansion of consultancy services regarding energetic efficiency. The year’s EBITDA margin was 13.4%.

Consolidated financial results

In 2008 financial results were positive by R\$ 94.4 million, compared to R\$ 316.0 million in the red in the previous period. This was mainly due to the non-recurrent effect of reversion of provision for expanding the calculation base of PIS/COFINS in the amount of R\$ 432.4 million, which was carried out in the second quarter 2008. The year's financial revenue of R\$ 270.1 million was 9.1% greater than the previous year's. It was affected mainly by increases in interest on financial investments.

Top

Consolidated net profit

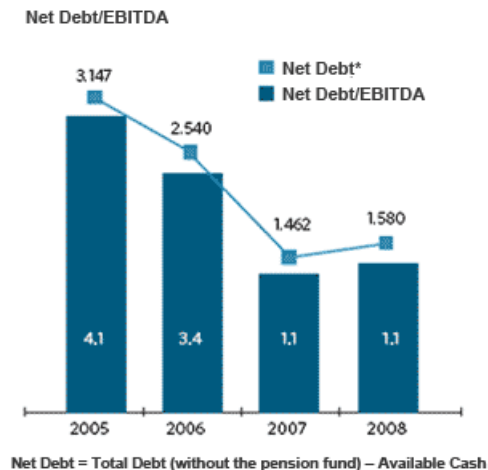
Light S.A. posted a consolidated net profit of R\$ 974.5 million in 2008, 9.3% below the R\$ 1,074.3 million profit in the previous year. In 2007, net profit benefited from fiscal credits in the amount of R\$ 851.3 million, while the result in 2008 benefited from the liquid effect of reversions of provisions for PIS/COFINS as well as Braslight actuarial losses. The total impact in the year was R\$ 419.2 million. Not considering such benefits, net profit for 2008 would reach R\$ 555.3 million, a result 148.9% higher than the 2007 figure, which in turn would be R\$ 223.1 million without the fiscal benefit.

Top

Indebtedness

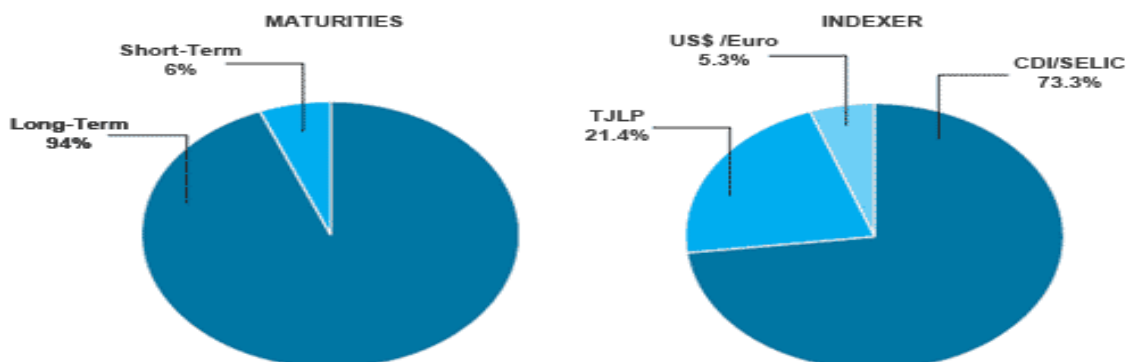
The company's gross debt totaled R\$ 2,170.4 million as at December 31st, 2008. As compared to the position on the same day of the previous year, there is an 11.2% increase, corresponding to a R\$ 218.5 million difference. The growth of debt is, especially, a reflection of investments sought during the year, which reached the R\$ 273.6 million mark. The main finality of seeking such investments was to finance the company's investment projects.

Net debt posted amounted to R\$ 1,580.3 million, 8.1% greater than the sum registered on closing 2007. However, this did not change the net debt/EBITDA ratio which remained at 1.1, which goes to show the company's substantial generation of cash in the year.



The average expiry term of debts is 4.9 years; average cost is 14.0% p.a. for debt in local currency and US\$ +5.3% p.a. for debt in foreign currency. Foreign currency debt exposure was equivalent to 7.9% of total indebtedness as at December 31st, 2008; the company made hedge operations for cash flow expiring over the next 24 months, by means of the swap without cash instrument, with first rank financial institutions. Taking currently valid swap operations into account, foreign currency debt amounts to 5.4% of the total.

INDEBTEDNESS – DEBT INDEXERS



[Top](#)

Cash flow

In 2008, Light's generation of operational cash amounted to R\$ 99.9 million, as compared to negative generation of R\$ 204.9 million in 2007.

Cash generation prior to dividend payment stands out, having doubled as compared to the 2007 figure: R\$ 654.1 million in 2008 as against R\$ 313.1 the year before. This improvement is mainly due to:

(i) the Company's operational improvement, with a R\$ 571.7 increase in cash-based net profits, despite the negative effect of the conclusion of RTE collection in February 2008; and

((ii) better results of financing activity, excluding dividends, which consumed R\$ 54.5 million in 2008 as compared to R\$ 753.7 million in 2007, due mainly to debt amortization realized that year.

Better operational results allowed the company to increase its investment activities, which consumed resources to the tune of R\$ 535.8 million in 2008, a significant increase on the R\$ 463.7 million invested in 2007.

Cash flow (R\$ MM)

R\$ MM	2008	2007
Cash at Start of Period (1)	490,2	695,1
Net Profit	974,5	1.077,2
Provision for doubtful credits	233,4	171,5
Depreciation and amortization	312,4	328,0
Interests and net monetary variation	273,7	254,2
Braslight	115,4	106,8
Provisions update/reversal	(350,3)	110,4
Others	182,8	(877,8)
Net Profit Base Cash	1.742,0	1.170,3
Working Capital	(224,1)	126,1



Regulatory (AVC and Bubbles)	(44,8)	220,9
Contingencies	(98,6)	(75,3)
Taxes	(165,4)	(55,1)
Others	35,3	143,6
Cash Generated by Operations(2)	1.244,4	1.530,5
Payment of Dividends	(554,2)	(518,0)
Granted Financing	278,5	1.693,6
Loans and Financing Repayments	(332,9)	(2.447,3)
Finance Activity (3)	(608,7)	(1.271,7)
Equity capital	2,0	42,0
Concession Investments	(537,8)	(488,1)
Applications on Deferred	-	(17,6)
Investment Activity (4)	(535,8)	(463,7)
Cash at End of Period (1+2+3+4)	590,1	490,2
Cash Generation (2+3+4)	99,9	(204,9)

[EC1] Added Value Statements

SAV – Statement of Added Value - CONSOLIDATED

DESCRIPTION	ACCUMULATED		
	2008	2007	% 08/07
1- REVENUES	8,024,304	7,950,154	0.9
Sale of merchandise, products and services	8,238,648	8,138,364	1.2
Other revenues	21,437	11,314	89.5
Revenues from Own Constr. Assets	-	-	-
Provision/Reversal of Doubtful Credits	(235,781)	(199,524)	18.2
2- INPUTS ACQUIRED FROM THIRD PARTIES	(3,360,469)	(3,327,659)	1.0
Cost of Prods., Merch. and Servs. Sold	(3,063,176)	(2,909,438)	5.3
Third Party Materials-Energy-Servs Others	(297,293)	(418,220)	(28.9)
Loss/Recovery of Values Assets	-	-	-
Others	-	-	-
3- GROSS VALUE ADDED (1 - 2)	4,663,835	4,622,495	0.9
4- RETENTIONS	(312,443)	(327,960)	(4.7)



Depreciation, Amortization and Depletion	(312,443)	(327,960)	(4.7)		
Others	-	-	-		
5- VALUE ADDED NET PRODUCED (3 - 4)	4,351,392	4,294,535	1.3		
6- VALUE ADDED RECEIVED IN TRANSFER	270,149	247,632	9.1		
Equity Restatement Result	-	-	-		
Financial Revenues	270,149	247,632	9.1		
Others	-	-	-		
7- TOTAL ADDITIONAL VALUE TO DISTRIBUTE (5 + 6)	4,621,541	4,542,167	1.7		
DISTRIBUTION OF ADDED VALUE	4,621,541	100.0%	4,542,167	100.0%	1.7
REMUNERATION OF LABOR	226,552	4.9%	242,978	5.3%	(6.8)
GOVERNMENT (TAXES)	3,220,169	69.7%	2,656,368	58.5%	21.2
FINANCIAL CHARGES AND RENTS	200,367	4.3%	568,491	12.5%	(64.8)
REMUNERATION OF OWN CAPITAL	499,638	10.8%	554,529	12.2%	(9.9)
RETAINED PROFITS	474,815	10.3%	519,801	11.4%	(8.7)

[Top](#)

Performance of shares

Light's common shares are negotiated on Sao Paulo Stock Exchange (Bovespa) under the code LIGT3. As of July 28th, 2005, the company's shares have been listed on Novo Mercado, which requires differentiated corporate governance practices. The following stand out:

- i) supply periodic information in accordance with the pattern required by Novo Mercado;
- ii) offer minority shareholder 100% tag along conditions if control is sold; and
- iii) adhere to the Market Arbitration Chamber.

In 2008, Light's share value went down 13.6% as compared to drops of 41.2% and 11.6% in the Ibovespa (Bovespa Index) and IEE, respectively. In 2008, the average daily volume negotiated was R\$ 5.5 million, 33.6% lower than the 2007 figure.

BOVESPA (Spot Market) – LIGT3

Daily average	2008	2007
Number of shares (thousand)	234.62	304.85
Number of trades	449	409
Volume traded (R\$ million)	\$5.5	\$8.3
Price per share (closing)	\$21.86	\$25.29

Appreciation LIGT3 (year)	-13.6%	34.0%
Appreciation of the IEE (year)	-11.6%	23.1%
Appreciation of the Ibovespa (year)	-41.2%	43.7%

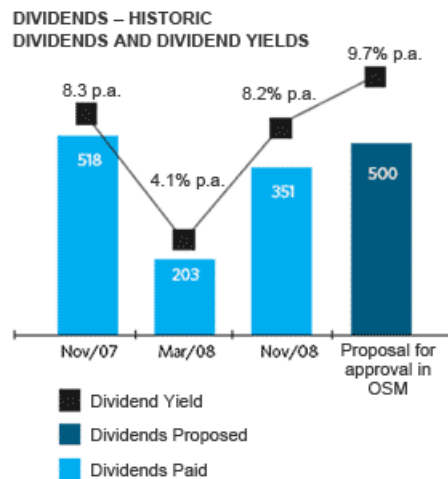
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Distribution of dividends

In March and November 2008, the company made two payments of dividends referring to 2007, complementing the advanced payment made in November 2007.

In total, dividends related to 2007 reached R\$ 1,072.2 million, corresponding to a 99.5% payout.

During the Administration Council meeting of February 13th, 2009, a proposal for the distribution of dividends was approved, to a value of R\$ 499,673,756.10 (R\$ 2.45 per share) referring to results for 2008, to be approved in the General Ordinary Assembly. This proposal corresponds to a payout of 52.7% and a dividend yield of 9.7%, based on the closing value of February 12th, 2009.



Financial assistance received from government

In March 2008, the amortization of Allotment A of the Electric Sector Agreement ¹ was started, referring to the period January 1st-October 25th, 2001. During the year, amortization reached R\$ 238.0 million, from a total of R\$ 369.9 million, referring to the variance of items in Allotment A. Another part of revenue loss was recovered through the Extraordinary Tariff Resetting (RTE), valid through February 2008, with the total loss related to the authorized value reaching R\$ 291.4 million [EC4].

¹ An agreement entered in December 2001 by the government with energy concessionaires and distributors (free energy), for economic-financial balancing of existing contracts and for resetting revenues related to the period of enforcement of the Emergency Program for Reduction of Electric Energy Consumption - PERCEE (July 2001 – February 2002).

The partial recovery of revenue losses by distributors and generators (free energy) was made through the Emergency Tariff Resetting, granted for a time frame of 74 months for Free Energy Loss (finished in February 2008) and up to the total amortization of the balance, in case of Allotment A (by July 2009).

Investor relations

In 2008 the company had four public meetings with analysts, coordinated by the Investor Relations area: one in Rio de Janeiro, two in Sao Paulo and one in Belo Horizonte. The Rio meeting took place at the Lajes Complex, with visits to the Nilo Peçanha and Fonte Nova power plants. On the occasion, annual results and the Company's Strategic Plan for the period 2008-2011 were presented. In addition to this kind of meeting, the Company organized four teleconferences to disclose quarterly results and the annual result, in addition to participating in events aimed at capital markets in Brazil and abroad. The team in charge of Investor Relations attends to investors and analysts all the time, at individual meetings in the company's premises, by telephone or online.

Light S.A. places at the disposal of all interested parties a direct communication channel to clear up doubts and obtain data and information, which can be accessed by means of the "Talk to us" section of <http://www.light.com.br>, or by sending an e-mail to ri@light.com.br. Minority shareholders can send suggestions or criticism to the company's Administration Council in a letter addressed to the Director of Investor Relations.

The Investor Relations website, which has a section in English, permanently gives out a wide range of information about Light S.A.: historic operational and financial data, results disclosed, presentations made, published communiqués and relevant facts, etc.

WATCH THE VIDEO



Testimony of Unibanco analyst

Tariff Revision

In 2008, Light went through the second round of tariff revision. In a public meeting held on November 4th, 2008, Aneel approved, in temporary nature, a structural tariff resetting for Light SESA ("Light") of 1.96% for the period starting on November 7th, 2008, comprising all consumption classes (residential, industrial, commercial, rural and others).

The Light's Concession Contract determines that the process should occur at every five years, taking structural alterations in costs and market into consideration. Electric energy distribution utility in Brazil is based on regulation per incentives, with the purpose of increasing efficiency and quality in service rendering in order to meet the principles of tariff moderateness.

Tariff revision is a two-stage process. At the first – called tariff resetting –, tariffs compatible with the coverage of efficient operating costs are established – for a given level of service quality – and with fair and proper compensation for prudent investments. The second stage consists in calculating the so-called Factor X, which is the establishment of productivity targets for the second tariff period.

The Regulatory Compensation Basis was certified as definitive, while other items (Reference Company, Loss Level and Default) have been defined as provisional. For the calculation of the Reference Company, Aneel has already applied the new proposed model resulting from Public Hearing 052.

In addition, Aneel has established new regulatory levels for losses and default. In loss, the index is now 19.15% over the cable load, previously 15.97%. In the item default, the level to be considered in this revision is 0.90% of the distribution gross revenue; the previous index was 0.50% of the distribution net revenue (without ICMS).

Considering financial tariff components which are not part of the tariff basis, but refer to values for the 12-month period subsequent to the revision, the tariff repositioning index was 4.26%.

It is worth mentioning that Light's end users will observe an average adjustment of 4.70% in their electric energy bills, as from November

7th, 2008. The percentage includes financial additions to be recovered during the period November 7th, 2008 - November 6th, 2009, related to recovery of tariff differences of previous periods, which in turn had a negative effect of 0.41% in the tariff of the period.

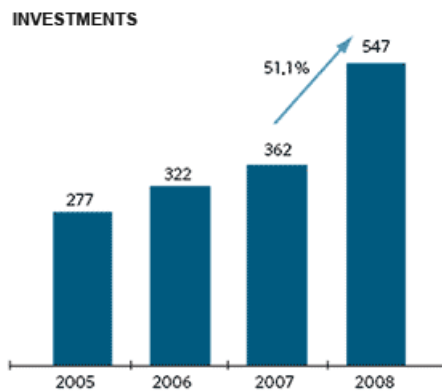
Regarding financial additions, we should mention that Aneel granted the administrative appeal filed by Light S.A. at the readjustment in 2007. Through the appeal, the company demanded 'CVA Energia' recalculation for the period 2005-2006. The decision had an impact of R\$ 76.8 million, representing a 1.48% addition.

Furthermore, Aneel established, in temporary nature, Factor X of 0.0%, to be used as from the tariff readjustment in 2009. The Factor X calculation for Light S.A. has already been made, considering the new methodology as proposed in the scope of the Public Hearing 052.

[Top](#)

Investments

In 2008, R\$ 546.7 million were invested in specific projects, especially those aimed at the development of distribution networks, which mainly involve new connections, increase of capacity and corrective maintenance, for the sum of R\$ 165.4 million; quality improvement (improvement of structure and preventive maintenance) for a value of R\$ 64.8 million; and action against CAPEX losses for R\$ 156.0 million. In terms of generation, R\$ 24.8 million were invested in maintenance and R\$ 23.0 million were invested in three new generation projects.



Principal investments (R\$ million)

	2007	2008	difference
Combat of losses	48.5	156.0	107.5
Development Of the Distribution Network	152.3	165.4	13.1
Quality improvement (optimization of structure preventive maintenance)	30.4	64.8	34.4
Generation maintenance	18.7	24.8	6.1
New generation projects	0.6	23.0	22.4

Projects of generation expansion

During 2008, Light S.A. worked on the strategy for expansion of its generation segment, with substantial advancements:

- Issuance of Installation License for the construction of PCH Paracambi (small hydro), by FEEMA in late December, 2008. This

license allows work to commence. Work on the undertaking will start in the next few months, with a construction span of 24 months. In fact, the company has already commercialized part of its energy take through Light Esco. This small hydro, located at Ribeirão dos Lajes downstream from the Lajes Complex, will have rated capacity of 25 MW and a forecast physical guarantee of 20.4 MWaverage;

- The Board of Directors' approval to initiate the contracting process for the Executive Project for PCH Lajes (small hydro). The first contracts will be for civil construction works on its adductor (Tunnel 2) and the supply of associated electromechanical equipment. The environmental licenses required have already been taken out, while the Basic Engineering Project for the plant is in the process of obtaining Aneel's approval. The small hydro plant will have installed capacity of 17 MW and is located at the Lajes Complex. It is expected to enter operation in 2011;

- The Company worked on the process of securing environmental licensing for UHE Itaocara (hydroelectric power plant) from IBAMA and has already received the Terms of Reference for Environmental Impact Studies (EIA/RIMA). Work on the basic engineering project, which must take into account the environmental requirements of the region affected by the undertaking, is in process. UHE Itaocara will have installed capacity of 195 MW and physical guarantee of 110 MWaverage. It will be located on the Paraíba do Sul River, in the Municipality of Itaocara, Rio de Janeiro State. The start of operations is planned for 2013, with a construction span of 36 months;

- Setting up a consortium with Cemig for the construction and exploitation of PCH Paracambi and UHE Itaocara; and

- Signing an Agreement of Intention with Cemig for joint participation in auctions of hydroelectric utilization for the generation of energy, or in third parties' undertakings in the development phase, until reaching a total of at least an additional 300 MWs in installed capacity for the company.

IT IS IMPORTANT FOR THE SUSTAINABILITY of Light S.A. to ensure solid and consistent economic-financial performance ensuring the shareholders results and contributing to the enterprise's continuity, for the well-being of its employees and excellence in the services it renders.

[Top](#)



Integrated risk management

Light S.A. is developing a project aimed at implementing company-wide Integrated Risk Management. The goal of this project, which consists of providing the company with the necessary structure, systems and processes, is to identify, analyze, mitigate and monitor all risk of events occurring that might make it impossible for Light S.A. to comply with its objectives, thus creating value for shareholders, employees and society at large.

The application of the concept of *risk* in the entrepreneurial context requires the definition of performance indicators (generation of cash flow, market value, profits and others) which in turn must be associated with levels of uncertainty. *Risk* can be defined as the *probability of events that may cause losses*. Causes can be external in origin (competitive, regulatory, financial atmosphere) or internal (technological differential, controls, training, behavior).

Electric energy enterprises act in a milieu with a high degree of uncertainty characterized by the ongoing possibility of the occurrence of negative events that may affect the organization and/or its reputation, such as: restrictions or deficits in the supply of energy, climate change, gales, equipment breakdown, untimely decisions by regulatory organs, leakage or spillage of toxic products, etc. Additionally, they face risks related to the potential loss of opportunities if business-related decisions are not made, thus opening up a gap that competitors may try to fill.

The IRM (Integrated Risk Management) model adopted by Light S.A. is based on methodology and activities related to risk assessment, as recommended by the Committee of Sponsoring Organizations of Treadway Commission (COSO II) for Enterprise Risk Manager (ERM). The model serves as an instrument for decision making by top management, and it seeks improvement in an organization's performance through the identification of opportunities for gain and the reduction of probability and/or impact of losses, in the search for excellent balance of growth, return and the associated risks.

IRM is thus a process designed to identify and respond to events that may affect the organization's strategic objectives. Directives are established by the Administration Council and consequent action must be implemented by management, with the objective of ensuring, with reasonable safety, the realization of the organization's objectives on the basis of adequate alignment of strategy with its appetite for risk.

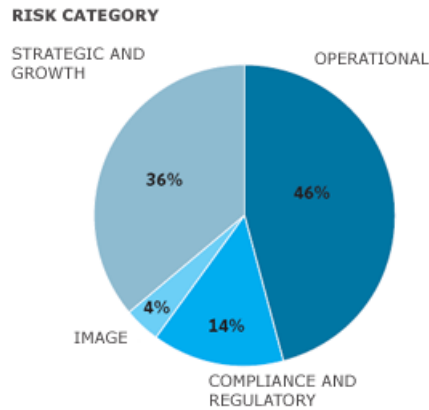
To map out, analyze and principally make decisions in terms of priorities and allocation of resources in consonance with risk management, events are classified by "nature" and by "relevance", in all cases associated with the organization's strategic objectives.

The year 2007 saw the conclusion of two stages of the project for implementation of the enterprise's risk management system. The first consisted of identifying strategic risks (those that have a macro character and are directly related to the company's objectives, affecting the organization as a whole) and the macro-processes related to core business and supporting activities. In all, 26 macro-processes were identified, each with its own inherent risks. The risks of macro-processes are closely bound to the activity itself and are thus a part of the organization's operational risks. In the second phase, one of the macro-processes identified in the first was chosen to implement the IRM model. This activity took into account the mapping out of the process, the identification of operational risks and controls, the preparation of the Risk Matrix (used by risk management to establish priorities) and the institution of an Action Plan seeking excellence of the process. Initially a qualitative approach was adopted, in respect of analysis of the organization's strategic objectives and the impact of elements of risk might have on them.

After the analysis of the internal control milieu and identification of risks had been concluded, a metric was adopted that allowed assessment of the relevance of these risks through information related to their exposure and corresponding sources of uncertainty. To determine the relevance of each and every risk, its impact was evaluated (financial losses stemming from the occurrence of the risk), probability of occurrence, Financial Exposure (the result of analysis of its impact on business in view of the probability of occurrence), the Intangible Impact (impact on the enterprise's reputation) and Final Exposure (an association of financial exposure and intangible impact). Once in possession of all this information, it became possible to develop the risk matrix – measuring, process by process, materiality, inherent risks, control milieu and residual risk. The activity described was extended to other macro-processes throughout 2008.

Along 2008, Light S.A. conducted its first revision of the portfolio of Strategic Risks. Compared to the study done in 2007, it showed a small change in composition.

IT IS IMPORTANT FOR THE SUSTAINABILITY of Light S.A. to manage with the utmost efficiency the resources used to perform its operations, so as to ensure the safety of people, equipment and processes and, in the final analysis, to render efficient and regular services to society.



As of 2009, it is the organization's objective to introduce a quantitative bias in the risk management process. Quantitative methods will ensure the sturdiness of the system, as well as making it easier to watch over goals and performance indicators.

In its final stage, the IRM model must quantify the uncertainty involved in the planning phase and project the organization's results into alternative price scenarios, macroeconomic and operational conditions, i.e. the consolidated financial impact of risks in the organization must be measured in quantitative terms regarding potential shifts of its economic value, cash flow and economic results.

At that time, the IRM process will involve: monitoring of exposure, prior assessment of the impact of new operations or different market scenarios and the comparison of actual results to identify sources of deviation and reassess the model. Greater knowledge of self will thus be obtained and, as a consequence, an anticipated decision-making process for the reduction of losses and increase in profits, as well as greater prognostication of the enterprise's future results.



Ibase Social Audit

Annual Social Audit / 2008
Company: Consolidated

1 – Basis Of Calculation	2008 Amount (thousand R\$)			2007 Amount (thousand R\$)		
Net revenues (NR)						
			5,386,644			4,992,378
Operating results (OR)			1,286,074			461,041
Gross payroll (GP)			229,153			241,049
2 – Internal Social Indicators	Amount (thou R\$)	% of GP	% of NR	Amount (thou R\$)	% of GP	% of NR
Food	16,822	7%	0%	16,704	7%	0%
Mandatory payroll taxes	44,891	20%	1%	46,261	19%	1%
Private pension plan	8,960	4%	0%	9,465	4%	0%
Health	10,728	5%	0%	14,997	6%	0%
Occupational health and safety	179	0%	0%	205	0%	0%
Education	1,144	0%	0%	1,241	1%	0%
Culture	0	0%	0%	0	0%	0%
Training and professional development	2,953	1%	0%	2,467	1%	0%
Day care center or day care grant	462	0%	0%	420	0%	0%
Profit sharing	58,332	25%	1%	32,843	14%	1%
Others	3,042	1%	0%	3,853	2%	0%
Total – Internal social indicators	147,515	64%	3%	128,456	53%	3%
3 – External Social Indicators	Amount (thou R\$)	% of OR	% of NR	Amount (thou R\$)	% of OR	% of NR
Education	2,043	0%	0%	2,361	1%	0%
Culture	3,940	0%	0%	3,481	1%	0%
Health and sanitation	4,732	0%	0%	6,893	1%	0%
Sports	0	0%	0%	0	0%	0%
Hunger relief and food security	0	0%	0%	0	0%	0%
Others	11,666	1%	0%	18,266	4%	0%
Total contributions to society	22,382	2%	0%	31,001	7%	1%
Taxes (excluding payroll taxes)	2,737,124	213%	51%	1,896,518	411%	38%
Total – External social indicators	2,759,506	215%	51%	1,927,519	418%	39%
4 – Environmental Indicators	Amount (thou R\$)	% of OR	% of NR	Amount (thou R\$)	% of OR	% of NR
Investments related to company production/operations	18,005	1%	0%	22,003	5%	0%
Investments in external programs and/or projects	0	0%	0%	0	0%	0%
Total investments in environment	18,005	1%	0%	22,003	5%	0%



Regarding the establishment of "annual targets" to minimize waste, consumption during production/operation and to improve the better use of natural resources, the company:

() does not establish targets
 () attains 51 to 75%
 () attains 0 to 50%
 (X) attains 76 to 100%

() does not establish targets
 () attains 51 to 75%
 () attains 0 to 50%
 (X) attains 76 to 100%

5 – Employee Composition Indicators	2008	2007
# of employees at the end of term	3,732	3,907
# of hires during term	270	214
# of outsourced employees	6,415	6,200
# of interns	105	125
# of employees over 45	1,504	1,608
# of women working at the company	830	820
% of management positions occupied by women	20.90%	20.50%
# of black employees working at the company	1,381	1,518
% of management positions occupied by blacks	13.30%	16.30%
# of employees with disabilities	147	98
6 – Information relating to the exercise of corporate citizenship	2008	Targets (2009)
Ratio of highest to lowest compensation at company	82.92	NA
Total number of labor-related accidents	18	0
Social and environmental projects developed by the company were selected by:	() top level	() top and mid-level management (X) all employees
The company's standards for safety and cleanliness in the workplace were set by:	() top level	() top and mid-level management () all employees (X) all + CIPA
Concerning freedom of association, the right to collective bargaining and employee representation in unions, the company:	() does not interfere	(X) follows ILO norms () encourages and follows ILO norms () will not interfere (X) will follow ILO norms () will encourage and follow ILO norms
The pension plan covers:	() top level	() top and mid-level management (X) all employees
The profit-sharing program covers:	() top level	() top and mid-level management (X) all employees
In the selection of suppliers, the		



standards for ethics and social/environmental responsibility used at the company:	() are not considered	() are suggested	(X) are required	() will not be considered	() will be suggested	(X) will be required
With relation to volunteer work by employees, the company:	() does not interfere	() supports	(X) organizes and stimulates	() will not interfere	() will support	(X) will organize and stimulate
Total number of consumer complaints and criticism:	with the company 12,628	with the Consumer Protection Agency 829	taken to Court 26.830	with the company Reduce 6%	with the Consumer Protection Agency Reduce 6%	taken to Court Reduce 10%
% of answered and solved complaints	with the company 99%	with the Consumer Protection Agency 99%	taken to Court 71%	with the company 100%	with the Consumer Protection Agency 100%	taken to Court 100%
Total Added Value to be distributed (in thousand R\$):	In 2008: 4,621,541			In 2007: 4,542,167		
Distribution of Added Value (DAV):	70% government 5% employees 10% shareholders 4% third parties 11% retained			58% government 5% employees 16% shareholders 13% third parties 8% retained		

7 – Other Information

**BALANCE SHEETS ON DECEMBER 31**

(In thousands of reais)

ASSETS

	Notes	Parent Company		Consolidated	
		12/31/2008	12/31/2007	12/31/2008	12/31/2007
CURRENT					
Cash and Cash Equivalents	6	40,256	2,536	590,126	490,211
Consumers, concessionaires and permissionaires	7	-	-	1,350,832	1,345,109
Recoverable Taxes	8	284	209	836,504	697,848
Inventories		-	-	18,603	13,256
Receivables from swap transactions		-	-	6,671	
Dividends Receivable	24	499,638	203,463	-	-
Services		-	-	57,500	60,217
Prepaid Expenses	9	135	171	383,291	275,618
Other receivables	10	167	166	107,879	36,081
		540,480	206,545	3,351,406	2,918,340
NON-CURRENT ASSETS		2,764,479	2,666,497	6,110,559	6,111,740
LONG-TERM ASSETS					
Consumers, concessionaires and permissionaires	7	-	-	292,594	326,066
Recoverable Taxes	8	-	-	1,109,566	1,253,753
Receivables from swap transactions				4,413	-
Escrow deposits		121	103	194,200	166,132
Prepaid expenses	9	-	-	129,435	159,030
Other receivables	10	-	-	26,420	97,188
		121	103	1,756,628	2,002,169
Investments	11	2,764,358	2,666,394	13,615	13,157
Property, Plant and Equipment	12	-	-	4,059,358	3,772,054
Intangible assets	13	-	-	280,958	271,090
Deferred charges		-	-	-	53,270
		3,304,959	2,873,042	9,461,965	9,030,080

BALANCE SHEETS ON DECEMBER 31

(In thousands of reais)

LIABILITIES

	Notes	Parent Company		Consolidated	
		12/31/2008	12/31/2007	12/31/2008	12/31/2007
CURRENT					
Suppliers	14	283	380	486,204	488,441



Payroll		7	8	2,791	2,058
Taxes	8	10	7	230,461	305,568
Loans, Financing and Financial Charges	15	-	-	116,799	50,501
Debentures and Financial Charges	16	-	-	61,523	89,921
Dividends Payable	24	499,638	203,463	499,638	203,463
Estimated Liabilities		31	26	55,052	51,768
Sector charges – Consumer Contributions	17	-	-	126,733	115,510
Provision for contingencies	18	-	-	2,237	2,237
Pension plan and other employee benefits	20	-	-	87,744	73,585
Other Liabilities	19	1,286	810	519,757	354,064
		501,255	204,694	2,188,939	1,737,116
NON-CURRENT LIABILITIES		-	-	4,469,322	4,601,165
LONG-TERM LIABILITIES					
Suppliers	14	-	-	-	-
Loans, Financing and Financial Charges	15	-	-	1,046,550	832,946
Debentures and Financial Charges	16	-	-	945,549	978,567
Taxes	8	-	-	324,743	276,872
Provision for contingencies	18	-	-	998,460	1,361,740
Pension plan and other employee benefits	20	-	-	944,417	818,330
Other Liabilities	19	-	-	209,603	329,532
		-	-	4,469,322	4,597,987
DEFERRED INCOME		-	-	-	3,178
SHAREHOLDERS' EQUITY					
Capital stock	23	2,225,819	2,220,355	2,225,819	2,220,355
Profits Reserve	23	555,426	447,993	555,426	471,444
Recognized granted options	38	22,459	-	22,459	-
Retained earnings (accrued losses)		-	-	-	-
Total		2,803,704	2,668,348	2,803,704	2,691,799
		3,304,959	2,873,042	9,461,965	9,030,080

STATEMENT OF INCOME FOR THE YEARS ENDED DECEMBER 31
(In thousands of reais)

Notes	Parent Company		Consolidated		
	01/01/2008 a 31/12/2008	01/01/2007 a 31/12/2007	01/01/2008 a 31/12/2008	01/01/2007 a 31/12/2007	
OPERATING REVENUE					
Electric Power Supply	26	-	-	7,214,341	7,093,519
Electric Power Supply	26	-	-	360,009	405,536
Other Revenues	27	-	8	664,298	639,310
		-	8	8,238,648	8,138,365
Deductions from operating revenue					



ANNUAL SUSTAINABILITY REPORT 2008

ICMS		-	-	(1,949,018)	(1,927,228)
Consumer Charges	28	-	-	(416,411)	(644,584)
PIS/ COFINS		-	-	(484,004)	(571,883)
Other		-	(1)	(2,571)	(2,292)
		-	(1)	(2,852,004)	(3,145,987)
NET OPERATING REVENUE		-	7	5,386,644	4,992,378
ELECTRIC POWER COST					
Electric Power Purchased for Resale	31	-	-	(3,063,177)	(2,927,353)
		-	-	(3,063,177)	(2,927,353)
OPERATING COST					
Personnel	30	-	-	(141,964)	(160,039)
Material	30	-	-	(13,987)	(12,791)
Outsourced services	30	-	-	(120,526)	(118,984)
Allowances	30	-	-	-	-
Depreciation and amortization	30	-	-	(275,887)	(289,645)
Other	30	-	-	(16,364)	(16,059)
		-	-	(568,728)	(597,518)
GROSS OPERATING PROFIT		-	7	1,754,739	1,467,507
OPERATING EXPENSES					
Selling	30	-	-	(315,476)	(280,270)
General and Administrative	30	(26,446)	(5,389)	(247,581)	(377,385)
		(26,446)	(5,389)	(563,057)	(657,655)
EQUITY IN THE EARNINGS OF SUBSIDIARIES		1,023,996	1,084,533	-	-
FINANCIAL REVENUES (EXPENSES)					
Revenues	32	763	368	270,149	247,633
Expenses	32	(384)	(2,284)	(175,757)	(563,601)
		379	(1,916)	94,392	(315,968)
OTHER OPERATING REVENUES (EXPENSES)					
Revenues		-	-	30,188	-
Expenses		-	-	(8,751)	-
		-	-	21,437	-
OPERATING RESULT		997,929	1,077,235	1,307,511	493,884
Non-operating income		-	6	-	17,890
Non-operating expenses		-	-	-	(6,576)
NON-OPERATING RESULT		-	6	-	11,314
INCOME BEFORE TAXES AND INTEREST		997,929	1,077,241	1,307,511	505,198
Income tax and social contribution	8	-	-	(301,531)	601,975
NET INCOME/(LOSS) BEFORE INTEREST		997,929	1,077,241	1,005,980	1,107,173
Interest		(25)	-	(31,527)	(32,843)
NET INCOME/(LOSS) FOR THE YEAR		997,904	1,077,241	974,453	1,074,330



Net Income/(Loss) per share – R\$	4,89327	5,29454	4,77828	5,28023
No, of shares	203,933,778	203,462,739	203,933,778	203,462,739

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY – PARENT COMPANY

(In thousands of reais)

	PROFITS RESERVE					TOTAL
	CAPITAL STOCK	CAPITAL RESERVE	LEGAL RESERVE	PROFIT RETENTION	RETAINED EARNINGS / (ACCRUED LOSSES)	
BALANCE ON DECEMBER 31, 2006	1,704,618	-	-	-	(196,108)	1,508,510
Capital Increase	804,060	-	-	-	-	804,060
Capital decrease for loss absorption	(288,323)	-	-	-	288,323	-
Retained earnings reserve	-	-	-	55,093	(55,093)	-
Dividends related to 2006	-	-	-	-	(37,122)	(37,122)
Net income for the year	-	-	-	-	1,077,241	1,077,241
Allocation of net income for the year:						
Legal reserve	-	-	53,862	-	(53,862)	-
Proposed dividends – 1st half of 2007	-	-	-	-	(480,878)	(480,878)
Proposed dividends	-	-	-	-	(203,463)	(203,463)
Profits reserve	-	-	-	339,038	(339,038)	-
BALANCE ON DECEMBER 31, 2007	2,220,355	-	53,862	394,131	-	2,668,348
Capital Increase	5,464	-	-	-	-	5,464
Dividends paid – profits reserve	-	-	-	(350,766)	-	(350,766)
Adjustment to preliminary adoption of Law 11,638/07	-	-	-	-	(40,067)	(40,067)
Granted options	-	22,459	-	-	-	22,459
Net income for the year	-	-	-	-	997,904	997,904
Allocation of net income for the year:						
Legal reserve	-	-	49,895	-	(49,895)	-
Proposed dividends	-	-	-	-	(499,638)	(499,638)
Profits reserve	-	-	-	408,304	(408,304)	-
BALANCE ON DECEMBER 31, 2008	2,225,819	22,459	103,757	451,669	-	2,803,704



STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY – CONSOLIDATED
(In thousands of reais)

	PROFITS RESERVE					TOTAL
	TOTAL CAPITAL	CAPITAL RESERVE	LEGAL RESERVE	PROFIT RETENTION	RETAINED EARNINGS / (ACCRUED LOSSES)	
BALANCE ON DECEMBER 31, 2006	1,704,618	-	-	-	(196,108)	1,508,510
Previous years adjustments	-	-	-	-	26,362	26,362
Capital increase	804,060	-	-	-	-	804,060
Capital decrease for loss absorption	(288,323)	-	-	-	288,323	-
Profits reserve	-	-	-	81,455	(81,455)	-
Dividends related to 2006	-	-	-	-	(37,122)	(37,122)
Net income for the year	-	-	-	-	1,074,330	1,074,330
Allocation of net income for the year:						
Legal reserve	-	-	53,862	-	(53,862)	-
Proposed dividends - 1st half of 2007	-	-	-	-	(480,878)	(480,878)
Proposed dividends	-	-	-	-	(203,463)	(203,463)
Profits reserve	-	-	-	336,127	(336,127)	-
BALANCE ON DECEMBER 31, 2007	2,220,355	-	53,862	417,582	-	2,691,799
Capital increase	5,464	-	-	-	-	5,464
Dividends paid - profits reserve	-	-	-	(350,766)	-	(350,766)
Adjustment to preliminary adoption of Law 11,638/07	-	-	-	-	(40,067)	(40,067)
Granted options	-	22,459	-	-	-	22,459
Net income for the year	-	-	-	-	974,453	974,453
Allocation of net income for the year:						
Legal reserve	-	-	49,895	-	(49,895)	-
Proposed dividends	-	-	-	-	(499,638)	(499,638)
Profits reserve	-	-	-	384,853	(384,853)	-
BALANCE ON DECEMBER 31, 2008	2,225,819	22,459	103,757	451,669	-	2,803,704

STATEMENT OF VALUE-ADDED
(In thousands of reais)

Description	Consolidated	Parent Company
	1/1/2008 to 12/31/2008	1/1/2008 to 12/31/2008
Revenues	8,024,304	-
Goods, products and services sold	8,238,648	0
Other Revenues	21,437	0
Revenues related to Constr, Own Assets	-	0
Provision/Rev, of allowance for doubtful accounts	(235,781)	0
Raw material acquired from third-parties	(3,360,469)	(1,683)



Cost of goods, products and services sold	(3,063,176)	0
Material-electric power-third-party services-other	(297,293)	(1,683)
Loss/Recovery of Assets	-	0
Other	-	0
Gross Value-Added	4,663,835	(1,683)
Retentions	(312,443)	-
Depreciation, Amortization and Depletion	(312,443)	-
Net value-added	4,351,392	(1,683)
Value-added received in transfer	270,149	1,024,759
Equity in the earnings of subsidiaries	-	1,023,996
Financial revenues	270,149	763
Total Value-Added to Distribute	4,621,541	1,023,076
Value-Added Distribution	4,621,541	1,023,076
Personnel	226,552	24,747
Direct remuneration	160,955	24,635
Benefits	39,881	102
FGTS (Government Severance Indemnity Fund for Employees)	22,653	10
Other	3,063	0
Taxes, Fees and Contributions	3,220,169	123
Federal	1,249,177	123
State	1,949,018	-
Municipal	21,974	-
Third-party capital remuneration	200,367	302
Interest rates	152,582	295
Rental	29,923	7
Other	17,862	-
Remuneration of own capital	974,453	997,904
Dividends	499,638	499,638
Retained earnings / accrued losses in the year	474,815	498,266

Cash Flow statement
(In thousands of reais)

	Parent Company		Consolidated	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Operations				
Net income (loss) for the period	997,904	1,077,241	974,453	1,074,330
Expenses (revenues) that do not affect cash flow:				
Provision for doubtful accounts			233,398	171,479
Provision (reversal) of losses in recovery of Long-Term RTE amounts			2,980	(4,389)
Provision for doubtful accounts – Free Energy			(595)	32,434



Restatement of regulatory assets and liabilities			43,845	(28,270)
Receivables - Adjustment to present values			(10,830)	(11,168)
Depreciation and amortization			312,443	327,960
Interest and monetary variations - net			273,699	254,222
Result of equity restatement	(1,023,996)	(1,084,533)		-
Result of write-off of fixed assets			(12,974)	(10,495)
Deferred income tax and social contributions			140,121	(852,221)
Fees and monetary variation on post-employment obligation			115,428	106,824
Reversal PIS/COFINS base enlargement			(432,359)	-
Short-term provisions – contingencies			72,053	110,367
Options awarded	22,459		22,459	-
Others				(819)
	(3,633)	(7,292)	1,734,121	1,170,254
(Increase) Reduction of assets				
Consumers and resellers			(205,021)	176,210
Taxes to compensate			(150,222)	(85,745)
Services rendered			2,717	(29,923)
Inventory			(5,347)	(1,847)
Anticipated expenses (CVA and others)			16,990	-
Regulatory assets (CVA and Bubbles)			(64,401)	176,932
Dividends Received	595,616	528,000		-
Legal escrow deposits			(28,068)	(32,344)
Others	(61)	(200)	(7,015)	28,067
	595,555	527,800	(440,367)	231,350
Increase (Reduction) of liabilities				
Suppliers	(97)	151	(11,520)	64,386
Energy suppliers			4,528	(42,688)
Wages and social contributions	4	(7)	4,017	16,417
Taxes and Social Contributions	3	(27)	(45,341)	30,672
Compensation accounts - CVA			8,899	125,421
Regulatory charges			(8,460)	6,725
Contingencies			(62,867)	(42,948)
Post-employment obligations			(85,125)	(75,855)
Others	117	(295)	210,132	46,744
	27	(178)	14,263	128,874
Cash generated (absorbed) by the operations	591,949	520,330	1,308,017	1,530,478
Investment activities				
Sale of Income-producing assets			21,649	28,000
Investment in fixed assets			(615,127)	(488,087)
Consumer contributions			2,570	14,026



Deferred investments				(17,597)
Cash applied to investment activities		(590,908)		(463,658)
Financing activities				
Capital Increase			5,464	-
Dividends paid	(554,229)	(518,000)	(554,229)	(518,000)
Loans and financing obtained		3,490	264,507	1,693,627
Amortization of loans and financing		(3,490)	(332,936)	(2,447,344)
Cash generated (invested in) financing activities	(554,229)	(518,000)	(617,194)	(1,271,717)
Net cash variation	37,720	2,330	99,915	(204,897)
Statement of net cash variation				
At beginning of the fiscal period	2,536	206	490,211	695,108
At close of the fiscal period	40,256	2,536	590,126	490,211
Cash variation	37,720	2,330	99,915	(204,897)



Notes to the Financial Statements as of december 31, 2008 and 2007

(Amounts in thousands of Brazilian reais)

1. Operations

Light S.A. was established as a subsidiary of LIGHT – Serviços de Eletricidade S.A. (“Light SESA”), on July 27, 1999, and remained as a subsidiary until September 12, 2005, when its shares were sold to LIDIL Comercial Ltda.

Light S.A.’s corporate purpose is to hold equity interests in other companies, as partner or shareholder, and is involved in the direct or indirect exploitation, as applicable, of electric power services, including electric power generation, transmission, sale and distribution systems, as well as other related services.

On September 5, 2005, in accordance with Law 10,848/2004, Brazil’s national electric power agency, Agência Nacional de Energia Elétrica (“ANEEL”), through Authorizing Resolution 307/2005 which approved the corporate restructuring project was approved at the Extraordinary General Meeting held on January 13, 2006. As of January 14, 2006, Light S.A. became the parent company of all the Grupo Light’s operational and non-operational companies shown below:

Light Serviços de Eletricidade S.A. (Light SESA) - Publicly-held corporation engaged in the distribution of electric power;

Light Energia S.A. - (Light Energia) – Closely-held corporation whose main activity is to study, plan, construct, operate and exploit systems of electric power generation, transmission and sales, and related services;

Light Esco Prestação de Serviços Ltda. - (Light Esco) – Company whose main activity is to provide services related to co-generation, projects, management and solutions, such as improving efficiency and defining energy matrixes and sale of energy on the free market.

Itaocara Energia Ltda. - (Itaocara Energia) – Company in the pre-operating stage, primarily engaged in the exploitation and production of electric power;

Lightger Ltda. (Light Ger) and Lighthidro Ltda. (Light Hidro) – Both companies are in the pre-operating stage and participate in auctions for concession, authorization and permission for new plants. On December 24, 2008, Light Ger obtained the installation license that authorizes the start of implementation works of Paracambi small hydroelectric power plant (PCH).

Instituto Light para o Desenvolvimento Urbano e Social (Light Institute) – It is engaged in participating in social and cultural projects, interest in the cities’ future and their economic and social development, affirming the Company’s ability to be socially responsible.

Grupo Light’s concessions and authorizations:

Concessions / authorizations	Date of concession / authorization	Maturity Date
Generation, Transmission and Distribution (direct)	July 1996	June 2026
Paracambi small hydroelectric power plant (PCH) (indirect)	February 2001	February 2031
Itaocara hydroelectric power plant (indirect)	March 2001	March 2036

2. Presentation of the Financial Statements



The individual and consolidated financial statements including the notes thereto, are presented in thousands of reais and other currencies, except when otherwise indicated. This quarterly information was prepared in accordance with the accounting practices adopted in Brazil, which comprises the Brazilian corporation laws, Pronouncements, Guidances and Interpretations issued by the Brazilian Committee on Accounting Pronouncements – CPC, rules issued by the Brazilian Securities and Exchange Commission (“CVM”), and standards applicable to electric power public utility concessionaires established by ANEEL.

The Company and its subsidiaries adopt the chart of accounts and accounting instructions contained in the Accounting Guide for the Electric Power Public Utility, enacted by ANEEL Resolution 444 of October 26, 2001 and further amendments established by ANEEL Resolutions and Orders.

When preparing the individual and consolidated financial statements of December 31, 2008, the Company adopted for the first time the amendments to the Brazilian corporation law introduced by Law 11,638 approved on December 28, 2007 and respective modifications introduced by Provisional Measure 449 of December 3, 2008. The adjustments related to these modifications are detailed in the Note 3.

Given that the Company is comprised primarily of interests in other corporations, the notes to the quarterly information primarily reflect the accounting practices and breakdown of company’s subsidiaries’ accounts.

The Board of Directors authorized the conclusion of these financial statements on February 13, 2009.

The financial statements as of December 31, 2007 were reclassified, where applicable, for comparison purposes, as described below

:

Reclassification of reversal reserve (a)			
	Published	Reclassification	Adjusted
Permanent Assets			
Property, Plant and Equipment			
Special Obligations Linked to Concession	(240,040)	69,933	(170,107)
Long-term Liabilities			
Other Debts			
Reversal Reverse	-	(69,933)	(69,933)
Reclassification of employees profit sharing (b)			
Cost of Goods and/or Services Sold			
Personnel Expenses	(180,740)	20,701	(160,039)
Selling Expenses	(282,451)	2,181	(280,270)
General and Administrative Expenses	(387,346)	9,961	(377,385)
Interest/Statutory Contributions			
Interest	-	(32,843)	(32,843)

(a) Special Obligations Linked to Concession included the amount of R\$69,933 on December 31, 2007, referring to reversal reserve. This reserve derives from RGR (Global Reversal Reserve) funds, incurring financial charges that are yearly paid to Eletrobras. Thus, this liability is not classified as special obligations linked to concession and therefore, not decreased from property, plant and equipment.

(b) For the purposes of better reporting, management and employees profit sharing should be classified as profit sharing result under income tax. Thus, the Company reclassified the amounts related to employees profit sharing under income tax, in the Statement of Income for 2007.

The Company made previous years adjustments which are reported retrospectively, as per chart below:

Erros contábeis

	Consolidated		
	Published 12/31/2007	Previous Year Published	Adjusted 12/31/2007
Recoverable taxes (non-current)	1,230,302	23,451	1,253,753
Deferred Income Tax (income)	855,132	(2,911)	852,221
Net Income	1,077,241	(2,911)	1,074,330
PShareholders' Equity	2,668,348	23,451	2,691,799

As detailed in Note 23(c), two adjustments of previous years were made and both affected the item of Deferred Income Tax Asset:

a) R\$26,362 debiting Deferred Income Tax Asset and crediting Shareholders' Equity, with adjustments at the opening balances of 2007.

b) R\$2,911 crediting Deferred Income Tax Asset and debiting Deferred Income Tax expense of 2007.

Pursuant to CVM Resolution 506/06, the 2007 financial statements have been restated to include these adjustments.

3. Summary of main accounting practices

3.1) Preliminary adoption of Law 11,638/07

The Company and its subsidiaries opted for preparing the transitional balance sheet on January 1, 2008, which is the basis for the accounting pursuant to the Brazilian corporation law modified by Law 11,638/07 and Provisional Measure 449/08. Modifications introduced by said law are characterized as changes in accounting practices. Nevertheless, as authorized by Technical Pronouncement CPC 13 – Preliminary Adoption of Law 11,638/07, approved by CVM Resolution 565 of December 17, 2008 and Provisional Measure 449/08, all the adjustments affecting results both of parent company and subsidiaries have been made against retained earnings/accrued losses on the transition date, pursuant to Article 186 of Law 6,404/76, excluding retroactive effects on the financial statements.

a) Summary of main accounting practices modified by preliminary adoption of Law 11,638/07 and Provisional Measure 449/08:

- **Derivative financial instruments:**

The Company and its subsidiaries contract derivative financial instruments to minimize their exposure to market risks related to currency fluctuations. These financial instruments are classified at fair value through income.

Gains or losses resulting from fair value variation of derivative financial instruments are recognized in the net income for the year.

Derivative financial instruments operations in 2007 were recorded in the balance sheet by their curve value on the balance sheet date.



● **Transaction costs in the issue of securities:**

Transaction costs related to funding when contracting debt instruments (debentures) were recorded under liabilities as write-down account of debentures and amortized based on same debt amortization curve.

Until December 31, 2007, these costs were recorded as prepaid expenses and amortized on a straight-line basis for the loan term.

● **Financial lease:**

Financial lease agreements are recognized as fixed assets by its fair value, or if lower amount, by present value of balance of minimum payments provided for in financial lease agreements and depreciated by depreciation rates practiced by Company and its subsidiaries, according to the nature of each asset.

Respective balances payable of financial lease agreements are recognized in current liabilities and non-current liabilities based on the present value of installments payable on the transition date. The difference between the present value and the total amount of installments falling due is appropriated to the statement of income as financial expense for the remaining duration of the agreement by means of amortized cost method and based on effective interest rate.

This accounting practice had already been adopted in 2007 by the Company and its subsidiaries.

● **Deferred assets:**

The balance of deferred assets on the transition date was partially written-off against retained earnings and partially reclassified to the group of construction in progress.

● **Present value adjustments:**

The balance of accounts receivable deriving from debt payment by installments was adjusted at present value, by using interest rates that reflect the nature of these assets in terms of validity, risk, currency, receipt or payment conditions established previously or subsequently.

The effects of present value adjustment deriving from the preliminary adoption of Law 11,638/07 and Provisional Measure 449/08 were recorded against retained earnings or accrued losses on the transition date.

● **Share-based remuneration plan:**

The Company granted stock options to part of its employees, which may only be exercised after specific grace periods. These options are valued based on the fair value and recognized as expenses in contra account to specific section of Shareholders' Equity to the extent that the service period has been complied with.

No preliminary adjustment has been made related to the adoption of Law 11,638/07, since the plan has been granted in March 2008.

b) Effects of preliminary adoption of Law 11,638/07 and Provisional Measure 449/08:

Below, the reconciliation of 2008 results and shareholders' equity on December 31, 2008 considering the effects of preliminary adoption of Law 11,638/07, including results that would be obtained if changes in accounting practices related to said legislation have not been adopted.

tatement of effects on consolidated results and Shareholders' Equity on December 31, 2008 deriving from the Preliminary Adoption of Law 11,638/07 and Provisional Measure 449/08:

Ajuste 11.638

	Consolidated	
	12/31/2008	
	Net Income	Shareholder's Equity
Book balances according to the Law 11,638/07	974,453	2,828,176
Adjustments of the effects resulting from preliminary adoption of Law 11,638/07 and Provisional Measure 449/08:		
Financial instruments measured at fair value through income	60	60
Present value adjustment - Accounts receivable	6,181	23,802
Deferred	(8,231)	34,863



Deferred Share-based payment expenses	-	22,459
Temporary differences of Income and Social Contribution Taxes	677	(19,967)
Book balances excluding the effects of law 11,638/07	973,140	2,889,393

Tax effects of adjustments deriving from the preliminary adoption of Law 11,638/07 and Provisional Measure 449/08, where applicable, were recorded in the shareholders' equity account and said adjustments were recorded in contra account to the equity sections of deferred tax assets or liabilities.

The equity adjustment deriving from the adoption of new law, recognized in subsidiaries under shareholders' equity, were also directly recorded in shareholders' equity of parent company.

3.2) Summary of main accounting practices:

Determination of income

Income is determined pursuant to the accrual basis of accounting.

Revenues from all services rendered are recognized when these are earned. Electricity bills to all consumers are prepared monthly according to the reading calendar of meters. Unbilled revenue, corresponding to the period between the date of last reading and the end of the month, is estimated and recognized as revenue in the month that energy was consumed. Revenue is not recognized if its realization is uncertain.

Accounting Estimates

The preparation of the financial statements requires Management to be based on estimates and its judgment when recording certain transactions that affect assets and liabilities, revenues and expenses, as well as the disclosure of information in the financial statements. Final results of these transactions and information upon their effective realization in subsequent periods may differ from Management's estimates and judgment. The Company and its subsidiaries review estimates and assumptions, at least, yearly.

Main estimates related to the financial statements refer to the recording of effects deriving from:

- provision for extraordinary tariff recovery credit within term established by ANEEL (fully written-off until June 2008);
- allowance for doubtful accounts;
- provision for contingencies and supplementary private pension plans;
- recovery of deferred income and social contribution taxes; and
- market value of financial instruments.

Financial revenues and expenses

These include interest rates, monetary and currency variations incurring on rights and obligations subject to monetary restatement until the balance sheet date and hedge operations results, which are appropriated to income according to the duration of agreements. Foreign currency-denominated assets and liabilities are translated into reais in view of exchange rate reported by Brazilian Central Bank on the balance sheet date. The net effect of these restatements is reflected in the net income for the year.

Net income (loss) per share

This is determined taking into account the number of outstanding shares on the balance sheet date.

Non-derivative financial instruments

These include temporary cash investments, cash and cash equivalents, loans, financing and debentures.

Non-derivative financial instruments are preliminarily recognized by fair value accrued of transaction costs directly attributable.

Derivative Financial Instruments

The Company and its subsidiaries maintain derivative financial instruments to hedge against foreign currency and interest rates risks.



Derivatives are preliminarily recognized by their fair value; attributable transaction costs are recognized in income when they are incurred. Subsequently to the initial recognition, derivatives are measured by fair value and changes are recorded in income.

Current and non-current assets

- **Consumers, concessionaires and permissionaires (Clients):**

These include the supply of electricity billed and to be billed (estimate), default surcharges, interest deriving from payment in arrears and renegotiation of consumers debts, adjusted to present value where applicable and energy sold to other concessionaires due to electric power supply according to amounts made available within the scope of Electric Power Commercialization Chamber ("CCEE") and credits related to varied nature regulatory assets.

Present value is calculated for each renegotiation transaction of consumers debt (payment by installments), based on interest rates that reflect the term and the risk of each transaction, on average, 1% per month. The counter entry of accounts receivable present value adjustment is the financial result.

The allowance for doubtful accounts was established in amount considered sufficient by Management to cover eventual losses in the realization of credits.

- ● **Inventories (property, plant and equipment inclusive)**

materials under inventory, classified in Current Assets (maintenance and administrative storehouse) and those allocated to investments, classified in Non-Current Assets - Property, Plant and Equipment (works warehouse), are recorded at the average acquisition cost and do not exceed their replacement costs or realization values, deducted from provision for losses, where applicable.

- ● **Investments**

permanent equity interest in subsidiaries and associated companies are valued by the equity accounting method. Other investments are valued at the acquisition cost monetarily restated until December 31, 1995, deducted from provision for devaluation, where applicable.

- ● **Property, plant and equipment**

These are recorded at the acquisition, formation or construction cost, monetarily restated until December 31, 1995, deducted from accumulated depreciation. Other expenditures are capitalized only when there is an increase in economic benefits of this item of property, plant and equipment. Another type of expenditure is recognized in income as expense when this is incurred.

- o Assets under Service - AIS - This includes assets and facilities in view of service granted, registered and controlled by means of the Registration Unit - UC and Unit of Addition and Withdrawal - UAR, by Assets Order - ODI, book account and date of transfer (capitalization) for Assets under Service, as required by ANEEL.

- o Depreciation - The depreciation is calculated by the straight-line method, based on book balances recorded at the respective Registration Units - UC. Annual rates are determined in the chart attached to ANEEL Resolution 240 of December 5, 2006, as disclosed in the Note 12.

- o Construction in progress - AIC - this refers to assets and facilities under construction.

- o General Management Apportionment (RAG) - Part of administrative and general expenses, deriving from staff expenses, services rendered, leasing, rentals and other are monthly appropriated to construction and other orders in progress, according to the Accounting Guide published by ANEEL.

- o Financial Charges - In view of provision in Accounting Instruction 6.3.10 of the Accounting Guide for the Electric Power Public Utility, enacted by ANEEL Resolution 444 of October 26, 2001 and CVM Resolution 193 of July 11, 1996, interest rates, monetary variations and financial charges related to financing obtained from third parties, effectively applied to construction in progress were appropriated to the orders in progress as cost. As of 2008, Grupo Light capitalized financial charges, in the amount of R\$34,738.

- **Financial lease**

Certain leasing agreements substantially transfer risks and benefits inherent to an asset ownership to the Company and its subsidiaries. These agreements are characterized as financial lease agreements and assets are recognized by fair value or present value of minimum payments provided for in the agreement. Goods recognized as assets are depreciated by depreciation rates applicable to each group of assets pursuant to the Note 12. Financial charges related to the financial lease agreements are appropriated to income over the term of the agreement, based on the amortized cost method and effective interest rate.

- **Intangible asset**

Intangible assets of the Company and its subsidiaries comprise assets acquired from third parties and are measured by total acquisition cost, deducted from accumulated depreciation. Intangible assets with defined useful life are amortized on a straight-line basis by the annual rate of 20%.

- **Impairment**

Fixed and intangible assets have their recoverable value tested, at least, yearly, should exist signs of impairment.

- ● **Deferred Assets**

Until 2007, these referred to pre-operating expenses, project development expenses and environmental management systems. After Law 11,638/07, R\$10,176 were reclassified from balance existing on January 1, 2008 to fixed assets and R\$43,094 were written-off against retained earnings.

- ● **Current and non-current liabilities**



these are stated by known or calculable values, accrued of, where applicable, corresponding charges, monetary and currency variations incurred up to the balance sheet date. A provision is recognized in the balance sheet when the Company and its subsidiaries have a real or legal obligation established as a result of past event and it is likely that an economic resource will be required to settle the obligation. Provisions are recorded based on the best estimates of risk involved.

• • Pension plan and post-employment benefits to employees

Costs subsidizing pension plans and eventual plan deficits are recognized by the accrual basis and pursuant to CVM Resolution 371/00 and NPC 26 of IBRACON based on actuarial calculation prepared by independent actuary.

When plan benefits are improved, the increase portion of benefit related to employees services rendered in the past is recognized in income on a straight-line basis during the average period until benefits are acquired. If criteria to obtain these benefits are immediately met, expenses are immediately recognized in income.

The Company and its subsidiaries recognize all gains and losses deriving from defined benefit plans directly defined in income.

• • Share-based remuneration plan

the effects of share-based remuneration plan are calculated based on the fair value of equity instruments granted and recognized in the balance sheet and in the statement of income as contractual conditions are met.

• • Current and deferred income and social contribution taxes

Income and social contribution taxes for current and deferred year are calculated based on the 15% rate, accrued of 10% surcharge over excess taxable income of R\$240 for income tax and 9% over taxable income for social contribution on net income and take into account social contribution tax loss carryforward limited to 30% of book taxable income.

Deferred tax assets deriving from tax losses, social contribution tax loss carryforward and temporary differences were established pursuant to CVM Instruction 371 of June 27, 2002, and consider the profitability track record and the expectation of generating future taxable income, based on feasibility technical study approved by Management bodies.

As provided for in Provisional Measure 449/08, the Company and its subsidiaries opted for adopting the Transition Tax Regime (RTT) when determining the book taxable income, so that changes in the criterion to recognize revenues, costs and expenses considered in the determination of net income for the year will not have effects for the purposes of determining book taxable income of company subject to RTT, and should consider for tax effects the accounting methods and criteria effective on December 31, 2007.

• Provision for contingencies – These are recorded by means of evaluation and quantification of lawsuits, the probability of loss is deemed as probable according to Management’s and legal counsels’ opinion.

• Correction of error - Pursuant to CVM Resolution 506/06, the correction of error amount should be stated retroactively:

a. By adjusting the comparative amounts of previous year(s) where error has been made; or

b. If error occurred prior to the oldest reported period, considering the adjustment to opening balance of assets, liabilities, retained earnings or accrued losses accounts of the oldest reported period, so that other financial statements are reported as if the error had not been made;

c. Detailing in the retained earnings or accrued losses account, under changes in shareholders’ equity, the effects of correcting the error and the income originally determined.

As disclosed in Note 2, the Company is presenting the Financial Statements for 2007 which were restated in view of adjustments and reclassifications of previous years.

• Recording of electric power purchase and sale transactions through Electric Power Commercialization Chamber (“CCEE”)– The cost of energy purchased and supply revenues are recognized by accrual basis based on information published by Electric Power Commercialization Chamber (“CCEE”), which is in charge of determining the amount and quantities of purchases and sales made within a regulated environment, or by Management’s estimate, when this information is not available.

4. Consolidation Procedures

Consolidated financial statements include Light S.A. and its direct and indirect subsidiaries, listed below:

	Interest %	
	2008 (%)	2007 (%)
Light SESA	100	100
Light Energia	100	100



Light Esco	100	100
Light Ger	100	100
Light Hidro	100	100
Light Institute	100	100
Itaocara Energia	100	100

Accounting practices were consistently applied in all consolidated companies and compatible with those employed in the previous year, except for the effects of Law 11,638/07.

These financial statements were prepared pursuant to consolidation rules of Law 6,404/76, amended by Law 11,638/07 and Provisional Measure 449/08 and CVM Instruction 247/96. Thus, interest between consolidated companies, balances of accounts receivable and payable, intercompany revenues and expenses were eliminated.

Below, the income reconciliation of parent company and consolidated on December 31, 2008:

Consolidated net income on December 31, 2008	974,453
Previous year adjustment (1)	23,451
Parent company's net income on December 31, 2008	997,904

(1) It refers to previous year adjustments with retroactive effects on its subsidiaries, due to correction of errors, as disclosed in the Note 2.

5. Regulatory Assets and Liabilities

	Consolidated			
	Current		Non-current	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Assets				
Consumers, Concessionaires and Permissionaires (note7)	67,977	95,114	-	-
Extraordinary Tariff Recovery, net	-	37,866	-	-
Free energy, net	-	16,354	-	-
Tariff Readjustment - TUSD	67,977	40,894	-	-
Prepaid Expenses (Note9)	381,624	273,640	125,071	137.988
CVA - (b)	222,245	45,909	125,071	1,898



PIS e COFINS - (c)1	-	6,079	-	-
Other Regulatories - (c)2	27,469	18,373	-	-
Portion "A" - (a)	131,910	203,279	-	136,090
TOTAL ASSETS	449,601	368,754	125,071	137,988
Liabilities				
Suppliers (note 14)	-	(16,053)	-	-
Free energy, net	-	(16,053)	-	-
Other Debts (note 19)	(160,661)	(131,567)	(1,719)	(21,502)
CVA - (b)	(143,947)	(76,686)	(1,719)	(21,502)
Other Regulatories (c)2	(16,714)	(54,881)	-	-
TOTAL LIABILITIES	(160,661)	(147,620)	(1,719)	(21,502)
OVERALL TOTAL	288,940	221,134	123.352	116,486

a) Rationing:

The Emergency Power Rationing Program ("PERCEE") was created on August 24, 2001 by Provisional Measure 2,198 to align electricity demand and supply and avoid unplanned interruption in power supply, and was effective from June 2001 through February 2002, at which time the government considered reservoir levels to be back to normal.

In December 2001, the Brazilian government and the electric utilities executed the Electricity Overall Agreement with electric power distribution and generation concessionaires to restore the economic and financial breakeven of existing agreements and recover lost revenues relating to the period in which the PERCEE was in effect.

This agreement addressed the following items related to the period the aforementioned Emergency Program was in force: (i) margin losses incurred by distribution companies; (ii) additional costs of "Portion A" for the period from January 1 to October 25, 2001; (iii) costs of energy purchased through the Electric Power Commercialization Chamber ("CCEE") owed to generation companies not committed to energy "Initial Agreements" (called "free energy"), carried out until December 2001; and (iv) replacement of the contractual right set forth in Exhibit V of the Initial Agreements (energy purchase and sale) related to the rationing period.

For the post-rationing period, March to December 2002, the Electricity Overall Agreement set the rate for trading excess energy from the Initial Agreements at R\$73.39 per MWh.

The electric power distribution and generation companies ("free energy") revenues for the rationing period is being recovered through the "Extraordinary Tariff Recovery - RTE", which agreement only allowed for the billing related to revenue lost of the subsidiary Light SESA through February 2008. In June 2008, Light SESA wrote off the items related to the extraordinary tariff recovery, free energy and its respective provisions, without affecting the income.

Due to the maturity of term for the RTE billing (Loss of Revenue), the Variation in "Portion A" items (from 01/01/2001 to 10/25/2001) started to be recovered from March 2008 until the time necessary for the amount approved by ANEEL has been fully recovered pursuant to Directive Release 267/04:

ASSETS	Recognition: Resolutions nº 482/02and 001/04	Accumulated Remuneration	Total Accumulated 2008	Amortized Value 2008	Balance to Amortize
	(1)	(2)	(3) = (1+2)	(4)	(5) = (3-4)
Parcela A (de 01/01 a 25/10/2001)	125,695	244,176	369,871	237,961	131,910

b) Memorandum account for Portion "A" Variations ("CVA")

CVA records the variations during the period and the annual tariff adjustment based on the Central Bank overnight rate ("SELIC") for: purchase of energy; the tariff for transportation of electric power from Itaipu; the Fuel Usage Quota ("CCC"); the Economic Development Account ("CDE"); System service charges ("ESS"); the tariff for the use of transmission facilities of the basic electric network; and compensation for the use of water resources ("CFURH").

**Breakdown of CVA**

	Consolidated			
	Assets			
	Current		Non-current	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007
Breakdown - CVA				
Fuel Usage Quota - CCC	141,650	-	31,871	-
Transportation of electric power to basic electric network	4,830	-	2,756	-
Energy Development account - CDE	-	17,490	-	1,898
Acquisition cost of electricity	-	28,109	75,419	-
System Service Charges - ESS	73,145	310	14,200	-
Transportation of electric power from Itaipu	2,620	-	825	-
TOTAL - CVA	222,245	45,909	125,071	1,898

	Consolidated			
	Liabilities			
	Current		Non-current	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007
Breakdown - CVA				
Fuel Usage Quota - CCC	-	(70,836)	-	(5,871)
Energy Development Account - CDE	(30,863)	-	(1,664)	-
System Service Charges - ESS	-	-	-	(4,005)
PROINFA	(3,150)	(16)	(55)	(158)
Acquisition cost of electricity	(109,934)	-	-	(5,231)
Transportation of electric power from Itaipu	-	(1,140)	-	(145)
Transportation of electric power through h basic electric network	-	(4,694)	-	(6,092)
TOTAL - CVA	(143,947)	76,686	(1,719)	(21,502)

c) Periodic Tariff Review

In 2008, Light SESA undergone its second periodic tariff review, as per Technical Note 339/2008-SRE / ANEEL (see Note 37).

The periodic tariff review is required by law and electric power distribution public utility concession agreements. Therefore, this is a legal and contractual liability, and ANEEL is liable for its implementation, as provided for in paragraph 2 of Article 9 of Law 8,987 of February 13, 1995.

The second periodic tariff review was approved through Normative Resolution 734 of November 4, 2008, which established temporarily that electricity bills of Light SESA are adjusted by 4.27%, and 1.96% is related tariff repositioning and 2.30% is related to financial components external to periodic tariff review.

(c1) -PIS and COFINS

This refers to the increase in the respective rates and the effect of changing the calculation of PIS and COFINS to a noncumulative basis, as prescribed by Laws 10,637/02 and 10,833/03, as amended by Law 10,865/04, that is reflected in the 2007 annual tariff adjustment of the subsidiary Light SESA in accordance with Normative Resolution 563 of November 6, 2007, amortized through October 2008.



(c2) - Other regulatory assets/liabilities

Finance costs transferred in the second tariff review of subsidiary Light SESA in accordance with Normative Resolution 734 of November 4, 2008, as per chart below:

	Consolidated	Recognition of Values
	12/31/2008	10/31/2008
Other Regulatory Assets		
Financial Adjustment TUSD Generating Companies	27,033	32.680
Guarantees at Auction (CCEAR)	113	136
Funas Connection	174	210
"Luz para Todos" Program	149	181
TOTAL	27,469	33,207

	Consolidated	Recognition of Values
	12/31/2008	10/31/2008
Other Regulatory Liabilities		
Onlending of energy over contracting, art 38 of Decree 5,163/04	(15,737)	(18,956)
Boundary Adjustment	(977)	(1,182)
TOTAL	(16,714)	(20,138)

6. Cash and cash equivalents

	Parent Company		Consolidated	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007
Cash available	50	129	41,029	88,865
Temporary investments	40,206	2,407	549,097	401,346
Total	40,256	2,536	590,126	490,211

	Fee	Maturity Date	Parent Company		Consolidated	
			12/31/2008	12/31/2007	12/31/2008	12/31/2007
Financial Investments						
Overnight (controladas LIR e LOI)	-	Daily	-	-	992	299
CDB	CDI	Daily	40,206	2,407	547,919	393,769
Other	CDI	Daily	-	-	186	7,278



Total	40,206	2,407	549,097	401,346
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7.Receivables from consumers, concessionaires and permissionaires (clients)

	Consolidated	
	12/31/2008	12/31/2007
CURRENT		
Billed Sales	1,729,885	1,442,639
Unbilled sales	260,361	273,111
Debts payment by installments(a)	140,874	149,560
	2,131,120	1,865,310
Sales within the scope of CCEE (note 29)	613	16,691
Supply and charges related to use of electric network	52,412	47,160
Tariff recoverable credits (Note 5)	67,977	40,894
Free Energy - indemnity to generation companies (Note 5)	-	16,354
Extraordinary Tariff Recovery - RTE (Note 5)	-	37,866
	121,002	158,965
	2,252,122	2,024,275
(-) Allowance for doubtful accounts (b)	(901,290)	(667,895)
(-) Allowance for doubtful accounts - RTE	-	(11,271)
	1,350,832	1,345,109
NON-CURRENT		
Debt payment by installments (a)	292,594	326,066
Free Energy charges - PIS/COFINS	-	28,310
(-) Provision for free energy - PIS/COFINS	-	(28,310)
Free Energy - indemnity to generation companies	-	146,206
(-) Provision for free energy	-	(146,206)
Extraordinary Tariff Recovery - RTE	-	281,634
(-) Provision for losses in extraordinary tariff recovery - RTE	-	(281,634)
	292,594	326,066

a) Debt installments are adjusted to present value, where applicable, pursuant to Law 11,638/07.

b) The allowance for doubtful accounts was set up in amounts deemed sufficient to cover eventual losses in the realization of credits and it is in accordance with ANEEL's instructions summarized below:

Clients with significant debts (large clients):

- Individual analysis of balance receivable from consumers, by consumption class, deemed unlikely to be received.

In other cases:



- Residential consumers – past due for more than 90 days;
- Commercial consumers – past due for more than 180 days;
- Industrial and rural consumers, public sector, public lighting, public utilities and other – past due for more than 360 days

Overdue and falling due balances related to electric power billed sales and debt payment by installments are distributed as follows:

12/31/2008				
	Maturing date	Overdue up to 90 days	Overdue over 90 days	Total
Residencial	187,010	135,907	758,851	1,081,768
Industrial	27,127	17,671	196,919	241,717
Commercial	130,691	38,719	177,802	347,212
Rural	584	272	531	1,387
Public Sector	27,355	19,330	95,172	141,857
Public Lighting	12,239	2,822	35,967	51,028
Public Utility	274,160	2,544	21,680	298,384
Billed Sales installments (Current and non-current)	659,166	217,265	1,286,922	2,163,353

12/31/2007				
	Maturing date	Overdue up to 90 days	Overdue over 90 days	Total
Residencial	191,186	130,186	522,208	843,580
Industrial	25,071	18,647	176,576	220,294
Commercial	129,225	38,820	143,758	311,803
Rural	579	315	338	1,232
Public Sector	53,047	33,742	92,861	179,650
Public Lighting	12,517	4,340	31,361	48,218
Public Utility	302,770	10,718	-	313,488
Billed Sales installments (Current and non-current)	714,395	236,768	967,102	1,918,265

8. Taxes

	Parent Company				Consolidated			
	Assets		Liabilities		Assets		Liabilities	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007	12/31/2008	12/31/2007	12/31/2008	12/31/2007
CURRENT								
Tax Credits - IRPJ and CSLL (a)	284	209	-	-	107,818	58,340	-	-
IRRF (withholding)								



income tax)	-	-	-	-	11,522	11,522	2	24
Deferred IRPJ and CSLL (b)	-	-	-	-	270,493	297,645	-	-
ICMS (Value Added Tax) (e)	-	-	-	-	123,440	102,987	15,166	3,086
PIS/CONFIS (taxes on revenues) recoverable (f)	-	-	-	-	103,945	31,679	-	-
PIS/CONFIS payable	-	-	-	-	-	-	51,112	48,814
PIS/CONFIS - PAES paid by installments (Refi II) (c)	-	-	-	-	-	-	2,701	3,408
INSS - PAES paid by installments (Refis II) (c)	-	-	-	-	-	-	8,272	7,915
IRPJ and CSLL - Unrealized profits abroad	-	-	-	-	-	-	-	33,010
Prepaid IRPJ/CSLL	-	-	-	-	204,552	194,067	-	-
Provision for IRPJ/CSLL	-	-	-	-	-	-	143,394	200,268
Other	-	-	10	7	14,734	1,608	9,814	9,043
TOTAL	284	209	10	7	836,504	697,848	230,461	305,568
NON-CURRENT								
Deferred IRPJ and CSLL (b)	-	-	-	-	1,036,759	1,146,260	-	-
Deferred IRPJ and CSLL - capital gains	-	-	-	-	-	-	-	2,187
ICMS (e)	-	-	-	-	72,807	107,493	-	-
IRPJ and CSLL - Unrealized profits abroad (d)	-	-	-	-	-	-	286,337	223,732
PIS/COFINS - PAES paid by installments (Refis II) (c)	-	-	-	-	-	-	9,455	15,337
INSS - PAES paid by installments (Refis II) (c)	-	-	-	-	-	-	28,951	35,616
TOTAL	-	-	-	-	1,109,566	1,253,753	324.743	276.872

Reconciliation of effective and nominal income and social contribution taxes rates:

	Consolidado	
	12/31/2008	12/31/2007
Earning before income and social contributions taxes (LAIR)	1,307,511	505,198
Profit sharing	(31,527)	(32,843)
Adjusted income basis for taxation	1,275,984	472,355
Combined income and social contribution tax rate	34%	34%
Income and social contribution taxes at statutory rates	(433,835)	(160,601)
Income and social contribution tax effect on permanent additions and exclusions	29,037	(7,360)
Income and social contribution tax effect on equity in the earnings of subsidiaries	182,961	(39,986)
Difference between basis of calculation - income and social contribution taxes	59	(2,412)
Income from offshore companies - 2008	(81,158)	(61,457)
Tax loss carryforward - 30% - not recognized in income	(490)	353



Bad debt losses	-	23,800
Recognition of deferred assets	-	851,250
Provision for income tax loss - additional payment of state income tax	-	(4,162)
Tax Incentives	1,895	2,550
Income and social contribution taxes in income	(301,531)	601,975
Current IRPJ and CSLL in income	(161,410)	(250,246)
Deferred IRPJ and CSLL in income	(140,121)	852,221
	(301,531)	601,975

a) The variation in tax credits arising from refunds from temporary cash investments and government agencies is the result of: the monthly adjustment based on the SELIC rate in the amount of R\$14,064 and new credits in the amount of R\$69,100 and reimbursements in the amount of R\$33,686.

b) In 2007, having met all conditions set forth by the CVM Instruction 371/02, Light SESA began to recognize deferred tax assets over temporary differences, and also reversed a portion of the provision for recovery of tax credits.

In order to justify these deferred tax credits, Light SESA restated, already taking into account realizations up to December 2008, technical feasibility studies approved by the Board of Directors and evaluated by the Fiscal Council, based on the projections prepared in December 2008, which indicated recovery within 11 years. The deferred tax assets include amounts expected to be recoverable within 10 years, as set forth in said CVM Instruction and in the assumption of not being barred by law according to IRPJ Regulation. This study was based on future taxable interests expectations. The table below presents the deferred tax assets installments by year of realization:

2009	270,493
2010	272,312
2011	254,071
2012	174,214
2013	178,688
2014 to 2016	101,680
2017 to 2019	174,258
	1,425,714
(-) Provision for non-recovery	(118,462)
Total – Light SA	1,307,252

Deferred taxes have been established based on the assumption of future realization, taking into account:

i. Income and Social Contribution tax loss carryforwards– these shall be carried forward indefinitely, but realization is limited to 30% of net income for each future fiscal year.

ii. temporary differences – these will be realized upon the payment or reversal of tax provisions and/or the actual loss of doubtful accounts (PCLD)

IRPJ and CSLL deferred tax assets result from income and social Contribution tax loss carryforward and revenues/expenses (temporarily non-deductible provisions) recognized in income, which will be added to/deducted from book taxable income and the

social contribution tax basis in subsequent periods. Deferred tax assets are as follows:

	Consolidated	
	12/31/2008	12/31/2007
ASSETS AND LIABILITIES - CURRENT AND NON-CURRENT		
IRPJ and CSLL tax loss carryforwards	770,681	808,588
Allowance for doubtful accounts	300,922	301,359
Provision for profit sharing	11,288	9,897
Provision for labor contingencies	56,007	55,148
Provision for tax contingencies	136,060	261,419
Provision for civil contingencies	94,932	89,732
Impacts resulting from the adoption of Law N° 11,638/07	19,967	-
Other provisions	31,592	35,385
	1,421,449	1,561,528
(-) Provision for non-recovery	(118,462)	(118,462)
Total - Light SESA	1,302,987	1,443,066
IRPJ and CSLL tax loss carryforwards - Light Energia and Light Esco	4,265	839
Total - Consolidated	1,307,252	1,443,905

Instrução CVM n.º 371 de 25 de junho de 2002

c) Tax Debt Refinancing Program – PAES (REFIS II) – Law 10,684 of May 31, 2003 introduced the Tax Debt Refinancing Program (PAES), designed to settle debts owed by legal entities to the Federal Government related to taxes administered by the Internal Revenue Service, National Treasury Attorney General, and National Institute of Social Security (“INSS”). The deadline for opting for the installment plan was July 31, 2003 but was subsequently extended to August 29, 2003.

The balance related to PIS and COFINS as of December 31, 2008 is R\$12,156 (R\$18,745 on December 31, 2007).

Light SESA filed its application for PAES (60.213.452-8) with the INSS on July 31, 2003. The debt included in PAES was R\$59,975 (net of a 50% fine reduction), which was under judicial dispute while the subsidiary was seeking recovery of the amounts paid for occupational accident insurance. The consolidated debt amount has already been ratified by the INSS and payment is to be made in 120 monthly installments. As of December 31, 2008, the subsidiary has paid 66 installments. The installments were calculated based on the total debt divided by the number of installments, subject to the TJLP long-term interest rate. The balance as of December 31, 2008 is R\$37,223 (R\$43,531 on December 31, 2007).

d) On February 20, 2003, Light SESA filed Writ of Mandamus 2003.51.01.005514-8 requesting an injunction that would release it from the payment of levied income and social contribution taxes on:

(i) Profits earned by the companies LIR Energy Limited (LIR) and Light Overseas Investment Limited (LOI) before they are effectively available, in which case sole paragraph, Article 74 of Provisional Measure 2,158-35, of August 24, 2001 (MP 2,158-35), for the periods from 1996 to 2001, shall not apply;

(ii) Profits earned by the companies LIR and LOI before they are effectively available, in which case Article 74, caput, of Provisional Measure 2,158-35/01, for calendar year 2002 and following years shall not apply;

The injunction was granted to Light SESA but was subsequently dismissed in the decision. The appeal resulted in the suspension of the tax levies and allowed the case to be remanded. The Federal Government filed an interlocutory appeal against this decision, which was accepted. Light filed an internal interlocutory appeal, which had a favorable decision in March 2007, re-establishing the suspension of the tax levies. The Federal Government filed a special appeal against such decision, which is pending judgment.

Subject to the decision on writ of mandamus 2003.51.01.005514-8, which suspended the collection of income and social contribution taxes, the Company is currently awaiting decision by the Regional Federal Court - 2nd Region on the appeal filed by the Ministry of



Finance.

Based on this court decision, Light SESA suspended the payment of income and social contribution taxes on taxable income related to the profits earned by companies located abroad for the years 2004, 2005, 2006, 2007 and 2008. The provision as of December 31, 2008 is R\$286,337 (R\$256,742 on December 31, 2007).

As part of the dissolution process of LOI, concluded in 2008, as per ANEEL's resolution, the investee settled all its Assets and Liabilities and distributed dividends in the total amount of U\$105,976, corresponding to R\$176,400, R\$130,836 of which in March 2008 and R\$45,564 in April 2008. The distribution of dividends is characterized as profits available for the purposes of income tax and social contribution taxation in Light SESA, whose amount calculated and paid accounted for R\$31,139 in March 2008 and R\$10,844 in April 2008.

e) The amount of the state VAT ("ICMS") recovery on December 31, 2008 includes R\$72,011 (R\$109,283 on December 31, 2007) of credits deriving from the renegotiations of the CEDAE debt in July and December 2006.

f) It refers to the tax credits to offset derived from the adjustment of PIS and COFINS calculation bases in the period from February 2004 through April 2008, due to the use of some segment charges, such as calculation basis deduction from these taxes. In relation to the period from November 2005 through April 2008, the amount related to credits assessed is being transferred to consumers. Thus, the amount of R\$46,893 is recorded in other debits (see Note 19).

9. Prepaid expenses

	Parent Company		Consolidated	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007
CURRENT				
CVA (nota 5)	-	-	222,245	45,909
PIS and COFINS (taxes on revenues) - IRT (Note 5)	-	-	-	6,079
Financial Components - ITR (Note 5)	-	-	27,469	18,373
Overall Agreement for Electric Power Sector - Portion "A" (Note 5)	-	-	131,910	203,279
Swap premium	-	-	-	544
Other	135	171	1,667	1,434
Total	135	171	383,291	275,618
NON-CURRENT				
CVA - (nota 5)	-	-	125,071	1,898
Overall Agreement for Electric Power Sector - Portion "A" (Note 5)	-	-	-	136,090
Expenses related to the issue of debentures (a)	-	-	-	13,292
Other	-	-	4,364	7,750
Total	-	-	129,435	159,030

(a) Pursuant to CPC 08 – Transactions costs and premium on the issue of securities, approved on November 12, 2008 by CVM Resolution 556/08, costs of these transactions should be reclassified to a specific account, according to the nature of operation. Thus, the Company reclassified this balance to the write-down account of debentures.

10. Other receivables

	Parent Company		Consolidated	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007
CURRENT				
Low-income consumers	-	-	1,045	1,128
Advances to suppliers and employees	30	15	11,835	7,677
Employees temporarily transferred other companies	-	-	-	1,324
Public lighting fee	-	-	25,740	20,177
Property rental	-	-	113	2,139
Subsidy to low-income segment (c)	-	-	49,926	-
Expenditures to refund	-	-	13,360	-
Other	137	151	5,860	3,636
Total	167	166	107,879	36,081
NON-CURRENT				
PIS and COFINS recoverable (a)	-	-	-	84,271
Provision for CVA (b)	-	-	13,329	625
Assests and rights for disposal	-	-	11,597	11,597
Other	-	-	1,494	695
Total	-	-	26,420	97,188

a) It refers to tax credits reviewing the determination of PIS/COFINS over sector charges, which were transferred in 2Q08 to "recoverable taxes" (see Note 8-f).

b) It refers to amounts determined in current month and which will be transferred to the Regulatory Asset upon effective cash outlay.

c) It refers to credits from low-income subsidies which have not been authorized by ANEEL yet.

11. Investments

	Parent Company		Consolidated	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007
Accounted for under the equity method:				
Light SESA	2,598,541	2,522,612	-	-
Light Energia S.A.	143,054	127,080	-	-
Light Esco Prestação de Serviços Ltda	17,042	11,347	-	-



Lightger Ltda (a)	3,289	3,289	-	-
Lighthidro Ltda (a)	50	50	-	-
Itaocara Energia (a)	849	849	-	-
Sub-total	2,762,825	2,665,227	-	-
Accounted for at cost (adjusted up to December 31, 1995, When applicable)	-	-	3,796	3,796
Leased Assets	-	-	7,097	8,099
Other	1,533	1,167	2,722	1.262
Sub-Total	1,533	1,167	13,615	13.157
Total	2,764,358	2,666,394	13,615	13,157

(a) Development stage companies

	Light SESA	Light Energia	Light Esco	Light Ger	Light Hidro	Instituto Light	Itaocara Energia
12/31/2008							
Ownership Interes (%)	100	100	100	100	100	100	100
Paid-up Capital	2,082,362	77,422	7,584	2,000	50	300	2,697
Shareholders' Equity	2,598,541	143,054	17,042	3,289	50	-	849
Dividends paid	(350,766)	(41,387)	-	-	-	-	-
Proposed dividends	(481,564)	(18,074)	-	-	-	-	-
Net income for the year	918,164	76,101	6,280	-	-	-	-
12/31/2007							
Ownership Interest (%)	100	100	100	100	100	100	100
Paid-up capital	2,076,898	77,422	7,584	2,000	50	300	2,697
Shareholders' Equity	2,522,612	127,080	11,347	3,289	50	-	849
Dividends paid	(450,000)	(78,000)	-	-	-	-	-
Proposed dividends	(190,401)	(13,062)	-	-	-	-	-
Net income (Loss) for the year	1,010,996	71,010	2,544	-	-	(17)	-

Changes in investments in subsidiaries and associated companies

	Light SESA	Light Energia	Light Esco	Light Ger	Light Hidro	Itaocara Energia	Instituto Light	Total
Balances on 12/31/2007	2,522,612	127,080	11,347	3,289	50	849	-	2,665,227
Adjustments to opening balance Law 11,638/07	(38,820)	(666)	(585)	-	-	-	-	(40,071)
Capital Increase	5,464	-	-	-	-	-	-	5,464
Dividends paid	(350,766)	(41,387)	-	-	-	-	-	(392,153)
Proposed dividends	(481,564)	(18,074)	-	-	-	-	-	(499,638)
Equity accounting	941,615	76,101	6,280	-	-	-	-	1,023,996
Balances on 12/31/2008	2,598,541	143,054	17,042	3,289	50	849	-	2,762,825

12. Property, plant and equipment

	Consolidated			
	12/31/2008			31/12/2007
	Historical Cost	Accumulated Depreciation	Net Value	Net Value (Reclassified)
Generation	949,107	(428,406)	520,701	536,365
Transmission	17,299	(7,936)	9,363	9,699
Distribution	6,024,520	(2,895,629)	3,128,891	2,876,442
Administration	256,416	(153,058)	103,358	140,345
Sales	36,135	(21,215)	14,920	63,304
In Service	7,283,477	(3,506,244)	3,777,233	3,626,155
Generation	64,561	-	64,561	31,120
Distribution	328,784	-	328,784	249,689
Administration	44,451	-	44,451	30,027
Sales	1,631	-	1,631	5,170
In Progress	439,427	-	439,427	316,006
Total Property, Plant and Equipment	7,722,904	(3,506,244)	4,216,660	3,942,161
Special obligations linked to concession (a)	(158,336)	1,034	(157,302)	(170,107)
Total Property, Plant and Equipment, net	7,564,568	(3,505,210)	4,059,358	3,772,054

a) The balance of special obligations derives from the consumer's financial income, appropriation of the Federal Government, federal, state and municipal funds to finance the work necessary to meet the electric power demand.

	Consolidado	
	31/12/2008	31/12/2007
Consumer Contribution	109,035	123,484
Consumer Contribution depreciation	(702)	-
Donations/subsidies for investments	37,639	37,478
Depreciation of donations/subsidies for investments	(253)	-
Research and Development	11,662	9,145
Depreciation of research and development	(79)	-
Total	157,302	170,107

The maturity of these special obligations is established by the Regulatory Agency, ANEEL, and will occur at the end of the concession period, through a reduction in the residual value of property, plant and equipment for the purposes of determining the indemnity to be paid by the Granting Power to the concessionaire.

In accordance with Articles 63 and 64 of Decree 41,019 of February 26, 1957, assets and facilities used in the generation, transmission, distribution and sale of electric power are linked to these services and cannot be removed, sold, assigned or pledged



as mortgage guarantees without the prior and express authorization of the regulatory agency. ANEEL Resolution 20/99 regulates the removal of restrictions of electric power public utility concession assets, requiring previous approval to selling an asset tied to the concession, and requires that the proceeds from the sale be deposited in a restricted bank account, and invested in the concession.

ANEEL Regulatory Resolution 234 of October 31, 2006, established the general concepts, methodologies and initial procedures to carry out the second cycle of periodic tariff review, the subsidiary Light SESA has undergone in November 2008 and determines that special obligations shall be amortized at same depreciation rates, using an average rate from tariff review. Thus, amortization average rate of special obligations is 3.5% and was determined taking into account distribution registration units.

Below, the change in property, plant and equipment:

	Consolidated					Balances on 12/31/2008
	Balances on 12/31/2007	Assitions	Write-offs	Transfer between accounts		
				Service	Other	
ASSETS UNDER SERVICE						
Cost						
Generation	942,044	8,663	(1,600)	-	-	949,107
Transmission	17,299	-	-	-	-	17,299
Distribution	5,426,458	436,054	(74,774)	-	236,782	6,024,520
Sales	230,031	761	(2,181)	-	(192,476)	36,135
Administration	299,534	6,014	(3,892)	-	(45,240)	256,416
Total Assets under service	6,915,366	451,492	(82,447)	-	(934)	7,283,477
(-) Depreciation						
Generation	(405,679)	(17,864)	1,125	-	(5,988)	(428,406)
Transmission	(7,600)	(335)	-	-	-	(7,935)
Sales	(2,550,016)	(232,412)	48,321	-	(161,522)	(2,895,629)
Sales	(166,727)	(7,701)	2,151	-	151,063	(21,214)
Administration	(159,189)	(12,957)	2,246	-	16,840	(153,060)
Total Assets under service - depreciation	(3,289,211)	(271,269)	53,843	-	393	(3,506,244)
CONSTRUCTION IN PROGRESS						
Generation	31,120	42,262	-	(7,837)	(984)	64,561
Transmission	-	-	-	-	-	-
Distribution	249,689	658,196	(1,924)	(426,148)	(151,029)	328,784
Sales	5,170	1,146	-	(4,685)	-	1,631
Administration	30,027	27,596	-	(13,172)	-	44,451
Total construction in progress	316,006	729,200	(1,924)	(451,842)	(152,013)	439,427
TOTAL PROPERTY, PLANT AND EQUIPMENT	3,942,161	909,423	(30,528)	(451,842)	(152,554)	4,216,660

i

) There are no assets or rights belonging to the Federal Government in use at the subsidiary Light SESA.

ii) Construction in progress includes inventories of materials for projects totaling R\$53,463 as of December 31, 2008 (R\$35,200 on



December 31, 2007) and a provision for inventory loss of R\$1,488 (R\$2,710 on December 31, 2007).

iii) Annual depreciation rates

Main depreciation rates, according to ANEEL Resolution 240 of December 5, 2006 are the following:

Generation	(%)	Distribution	(%)	sales	(%)	Administration	(%)	Transmission	(%)
Bus	2.5	Capacitors bank	6.7	Buildings	4.0	Buildings	4.0	System conductor	2.5
Disconnecter	3.0	Distribution Keys	6.7	General equipment	10.0	General equipment	10.0	General Equipment	10.0
Buildings	4.0	System conductor	5.0	Vehicles	20.0	Vehicles	20.0	System structure	2.5
Intake equipment	3.7	Disconnecter	3.0					Connectors	4.3
Intake structure	4.0	Buildings	4.0						
Generator	3.3	System Structure	5.0						
Engine group - generator	5.9	Meter	4.0						
Reservoirs, dams and water mains	2.0	Voltage regulator	4.8						
Local communication system	6.7	Connector	4.3						
Hydraulic turbine	2.5	Transformer	5.0						
Average depreciation rate									
Generation	3.8	Distribution	4.9	Sales	11.3	Administration	11.3	Transmissão	4.8

iv) Universalization of electric power public utility.

Pursuant to Decree 4,873 of November 11, 2003, the National Program for Universalization of Electric Power Access and Use of Electric Power was created with a view to providing electricity in rural areas – the Program called “Luz para Todos” (Light for All), free of charge to clients. This decree defined the allocation of sector funds (CDE and RGR) and States to finance the universalization in rural areas and until 2008 provide electricity to the Brazilian rural population which still does not have access to this type of public utility.

New 1,001(*) consumers were connected with total cost estimated at R\$10.380. In September 2007, Light SESA concluded all the installations expected for this program. Even after the achievement of universalization targets submitted to ANEEL, Light SESA continued connecting households, whose characteristics fit into the Universalization Program.

To execute this program, Eletrobras authorized R\$1,200 and Light SESA participated with the amount of R\$8,836.

(*) Unaudited information

13. Intangible assets



Intangible Assets	Consolidado			
	12/31/2008			12/31/2007
	Historical Cost	Accumulated Amortization	Net Value	Net Value
Intangible Assets				
Distribution	182,565	(156,612)	25,953	31,440
Generation	5,799	(5,636)	163	573
Administration	63,750	(51,171)	12,579	14,368
Sales	163,496	(87,556)	75,940	88,286
In Service	415,610	(300,975)	114,635	134,667
Distribution	13,091	-	13,091	8,932
Generation	117,658	-	117,658	102,813
Administration	35,146	-	35,146	24,678
Sales	428	-	428	-
In Progress	166,323	-	166,323	136,423
Total Intangible Assets, net	581,933	(300,975)	280,958	271,090

Grupo Light classifies Software as intangible assets is depreciated at a rate of 20% p.a., and Right-of-Ways are not depreciated since they represent the right to use certain areas of land, usually associated with a Transmission and Distribution Line.

14. Suppliers

	Paret Company		Consolidated	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007
CURRENT				
Foreign Currency - Itaipu Transfer	-	-	111,737	134,829
UTE Norte Fluminense	-	-	81,595	64,25
Electric network usage charges	-	-	43,859	48,086
Sales within the scope of CCEE (note 29)	-	-	13,117	152
System Service Charges	-	-	6,462	2,216
Free Energy, net(Note 5)	-	-	-	16,053
Electric power auctions	-	-	114,434	98,090
Other	-	-	6,611	6,426
	-	-	377,815	370,477
Materials and services	283	380	108,389	117,964
Total	283	380	486,204	488,441
NON-CURRENT				



Free Energy - indemnity to generation companies	-	-	-	221,467
(-) Provision for free energy	-	-	-	(221,467)
Total	-	-	-	-

15. Loans, financing and financial charges

Consolidado									
Financing Entity	Date of Signature	12/31/2008				Currency/Index	Interest Rate p.a.	Reference Date	
		Principal		Charges				PR	Payment
		Current	Non-current	Current	Non-current				
TN - Par Bond	4/29/1996	-	90.955	1.175	-	US\$	6,0000%	1	Sole
TN - Collateral - ParBond	4/29/1996	-	(43.507)	-	-	US\$	US\$ Treasury	1	Sole
TN - Discount Bond	4/29/1996	-	63.465	511	-	US\$	Libor + 13/16	1	Sole
TN - Collateral - Discount Bond	4/29/1996	-	(30.519)	-	-	US\$	US\$ Treasury	1	Sole
TN - Fiirb	4/29/1996	1,159	-	9	-	US\$	Libor + 13/16	5	Semiannually
TN - C. Bond	4/29/1996	7,731	34.790	726	-	US\$	8,0000%	15	Semiannually
TN - Debit. Conv.	4/29/1996	8,660	21.650	248	-	US\$	Libor + 7/8	11	Semiannually
TN - New Money	4/29/1996	1,142	-	9	-	US\$	Libor + 7/8	5	Semiannually
TN - Bib	4/26/1996	281	1.124	26	-	US\$	6,0000%	13	Semiannually
BNDES - Imports	3/27/1998	1,791	597	9	-	Umbdes	Cesta BNDES + 4%	37	Monthly
Societe Generale II	7/20/2000	4,399	-	10	-	US\$	Libor + 0,65%	6	Semiannually
KFW III , IV, e V - Tranche A/B/C	11/3/2000	2,048	1.932	1	-	US\$	Libor + 0,65%	8	Semiannually
Foreign Currency		27,211	140.487	2,724	-				
Eletrobrás	Several	7,698	3.105	249	-	Ufir	5,0000%	from 2 to 120	Monthly and Quartely
CCB Bradesco	10/18/2007	-	450.000	14,014	-	Cdi	CDI + 0,85%	10	Annual
BNDES - FINEM	11/5/2007	58,797	372.382	1,883	-	Tjlp	TJLP + 4,3%	66	Monthly
Capital de Giro - ABN Amro	8/27/2008	-	80.000	3,919	-	Cdi	CDI + 0,95%	4	Semiannually
BNDES - PROESCO	12/12/2008	20	576	-	-	Tjlp	TJLP + 2,5%	60	Monthly
Sundry									



Banking warranties	-	-	284	-
Domestic Currency	66,515	906,063	20,349	-
Total Geral	93,726	1,046,550	23,073	-

Consolidated									
Financing Entity	Date of Signature	12/31/2007				Currency/Index	Interest Rate p.a.	Reference Date 12/31/2007	
		Principal		Charges				PR	Payment
		Current	Non-current	Current	Non-current				
TN - Par Bond	4/29/1996	-	68,938	890	-	US\$	6,0000%	1	Sole
TN - Collateral - ParBond	4/29/1996	-	(28,854)	-	-	US\$	U\$ Treasury	1	Sole
TN - Discount Bond	4/29/1996	-	48,103	657	-	US\$	Libor + 13/16	1	Sole
TN - Collateral - Discount Bond	4/29/1996	-	(20,269)	-	-	US\$	U\$ Treasury	1	Sole
TN - Fiirb	4/29/1996	1,757	878	36	-	US\$	Libor + 13/16	5	Semiannually
TN - C. Bond	4/29/1996	5,609	29,845	606	-	US\$	8,0000%	15	Semiannually
TN - Debit. Conv.	4/29/1996	6,563	22,972	407	-	US\$	Libor + 7/8	11	Semiannually
TN - New Money	4/29/1996	1,731	865	36	-	US\$	Libor + 7/8	5	Semiannually
TN - Bib	4/26/1996	213	1,065	24	-	US\$	6,0000%	13	Semiannually
BNDES - Imports	3/27/1998	1,338	1,784	13	-	Umbndes	Cesta BNDES + 4%	37	Monthly
KFW 1 - Tranche A	8/12/1999	295	-	7	-	US\$	Libor + 0,6%	2	Semiannually
Societe Generale II	7/20/2000	3,334	3,335	23	-	US\$	Libor + 0,65%	6	Semiannually
KFW III , IV, e V - Tranche A/B/C	11/3/2000	1,552	3,018	2	-	US\$	Libor + 0,65%	8	Semiannually
Foreign Currency		22,392	131,680	2,701	-				
Eletrobrás	Several	4,972	7,135	295	-	Ufir	5,0000%	from 2 to 120	Monthly and Quarterly
CCB Bradesco	10/18/2007	-	450,000	10,649	-	Cdi	CDI + 0,85%	10	Annual
BNDES - FINEM	11/5/2007	-	242,567	926	-	Tjlp	TJLP + 4,3%	66	Monthly
Domestic Currency		4,972	699,702	11,870	-				
SWAP		-	-	8,566	1,564				
Overall Total		27,364	831,382	23,137	1,564				

Loans are guaranteed by collateral in the amount of R\$30,940, guarantee of Light S.A. and receivables in the approximate amount of R\$57,988.

The principal of long-term loans and financing matures as follows (excluding financial charges):

	Consolidated					
	12/31/2008			12/31/2007		
	Domestic Currency	Foreign Currency	Total	Domestic Currency	Foreign Currency	Total
2008	-	-	-	4,972	22,392	27,364
2009	66,515	27,211	93,726	-	-	-
Total (current)	66,515	27,211	93,726	4,972	22,392	27,364
2009	-	-	-	37,174	20,354	57,528
2010	159,635	19,201	178,836	45,208	14,170	59,378
2011	78,987	16,672	95,659	44,559	12,134	56,693
2012	153,987	12,342	166,329	119,559	8,853	128,412
2013	153,973	8,012	161,985	119,546	5,571	125,117
2014	134,139	3,866	138,005	108,314	2,679	110,993
após 2014	225,342	80,394	305,736	225,342	67,919	293,261
Total (non-current)	906,063	140,487	1,046,550	699,702	131,680	831,382
Total (current and non-current)	972,578	167,698	1,140,276	704,674	154,072	858,746

In percentage terms, the variation of major foreign currencies and economic ratios in the period, which are used to adjust loans, financing and debentures, was as follows in the years:

	2008 - %	2007 - %
USD	31.94	(17.20)
EUR	24.13	(7.50)
UMBNDDES	33.86	(16,57)
IGP-M	9.81	7.75
CDI	12.37	11.82
SELIC	12.48	11.88

Covenants

The 5th issue of Debentures, the funding of CCB Bradesco, the loan with ABN Amro and BNDES FINEM, classified as current and non-current, requires that the Company maintain certain debt ratios and interest coverage. In the year ended December 31, 2008, the Company and its subsidiaries are in compliance with all required debt covenants.

16. Debentures and financial charges

Consolidated



Financing Entity	Date of Signature	12/31/2008				Currency/Index	Interest Rate	31/12/2008			
		Principal (1)		Charges				PR	Payment	Beginning	End
		Current	Non-current	Current	Non-current						
BNDES - Debêntures 1st Issue	2/16/1998	15,257	7,666	1,143	-	Tjlp	TJLP + 4% a.a.	6	Semiannually	2000	2010
Debêntures 4th Issue	6/30/2005	8	110	-	-	Tjlp	TJLP + 4% a.a.	72	Monthly	2009	2015
Debêntures 5th Issue	1/22/2007	18,311	937,773	26,804	-	Cdi	CDI + 1,50%	25	Semiannually	2008	2014
Domestic Currency		33,576	945,549	27,947	-						

(1) Pursuant to CVM Resolution 556/08, the principal amount is reduced by funding costs incurred, as outlined in the Note 9 and financial charges are calculated by the amortized cost method.

Consolidated											
Financing Entity	Signature	12/31/2007				Currency/Index	Interest Rate	12/31/2007			
		Current	Non-current	Current	Non-current			payment	Beginning	End	
BNDES - Debêntures 1st Issue	2/16/1998	15,311	22,967	1,889	-	Tjlp	TJLP + 4% a.a.	6	Semiannually	2000	2010
Debêntures 4th Issue	6/30/2005	-	5,600	41	-	Tjlp	TJLP + 4% a.a.	72	Monthly	2009	2015
Debêntures 5th Issue	1/22/2007	50,000	950,000	22,680	-	Cdi	CDI + 1,50%	25	Quartely	2008	2014
Domestic Currency		65,311	978,567	24,610	-						

The portions related to the principal of debentures have the following maturities (excluding financial charges):

	Consolidated	
	Domestic Currency	
	12/31/2008	12/31/2007
2008	-	65,311
2009	33,576	-
Total (Circulante)	33,576	65,311
2009	-	65,778
2010	75,915	108,589
2011	68,234	100,933
2012	198,241	200,933
2013	268,241	250,933
2014	334,916	250,933
após 2014	2	468
Total (Não Circulante)	945,549	978,567
Total	979,125	1,043,878

Addendum to the 5th Issue of Debentures

In 2008, the following deed amendments were negotiated with the banks coordinating the 5th issue of debentures, ratified at the



General Debenture Holders Meeting held on May 14, 2008:

I. Change in the flow of debenture principal amortization as per chart below:

Date	Original Flow	New Flow
January 22,2008	1.25%	1.25%
April 22,2008	1.25%	1.25%
July 22,2008	1.25%	0.50%
October 22,2008	1.25%	0.50%
January 22,2009	1.25%	0.50%
April 22,2009	1.25%	0.50%
July 22,2009	1.25%	0.50%
October 22,2009	1.25%	0.50%
January 22,2011	2.50%	1.75%
April 22,2010	2.50%	1.75%
July 22,2010	2.50%	1.75%
October 22,2010	2.50%	1.75%
January 22,2011	2.50%	1.75%
April 22,2011	2.50%	1,75%
July 22,2011	2.50%	1.75%
October 22,2011	2.50%	1.75%
January 22,2012	5.00%	5.00%
April 22,2012	5.00%	5.00%
July 22,2012	5.00%	5.00%
October 22,2012	5.00%	5.00%
January 22,2013	6.25%	6.75%
April 22,2013	6.25%	6.75%
July 22,2013	6.25%	6.75%
October 22,2013	6.25%	6.75%
January 22,2013	25.00%	33.50%
	100%	100%

II – Maintenance of Amortization Premium at 0.25% until January 2009 and establishment of an Amortization Premium of 0.20% valid from February 2009 to July 2009, in the event of debt prepayment.

Covenants

As mentioned in the Note 15, the 5th Issue of Debentures provides for the maintenance of indebtedness indicators and coverage of interest rates, which were fully achieved on December 31,2008.



17. Regulatory charges – consumer contributions

	Consolidated	
	12/31/2008	12/31/2007
CURRENT		
Fuel Usage Quota – CCC	24,895	14,620
Energy Development Account Quota – CDE	16,638	17,044
Reversal Global Reverse Quota – RGR	6,428	6,253
Charges for capacity and emergency acquisition	78,772	77,593
	126,733	115,510

Global Reversal Reserve (RGR) – This is a charge of Brazilian electricity sector paid monthly by electric power concessionaires, aiming at providing funds for reversal, expansion and improvement of electric power public utility. Its annual amount corresponds to 2.5% of concessionaire investments in electricity-related assets, limited to 3.0% of its annual revenue.

Fuel Usage Quota (“CCC”) – This is a portion of tariff revenue paid by distribution companies in interconnected systems with two applications: pay expenses with fuel used at thermal plants that are activated to guarantee water uncertainties and; subsidize part of expenses with fuel at isolated systems in order to allow that electricity tariffs at these locations have levels similar to those practiced in interconnected systems.

Economic Development Account (“CDE”) – It aims at promoting the energy development of States and competitiveness of energy produced, from alternative sources, in the areas served by interconnected systems, allowing the universalization of electric power service. The amounts to be paid are also defined by ANEEL.

Emergency Energy Charges (ECE and EAE) – These are operating, tax and administrative costs, incurred by the Emergency Power Brazilian Trader – “CBEE” when contracting the generation or power capacity, which have been transferred to final electric power consumers served by the National Interconnected Electric System proportionally to individual consumption verified.

18. Provision for contingencies

Light S.A. and its subsidiaries are party in tax, labor and civil lawsuits and regulatory proceedings in several courts. Management periodically assesses the risks of contingencies related to these proceedings, and based on the legal counsel’s opinion it records a provision when unfavorable decisions are probable. In addition, the Company does not record assets related to lawsuits with a less-than-probable chance of success, as they are considered uncertain.

18.1 Contingencies

Provisions for contingencies are as follows:

	Consolidated			
	Current		Non-current	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007
Labor	597	597	164,128	161,604
Civil	-	-	257,507	243,266
Tax	-	-	493,823	895,979



Other	1,640	1,640	83,002	60,891
Total	2,237	2,237	998,460	1,361,740

	Liabilities				Assets	
	Balance on 12/31/2007	Additions Restatement	Write-offs Payments Reversals		Balance on 12/31/2008	judicial Deposits
Labor	161,604	26,407	(15,736)	(8,147)	164,128	37,102
Civil	243,266	72,771	(47,860)	(10,670)	257,507	23,199
Tax	895,979	40,975	-	(443,131)	493,823	9,716
Outros	60,891	24,991	(2,578)	(302)	83,002	-
Total	1,361,740	165,144	(66,174)	(462,250)	998,460	70,017

18.1.1 Labor Contingencies

There are 4,088 labor-related legal proceedings in progress (4,228 on December 31, 2007) in which the Company and subsidiaries are the defendants. These labor proceedings mainly involve the following matters: overtime; hazardous work wage premium; equal pay; pain and suffering; subsidiary/joint liability of employees from outsourced companies; difference of 40% fine of FGTS (Government Severance Indemnity Fund for Employees) derived from the adjustment due to understated inflation and overtime.

In December 2007, we point out that the subsidiary Light SESA was notified that they must reply to the public civil action filed by the Public Prosecution Office of Labor of the 1st Region, contesting on court the fact that the Company engages other companies to provide services related to its main and ancillary activities. Said lawsuit was granted relief on April 4, 2008. The suspensive effect was granted to the Ordinary Appeal lodged by Light SESA. Light SESA's legal counsels believe in a favorable decision in these actions.

18.1.2 Civil Contingencies

The Company and its subsidiaries are defendants in approximately 38,593 civil legal proceedings (33,132 on December 31, 2007), of which 11,763 are in the state and federal courts (Civil Proceedings), among which those claims that can be accurately assessed amounting to R\$609,734 (R\$482,629 on December 31, 2007) and 26,830 are in Special Civil Courts, with total claims amounting to R\$370,563 (R\$241,420 on December 31, 2007).

Civil Contingencies	Accrued Value (probable Loss)	
	12/31/2008	12/31/2007
a) Civil proceedings	117,880	116,663
b) Special civil court	33,783	33,383
c) "Cruzado" Plan	105,844	93,220
Total	257,507	243,266

a) The Provision for civil proceedings comprises lawsuits in which Light SESA is the defendant and it is probable the claim will result in a loss in the opinion of the respective attorneys. The claims mainly involve alleged moral and property damage as well as consumers challenging the amounts paid.

The Company is also party to civil proceedings that Management believes that risk of loss are less than probable, based on the opinion of its legal counsels. Therefore, no provision was established. The amount, currently assessed, represented by these claims is R\$358,383 (R\$274,999 on December 31, 2007).

Light SESA is also involved in Public and Class Civil Actions, contesting in court fees, rates and charges, contracts, equipment, "cruzado" plan, interest, among others. Up to December 31, 2008, the Management could not assess the amount involved in each one of these actions due to their nature, comprehensiveness and need of settlement of these claims.



On November 18, 2008, the Company, managers and shareholders took cognizance of the class civil action filed by an individual at the court of Belo Horizonte, in the state of Minas Gerais, alleging among others, irregularities in the acquisition of share control of Light S.A.. The attorneys defending this action deem as remote the chances of an unfavorable decision.

b) Lawsuits in the Special Civil Court are mostly related to matters regarding consumer relations, such as improper collection, undue power cut, power cut due to delinquency, network problems, various irregularities, bill complaints, meter complaints and problems with ownership transfer. There is a limit of 40 minimum monthly wages for claims under procedural progress at the Special Civil Court. Accruals are based on the moving average of the last 12 months of condemnation amount.

c) There are civil actions in which some industrial consumers have challenged, in court, the increases in electric power tariff rates approved in 1986 by the National Department of Water and Electric Power ("Cruzado Plan").

18.1.3 Tax Contingencies

The provisions established for tax contingencies are as follows:

Tax Contingencies	Amount Accrued (Probable Loss)	
	12/31/2008	12/31/2007
a) PIS/COFINS	214,237	623,773
b) PIS/COFINS – RGR e CCC	17,709	17,294
c) INSS – ACT Allowance	-	9,929
d) INSS – Tax deficiency notice	37,756	35,669
e) INSS – quartely	92,677	85,961
f) Law 8,200	20,063	19,012
g) ICMS	76,610	71,007
h) Social Contribution	27,076	26,084
i) CIDE	4,593	4,345
j) Other	3,102	2,905
Total	493.823	895.979

a) PIS/COFINS: Light SESA was party of two lawsuits contesting on court the charge of these contributions, pursuant to Law 9,718/98, as follows:

In the first one, Light SESA challenged in court the changes introduced by said Law concerning (i) the increase in their calculation basis and (ii) increase in COFINS rate from 2% to 3%. In the appeal filed by Light SESA in Supreme Federal Court it was rendered a final and unappealable decision regarding the increase of calculation basis, considering an unconstitutionality action of Article 3, paragraph 1, of Law 9,718/98.

In the second one, Light SESA has been challenging the lapse of enforceability of part of the amounts claimed in the January 31, 2007 Collection Letter issued by the Internal Revenue Service, as the federal tax authorities did not request payment within the legal term. A temporary injunction was granted and maintained by the Regional Federal Court to suspend the charge, and currently the appeals to Higher Courts are pending judgment. In relation to the merits, the judgment in low court is awaited, and, according to the Company's legal counsels, the decision is estimated as a probable loss.

Regarding the increase in PIS and COFINS calculation basis, in view of the Supreme Federal Court's decision, the Company reversed the amounts provisioned in the amount of R\$432,358, in contra account to the item "financial expenses" in the 2Q08 result.

On December 31, 2008, the amount of R\$214,237 (R\$203,097 on December 31, 2007) related to the increase in the COFINS rate from 2% to 3% remains provisioned.

b) PIS/COFINS – RGR and CCC: The contingency amount corresponds to the portion not included in PAES payment in installments regarding the application of the ex-officio fine, in which the Light SESA was not successful in the regulatory cases but had a favorable court decision, in which the Company awaits the appeal decision of the Federal Government. This amount also includes the portion corresponding to the increase in the COFINS rate related to the period of April 1999 to December 2000, which is being argued in court.



c) **INSS – ACT Allowance:** In August 2006, Light SESA based on its attorney's assessment, established a provision in the amount of R\$14,715, related to the allowance eventually paid by the Company to its employees as a result of provisions set forth in Collective Bargaining Agreements for the period between 2001 and 2005. In December 2007, based on a new assessment, a reversal was recorded in the amount of R\$6,355, due to the expiration of the statute of limitation of the tax authority's right to collect the related taxes. In September 2008, the full reversal of remaining balance of R\$10,773 was conducted, taking in consideration such issue based on former court decisions of Higher Courts and the lack of credit constitution.

d) **INSS – Tax Infringement Notices:** In December 1999, the INSS issued tax infringement notices to the Company on the grounds of joint liability, withholdings on services rendered by contractors, and levy of the social security contribution on employee profit sharing. Light S.A. and its subsidiaries' Management believes, based on legal counsels' opinion, understands that only a part of these amounts represent a probable risk for recording a provision. The variation in the amount between December 31, 2008 and December 31, 2007 is due to the adjustment based on the SELIC rate.

e) **INSS – Quarterly:** Light SESA challenges the constitutionality of Law 7,787/89, which increased the rate of social security contribution taxes assessed on payroll, noting that there was a consequent increase in the calculation basis in the period from July to September 1989. Light SESA was able to offset the social security contribution amounts payable according to advance protections that was previously granted. Management recorded provision, for the total amount of the tax infringement notices issued by the INSS based on the legal counsel's opinion. The variation in the amount between December 31, 2008 and December 31, 2007 is due to the adjustment based on the SELIC rate.

f) **Law 8,200:** The provision recorded is due to the fully use of the 1991 and 1992 depreciation expenses, and no longer apply the provisions of Law 8,200/91, Article 3, item I. The lawsuit was accepted by the lower and higher courts, and the appeal filed by the Federal Government in Supreme Federal Court is pending judgment. Light SESA's Management, based on the opinion of its legal counsels and the amounts of the tax infringement notices, believes that only part of these amounts represents a probable risk that requires recognition of a provision. The variation in the amount between December 31, 2008 and December 31, 2007 is due to the adjustment based on the SELIC rate.

g) **ICMS:** The provision recorded is mainly related to litigation on the application of State Law 3,188/99, which limited the manner of receiving credits from ICMS levied in the acquisitions of assets allocated to property, plant and equipment, requiring the receipt in installments, while this limitation was not provided for in the Complementary Law 87/96. There are other tax infringement notices which have been challenged at the regulatory and judicial levels. Based on the opinion of its legal counsels and the amounts of the tax infringement notices, Light SESA's Management believes that only part of these amounts represents a probable risk, for which a reserve has been recorded. The variation of amount between December 31, 2008 and December 31, 2007 refers to the adjustment by UFIR (Fiscal Reference Unit).

h) **Social Contribution:** The provision recorded is related to (i) deductibility of interest on capital paid to shareholders in calendar year 1996 from the CSLL (Social Contribution on Profit) tax basis, in which the preliminary injunction was granted and a guarantee was partially granted, and the appeal filed by the Federal Government is pending judgment; and (ii) lack of addition of the amounts related to the PIS/COFINS provision to the social contribution calculation basis, the payment of which was suspended. With the completion of administrative level, a tax foreclosure has been filed and the Company made a full deposit of litigated amount, as well as it filed a motion to stay execution. The variation of amount between December 31, 2008 and December 31, 2007 refers to the adjustment by SELIC.

i) **Economic Intervention Contribution Credit ("CIDE"):** It is the provision related to CIDE levied on service payments remitted abroad. The low court decision was unfavorable, so Light SESA awaits the appeal judgment. Since December 2003, the subsidiary has been paying the amounts due.

The Company and its subsidiaries are also parties to tax, regulatory and legal proceedings in which Management, based on the opinion of its legal counsels, believes the risks of loss are less than probable, and for which no provision was recorded. The amount of these proceedings is R\$752,700 (R\$518,286 on December 31, 2007).

The Company describes below the tax proceedings deemed as material possible loss or that had effects in 2008:

Probable Losses

(i) IN 86. Light SESA was subjected to a fine by the Internal Revenue Service due to the fact that the Company did not comply with service of process for the delivery of electronic files between 2003 through 2005. The challenge was deemed groundless. Currently, the voluntary appeal lodged by Light is pending judgment. The restated amount of the fine up to December 31, 2008 is R\$222,200 (R\$199,810 on December 31, 2007).

(ii) ICMS (Aluvale). These are tax foreclosures related to the ICMS deferral in the supply of electric power for the consumer ALUVALE, an electro-intensive industrial consumer. A motion to stay was filed and is currently pending judgment at the lower court. The amount of these tax foreclosures at December 31, 2008 is R\$155,700 (R\$206,200 on December 31, 2007).

(iii) IRRF – Disallowance of tax offset. Light was given a decision informing about the non-ratification to offset IRRF credits over financial investments and IRRF of electricity bills paid by public authorities, which were offset due to negative balance of IRPJ in 2002. As a result, Light filed a Motion to Disagree, which is pending judgment. The amount involved on December 31, 2008 is R\$171,500.



(iv) Others. In addition to the cases mentioned above, there are other judicial and administrative litigations, deemed as probable losses by the legal counsels, mainly (a) ICMS on low-income subsidy; (b) transfer of ICMS credit (RHEEM company); (c) PIS, COFINS, IRPJ and CSLL Voluntary Disclosure; (d) ISS on regulated services. The amount involved in these litigations was R\$140,900 on December 31, 2008 (R\$133,300 on December 31, 2007).

(v) On December 16, 2008, Light SESA received a lawsuit filed by a business client challenging PIS and COFINS transferred to electricity bill, pleading to refund all amounts unduly paid. According to the opinion of its attorneys, the chances of loss is deemed possible, reason that no provision was established.

Remote Losses

Proceedings deemed as remote losses by the Company's and subsidiaries' legal counsels were not provisioned.

18.1.4 Administrative Regulatory Contingencies

The Company has regulatory contingencies of its subsidiary Light SESA derived from administrative challenges against ANEEL:

a) Low Income – The Monitoring Report RF-LIGHT-04/2007-SFE of August 2007 was prepared by ANEEL, between July 2, 2007 and July 13, 2007, challenged the granting of the social tariff to some consumers in the period and deemed as undue part of the subsidies ratified and received by Light SESA from Eletrobras in the amount of R\$266,379. Light SESA recorded a provision in the amount of R\$53,381 (R\$36,175 on December 31, 2007), to cover the probable risk of having to refund part of the subsidy already received.

b) ANEEL's Tax Infringement Notice 009/2005 – the notice was issued on March 15, 2005 under the argument that Light SESA had: (i) incorporated the subsidiaries LIR Energy Limited and Light Overseas Investments without prior consent of ANEEL (R\$1,144); (ii) performed operations with these companies without prior consent of ANEEL – (total amount of R\$2,287); and (iii) not complied with ANEEL's order of cancelling operations and closing companies' activities (total amount of R\$3,431). After appeals had been filed, the fine related to item (iii) was excluded, and fines associated with items (i) and (ii) were maintained. The penalty associated to item (ii) was paid, while a writ of mandamus was filed regarding the fine related to item (i), with court deposit in the amount of R\$1,655 (original amount restated by the SELIC, rate up to the deposit date). After decision rendered on November 23, 2007 of refusing MS security, the Requests of Clarification were filed, and consequently rejected by decision rendered on December 17, 2007. Against the judgment, Light SESA filed an appeal on January 25, 2008, requiring a supersedeas to that appeal. On September 10, 2008, a decision was rendered to which an appeal was filed for remanding purposes only. Finally, on September 17, 2008, Bill of Review 2008.0.00.046455-8 was filed, in order to obtain the supersedeas to the appeal, avoiding the fact that the amounts expended in the lawsuit were verified. The Bill of Review was distributed to the Federal Superior Court Judge, who still did not issue an opinion on the request of advance protection. The amount as of December 31, 2008 is R\$1,944 (R\$1,712 on December 31, 2007).

c) Tax Infringement Notice 055/2008 – SFE. The notice was issued on October 28, 2008, with fine in the amount of R\$2,782 under the allegation that Light SESA has infringed DEC and FEC indicators of 14 groups of consumers who filed 18 supposed infringements in 2007. Light SESA, in disagreement with ANEEL's allegation, lodged an appeal via Letter D-058/2008, filed on November 12, 2008. Light SESA recorded provision in the total contingency amount. On December 31, 2008, the amount accrued is R\$2,847.

19. Other payables

	Parent Company		Consolidated	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007
CURRENT				
Public lighting fee	-	-	40,917	43,701
Energy Efficiency Program – PEE	-	-	118,745	81,413
Research and Development Program – P&D	-	-	60,320	50,268
Energy Research Company – EPE	-	-	7,404	7,840



National Scientific and Technological Development Fund – FNDCT	-	-	14,808	16,053
Compensation for use of water resources	-	-	3,274	2,305
CVA (nota 5)	-	-	143,947	76,686
Other tariff charges (nota 5)	-	-	16,714	54,881
Other debts - reimbursement to consumers	-	-	46,893	-
Other	1,286	810	66,735	20,917
Total	1,286	810	519,757	354,064
NON-CURRENT				
Déficit Braslight – Provisão CVM 371/2000 (c)	-	-	-	109,133
Use of public asset - UBP (a)	-	-	117,583	107,159
Provision CVA - CCC	-	-	-	800
CVA (nota 5)	-	-	1,719	21,502
Provision for regulatory liabilities - overcontracting of energy	-	-	7,684	16,986
Revesal reserve (b)	-	-	69,933	69,933
Other	-	-	12,684	4,019
Total	-	-	209,603	329,532

a) According to the concession agreement 12/2001, as of March 15, 2001, that regulates the use of the hydroelectric power plant of the Paraíba do Sul river, in the municipalities of Itaocara and Aperibé, the subsidiary Itaocara Energia Ltda. shall pay the Federal Government, for using the public asset, as of the date of its startup (expected for 2013) up to the end of the concession, or while it uses the hydroelectric resources. Payments shall be made in monthly installments equivalent to 1/12 of the proposed annual payment of R\$2,017, subject to the IGP-M variation or to any other index that may substitute it, should such index be abolished (see Note 12).

(b) The amount corresponding to reserve for reversal, classified as special obligations linked to concession, was reclassified from property, plant and equipment to other debits item (see Note 02).

c) In 2008, Light SESA reversed a provision recorded for actuarial loss in view of actuary's opinion pursuant to CVM Resolution 371/00.

20. Pension plan and other employee benefits

Light SESA sponsors Fundação de Seguridade Social – BRASLIGHT, a nonprofit closed pension entity, whose purpose is to provide retirement benefits to the Company's employees and pension benefits to their dependents.

BRASLIGHT was incorporated in April 1974 and has three plans - A, B and C – established in 1975, 1984 and 1998, respectively, with about 96% of the active participants of the other plans having migrated to Plan C.

Plans A and B are of the Defined Benefit type and Plan C provides mixed benefit. All are currently in effect.

On October 2, 2001, the Secretariat for Pension Plans (SPC) approved an agreement for resolving the technical deficit and refinancing unamortized reserves, which are being amortized in 300 monthly installments beginning July 2001, adjusted based on

the IGP-DI (general price index – domestic supply) variation (with one-month lag) and actuarial interest of 6% per annum.

Transactions occurred this year in net actuarial liabilities were the following:

	Total Consolidated	Current	Non-current
Pension Plan on 12/31/2006	860,947	74,084	786,863
Amortizations in the year	(75,855)	(75,855)	-
Amortizations in the year	106,823	9,192	97,631
Transfers from non-current to current	-	66,164	(66,164)
Total Pension Plan on 12/31/2008	891.915	73.585	818.330
Amortizações no Ano	(85.126)	(85.126)	-
Atualizações no Ano	153.548	13.767	139.781
Ajustes de equalização do déficit. (a)	71.824	-	71.824
Transferência do não circulante para o circulante	-	85.518	(85.518)
Total do Plano Previdenciário em 31/12/2008	1.032.161	87.744	944.417

(a) According to actuarial appraisal report issued on January 19, 2009, in 4Q08, Braslight changed its mortality general table and now adopts the table AT-83. This change was made to comply with Resolution CGPC 18 of March 28, 2006. The actuarial result of the year and the change of table resulted in an increase of R\$71,824 in the deficit equalization agreement.

Below, the breakdown of provision on December 31, 2008 for defined benefit retirement plans and also additional commitments of retirement and/or pension for decease deriving from court settlements or decisions related to injured employees, considered at present value of actuarial liability and other information required by CVM Resolution 371/00:

	Consolidated	
	2008	2007
Reconciliation of actuarial assets and liabilities		
Fair value of plan assets	1,169,535	1,053,689
Present value of actuarial liabilities with overdue rights	(1,580,734)	(1,647,967)
Present value of actuarial liabilities with rights fallings due	(360,558)	(406,770)
Net assets (unsecured liabilities)	(771,757)	(1,001,048)
Net liabilities, CVM 371/2000	(771,757)	(1,001,048)
Balance of the adjusted and recorded agreement, as per deficit equalization agreement	(1,032,161)	(891,915)
Provision CVM371 - actuarial gains and losses	-	(109,133)
	2008	2007
Breakdown of actuarial liabilities		
Net liabilities, CVM 371/2000 - opening	(1,001,048)	(979,085)
Sponsor's contributions	91,054	78,467
Gains and losses related to actuarial deficit	228,750	(15,187)
Expected cost	(90,513)	(85,243)
Net liabilities, CVM 371/2000 - closing	(771,757)	(1,001,048)



	2009	2008
Expected costs		
Cost of the current service	1,650	1,680
Cost of interest	210,680	194,100
Return on investments	(121,732)	(110,442)
Expected contribution from employees	(85)	(95)
Estimated expected cost	90,513	85,243
Actuarial assumptions		
Nominal interest rate (discount) at present value of the actuarial liabilities	12.36%	10.59%
Expected yield rate over nominal plan assets	12.44%	12.68%
Salary growth rate	4.33%	4.33%
Adjustment index of continued benefits	4.33%	4.33%
Capacity factor	98.00%	98.00%
Revolving rate	Age-based	Age-based
General mortality table (a)	AT - 83 (1)	AT - 83 (1)
Disability table (plans A/B)	LIGHT - Strong	LIGHT - Strong
Disability table (plan C settled)	LIGHT - Strong	LIGHT - Strong
Mortality table of disabled people	IAPB-57	IAPB-57
Active participants	3,690	3,925
Mortality table of disabled people	5,686	5,658

(1) Active participants

21. Related-party transactions

The Company's main shareholders are:

- **Controlling Group - Rio Minas Energia Participações S.A – RME, jointly-owned subsidiary of Companhia Energética de Minas Gerais – CEMIG, Andrade Gutierrez Concessões, Luce do Brasil Fundo de Investimento em Participações and Equatorial Energia.**

- **BNDESPAR**
Direct and indirect interest in operating subsidiaries are outlined in the Note 1.

Below, a summary of related-party transactions occurred in 2008 and 2007:

Item	Contracts with the same e group (Objectives and characteristics of the agreement)	Relationship with Light S/A (1)	Consolidated							
			Assets		Liabilities		Revenue		Expenses	
			12/31/2008	12/31/2007	12/31/2008	12/31/2007	12/31/2008	12/31/2007	12/31/2008	12/31/2007
	Strategic Contract									



1	Purchase agreement of electricity between Light SESA and CEMIG	CEMIG (party of the controlling group)	-	-	2,596	6,719	-	-	88,416	55,537
Strategic Contract										
2	Sale agreement of electricity between Light Energia and CEMIG	CEMIG (party of the controlling group)	2,454	2,356	-	-	21,458	20,528	-	-
Strategic Contract										
3	Collection of distribution system usage charges between Light SESA and CEMIG	CEMIG (party of the controlling group)	148	155	-	-	2,012	1,794	-	-
Strategic Contract										
4	Electricity sale commitment between Light Energia and CEMAR	CEMIG (Participa do grupo controlador)	-	-	379	1,387	-	-	12,985	12,238
Contrato estratégico										
5	Compromisso de venda de energia elétrica pela Light Energia para a CEMAR	Equatorial (party of the controlling group)	1,105	1,002	-	-	8,758	8,377	-	-
Loans										
6	FINEM	BNDES (party of the controlling group)	-	-	433,062	243,493	-	-	34,729	5,385
Loans										
7	Line of Credit	BNDES (party of the controlling group)	-	-	2,397	3,135	-	-	898	(336)
Loans										
8	Debentures 1st issue - Non-convertible	BNDES (party of the controlling group)	-	-	24,066	40,167	-	-	2,767	4,379
Loans										
9	Pro Esco Energy Efficiency Project of Condominio Edificio Santos Dumont	BNDES (party of the controlling group)	-	-	596	-	-	-	-	-
Pension Plan										
10	Fundação de Seguridade Social (Social Security Foundation) - BRASLIGHT	BRASLIGHT (party of the controlling group)	-	-	1,032,161	891,915	-	-	225,371	106,823

Below, a summary of agreements executed with related parties:

Contracts with the same group	Relationship with Light S/A	Original Value	Date of maturity or term	Termination conditions	Remaining Balance 12/31/2008
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Item	(Objectives and characteristics of the agreement)	(1)	Thousand	Date		Mil	
1	Strategic Agreement Purchase agreement of electricity between Light SESA and CEMIG	CEMIG (party of the controlling group)	439,691	01/01/2006	12/31/2015	30% of remaining balance	331,277
2	Strategic Agreement Sale agreement of electricity between Light Energia and CEMIG	CEMIG (party of the controlling group)	156,239	Jan/2005	Dez/2013		97,508
3	Strategic Agreement Collection of distribution system usage charges between Light SESA and CEMIG	CEMIG (party of the controlling group)	-	Nov/2003	Indeterminate		148
4	Strategic Agreement Commitment to the basic electric network usage charges between Light SESA and CEMIG	CEMIG (party of the controlling group)	-	Dez/2002	Indeterminate		1,479
5	Strategic Agreement Electricity sale commitment between Light Energia and CEMAR	Equatorial (party of the controlling group)	61,214	Jan/2005	Dez/2013		38,743
6	Loans FINEM	BNDES (party of the controlling group)	549,331	Nov/2007	Set/2014		433,062
7	Loans Line of Credit	BNDES (Participa do grupo controlador)	14,147	Mar/1999	Abr/2010		2,397
8	Loans Debentures 1st issue - Non-convertible	BNDES (party of the controlling group)	105,000	Jan/1998	Jan/2010		24,066
9	Loans Pro Esco Energy Efficiency Project of Condomínio Edifício Santos Dumont	BNDES (party of the controlling group)	596	Dez/2008	Out/2014		596
10	Pension Plan Fundação de Seguridade Social (Social Security Foundation) - BRASLIGHT	BRASLIGHT (party of the controlling group)	535,052	Jun/2001	Jun/2026	Until end of agreement	1,032,161

Related-party transactions have been executed under usual market conditions.

Additional information – agreements in progress

Light, in order to potentialize its capacity of developing and implementing new generation projects and taking into account the recognized capacity in this area of its shareholder Companhia Energética de Minas Gerais – CEMIG (“Cemig”), Light entered into Heads of Agreement (“Agreement”) which, among other provisions, establishes that the parties will jointly prepare business plans for the development and implementation of energy generation projects (“Generation Projects”). The Agreement also determines that the parties will execute specific instruments for each of the Generation Projects to be implemented and the Company’s interest directly or by means of its subsidiaries in each one of these consortia will be fifty-one percent (51%) and CEMIG’s interest, directly or by means of its subsidiaries will be forty-nine percent (49%).

Light, which already has in its portfolio projects under development, formalized by means of its subsidiaries, Lightger Ltda., Itaocara Energia Ltda. and Light Energia S.A., three Consortium Agreements with Cemig Geração e Transmissão S.A. (“Cemig GT”), wholly-owned subsidiary of Cemig, aiming the exploration of hydroelectric projects in the regions of Paracambi, Itaocara and Lajes, respectively.

All private instruments mentioned above were executed by the parties under suspensive conditions, therefore, their effectiveness relies on obtaining authorizations or endorsements required by regulatory authorities, including but not limited to ANEEL, regulatory and inspection agency of electric power services.

22. Management compensation

Annual global compensation of Company’s Board of Directors and Board of Executive Officers was determined at R\$1,479 (not including charges and other benefits) at the Annual General Meeting held on March 17, 2008. Payroll charges and other benefits paid amounted to R\$177.

23. Shareholders’ equity

a) Capital Stock

There are 203,933,778 common shares of Light S.A. without par value outstanding as of December 31, 2008 recorded as Capital Stock in the total amount of R\$2,225,819 as follows:

SHAREHOLDERS	12/2008		12/31/2007	
	Number of shares	% Interest	Number of shares	% Interest
Controlling Group				
RME Rio Minas Energia Participações S.A. (*)	100,719,912	49,39%	100,719,912	49,50%
Lidil Comercial Ltda	5,584,685	2,74%	5,584,685	2,74%
Other				
BNDES Participações S.A. - BNDESPAR	68,555,918	33,62%	68,555,918	33,69%
Public and others	29,073,263	14,26%	28,602,224	14,06%
	203,933,778	100,00%	203,462,739	100,00%

(*) On February 12, 2008, the Extraordinary General Meeting of Equatorial Energia S.A approved the merger of PCP Energia, a company that held 13.06% of Light shares through RME. Equatorial now integrates Light’s controlling group (RME). This merger did



not represent a change of control, given that both PCP and Equatorial have the same controlling group.

Light S.A. is authorized to increase its capital up to the limit of R\$203,965,072 through resolution of the Board of Directors, regardless of amendments to the bylaws. However, this increase is to occur exclusively upon the exercise of the warrants issued, strictly pursuant to the conditions of the warrants (Bylaws, Article 5, paragraph 2).

b) Payment of Capital

According to the minutes of the Board of Directors dated October 3, 2008 and November 7, 2008, Company's capital stock increases were approved in the amount of R\$4,919 and R\$545, respectively, amounting to R\$5,464, as a result of exercising the warrants rights. The increase occurred by means of issue of 471,039 shares, and capital stock was increased to R\$2,225,819 represented by 203,933,778 book-entry common shares. These amendments were approved at the Extraordinary General Meeting held on December 23, 2008.

c) Retained Earnings/ Accrued Losses

Pursuant to Regulatory Resolution 176 issued by ANEEL as of November 28, 2005, and approvals of Guides of Electricity Efficiency and Research and Development Programs, which changed the criteria of accounting recognition of said programs in 2005 and 2006, Light SESA recorded in Shareholders' Equity the amounts related to Research and Development – R&D and Energy Efficiency Program - PEE related to 2003, 2004 and 2005. For tax purposes, these amounts were not used as deductible expenses for IRPJ and CSLL calculation basis. However, after analysis, we concluded that these amounts can be deducted from corresponding calculation basis. Taking into consideration that the original amounts were directly recorded in shareholders' equity, the taxes currently calculated in the amount of R\$26,362 were also directly recorded in shareholders' equity – under retained earnings or accrued losses.

In addition, Light SESA recorded in 2007 a provision for PIS/COFINS five over the deductibility of CCC and RGR expenses. When this fine is recorded, the subsidiary included in its calculation basis of IRPJ and CSLL the deductibility of this expense. After analysis, we concluded that if it refers to fine, there is no deductibility. Thus, the expense in the amount of R\$2,911 was adjusted in the statement of income for 2007, in contra account to deferred taxes of that same year.

See chart of adjustments in the Note 2.

c) Profit Reserve

- Legal Reserve– this is recorded at 5% of net income for the year, pursuant to prevailing laws.
- Profit Retention Reserve – This is recorded with the Net Income of remaining year after allocations based on capital budget approved by the Board of Directors.

24. Dividends

a) Dividends paid

The declaration of supplementary dividends of R\$203,463 was resolved at the Annual General Meeting held on March 17, 2008, based on the balance sheet related to the year ended December 31, 2007, representing R\$1.00 per share and available to shareholders as of March 31, 2008.

The payment of dividends in the amount of R\$350,766 was approved on November 7, 2008, based on the profit reserve account of the balance sheet dated December 31, 2007, representing R\$1.72 per share and available to shareholders as of November 21, 2008. Overall, dividends in the amount of R\$554,229 were paid in 2008, related to 2007 results.

b) Proposed dividends

At a meeting held on February 13, 2009, the Board of Directors of Light S.A. proposed the payment of R\$499,638 (R\$2.45 per share) based on the balance sheet as of December 31, 2008 to be approved at the General Meeting:

Light S.A. 2008



Income for the year	997,904
Legal Reserve	(49,895)
Adjusted Income for the year	948,009
Minimum compulsory dividends	237,002
Proposed Dividends	499,638

25. Profit sharing

The Profit Sharing Program, implemented in 1997 is mainly connected with net income and consolidated EBITDA of the Company. Payment is composed of two parts, one of them is fixed and the other one is variable. The Program has been improving over the years so that to enable greater employees' commitment to improving results of operations of the Company and its subsidiaries.

On December 31, 2008 the profit sharing accrued balance for Grupo Light stood at R\$31,527, with payment estimated for April 2009.

26. Electric power supply

01/01 to 12/31	Consolidated					
	Number of Billed Sales (1)		GWh (1)		R\$	
	2008	2007	2008	2007	2008	2007
Residencial	3,624,425	3,575,553	7,388	7,344	2,399,521	2,397,832
Industrial	12,164	12,794	1,875	2,011	405,692	368,083
Commerce, services and other	269,088	269,905	5,852	5,756	1,803,793	1,794,455
Rural	10,904	10,900	49	49	9,440	9,972
Public sector	9,981	9,502	1,314	1,311	357,268	293,693
Public lighting	417	195	678	698	101,157	84,864
Public utility	1,382	1,251	1,068	1,062	214,956	203,165
Own consumption	328	427	68	76	-	-
Billed Sales	3,928,689	3,880,527	18,292	18,307	5,291,827	5,152,064
ICMS	-	-	-	-	1,935,264	1,917,751
Unbilled Sales	-	-	-	-	(12,750)	23,704
TOTAL SUPPLY	3,928,689	3,880,527	18,292	18,307	7,214,341	7,093,519
Electric Power Auction	-	-	4,053	4,693	333,068	286,027
Short-term energy	-	-	591	1,505	26,941	119,509
TOTAL SUPPLY	-	-	4,644	6,198	360,009	405,536
OVERALL TOTAL	3,928,689	3,880,527	22,936	24,505	7,574,350	7,499,055

(1) unaudited



27. Other operating income

01/01 to 12/31	Consolidated	
	2008	2007
Taxed service	18,515	8,434
Income from services rendered	35,860	26,460
Leases, rentals and other	29,371	44,108
Income from network usage	580,552	560,308
	664,298	639,310

28. Consumer charges (Operating Revenue Deductions)

01/01 to 12/31	Consolidated	
	2008	2007
Taxes Charged from Consumers - RGR	(72,792)	(63,501)
CDE - Caixa	(199,656)	(204,528)
CDE - CVA	(40,845)	15,922
CDE - CVA Amortization	(11,020)	(27,515)
CCC - Cash	(235,973)	(185,037)
CCC - CVA	209,107	(100,554)
CCC - CVA Amortization	(11,969)	(23,588)
PEE - Energy Efficiency	(25,367)	(20,318)
R&D - Research and Development	(11,228)	(17,897)
FNDCT - National Development Fund	(10,985)	(11,711)
EPE - Energy Research Company	(5,683)	(5,857)
	(416,411)	(644,584)

29. Electric power purchase and sale transactions through ccee

The balances of electricity spot market sale and purchase transactions carried out through the CCEE (former MAE) are as follows:

2008

**Short-term sale of energy:**

Balance receivable on 12/31/2007 (Note 7)	16,691
Balance receivable on 12/31/2008 (Note 7)	613

Short-term purchase of energy:

Balance payable on 12/31/2007 (Note 14)	(152)
Balance payable on 12/31/2008 (Note 14)	(13,117)

30. Operating costs and expenses

01/01 to 12/31	Consolidated				2008	2007
	Cost of Service		Operating Expenses			
	Electric Power	Operation	Selling	General and Adm		
Nature of the Expense						
Electricity Purchased for Resale (Note 31)	(3,063,177)	-	-	-	(3,063,177)	(2,927,353)
Personnel and Management	-	(141,964)	(14,956)	(80,022)	(236,942)	(253,909)
Materials	-	(13,987)	(1,114)	(1,962)	(17,063)	(15,606)
Outsourced Services	-	(120,526)	(61,633)	(94,594)	(276,753)	(273,212)
Allowance for Doubtful Accounts	-	-	(235,781)	-	(235,781)	(199,524)
Provision for Contingencies	-	-	-	34,628	34,628	(99,267)
Other	-	(16,364)	(961)	(48,669)	(65,994)	(85,695)
	(3,063,177)	(292,841)	(314,445)	(190,619)	(3,861,082)	(3,854,566)
Depreciation and Amortization	-	(275,887)	(1,031)	(35,525)	(312,443)	(327,960)
Total	(3,063,177)	(568,728)	(315,476)	(226,144)	(4,173,525)	(4,182,526)

31. Electric power purchased for resale

01/01 to 12/31	Consolidated			
	GWh(1)		R\$	
	2008	2007	2008	2007
Itaipu	5,731	8,307	543,108	792,414
UTE Norte Fluminense	6,368	6,351	793,105	801,584
Other Contracts and Electric Power Auctions	12,593	12,058	1,007,065	868,253
CVA (Recoverable Cost Variation)	-	-	118,200	98,462



Spot Market Energy	800	-	210,310	-
Network Usage Charges	-	-	364,015	341,572
Connection Charges	-	-	16,345	13,958
National Electric System Operator (O.N.S)	-	-	11,029	11,110
	25,492	26,716	3,063,177	2,927,353

(1) Unaudited

32. Financial income

01/01 to 12/31	Controladora		Consolidado	
	2008	2007	2008	2007
INCOME				
Income e from temporary cash investments	704	289	69,902	43,370
Swap operations	-	-	12,909	15,481
Interest and variation in debts paid by installments	-	-	24,744	7,128
Arrears interest on electricity bills and debt paid by installments	-	-	68,751	43,358
Charges on CVA accounts and Portion A	-	-	30,667	40,638
Charges on tariff margin recovery	-	-	6,254	56,168
Charges on free energy transactions	-	-	3,154	31,962
Restatement of tax credits	-	-	44,965	6,382
Other	59	79	8,803	3,146
	763	368	270,149	247,633
EXPENSES				
Interest on loans and financing - local currency	-	-	(201,035)	(210,800)
Interest on loans and financing - foreign currency	-	-	(17,319)	(58,055)
Monetary variation - foreign currency	-	-	(65)	(1,702)
Exchange variation - foreign currency	-	-	(36,450)	96,739
Swap Operations	-	-	1,610	(95,887)
Charges and monetary variations on actuarial liability of Braslight	-	-	(225,371)	(106,823)
Banking expenses	(90)	(2,035)	(5,314)	(49,220)
Restatement of provision for contingencies	-	-	(59,893)	(60,510)
Charges on free energy transactions	-	-	(4,756)	(33,039)
Charges on regulatory liabilities	-	-	(19,271)	(18,302)
Reverssal of PIS/CONFINS provision on financial revenue	-	-	432,358	-
Adjustment to present value - Accounts Receivable	-	-	10,830	11,168
Restatement of tax liabilities	-	-	(45,018)	(29,969)
Other	(294)	(249)	(6,063)	(7,201)



	(384)	(2,284)	(175,757)	(563,601)
NET FINANCIAL INCOME	379	(1,916)	94,392	(315,968)
	379	(1,916)	94,392	(315,968)
	-	-	-	-

33. Financial instruments

Below, we compared book and market values of Companies' assets and liabilities:

	12/31/2008		12/31/2007	
	Consolidated		Consolidated	
	Book Value	Market Value	Book Value	Market Value
ASSETS				
Temporary cash investments (Note 6)	549,097	549,097	401,346	401,346
Swaps	11,083	11,083	-	-
	560,180	560,180	401,346	401,346
LIABILITIES				
Loans and financing (Note 15)	1,140,276	1,152,761	858,746	877,119
Investments (Note 16)	979,125	979,125	1,043,878	1,043,878
Swaps	-	-	10,130	10,177
	2,119,401	2,131,886	1,912,754	1,931,174

a) Policy for utilization of derivatives

The policy for utilization of derivative instruments approved by the Board of Directors determines the debt service protection (principal plus interest and commissions) denominated in foreign currency to mature within 24 months, forbidding any utilization for speculative purposes, whether in derivatives or any other risk assets.

In line with provisions of this policy, the Company and its subsidiaries do not have futures contracts, options, swaptions, swaps with regret option, flexible options, derivatives embedded in other products, structure operations with derivatives and "exotic derivatives". In addition, it is evidenced through the chart above that the single derivative instrument used by the Company and its subsidiaries is the non-cash currency swap (US\$ versus CDI), whose Contractual Notional Value corresponds to the amount of foreign currency-denominated debt service to expire within 24 months, in line with the policy for the utilization of aforementioned derivatives.

b) Risk management and objectives achieved

The management of derivative instruments is conducted by means of operating strategies, aiming liquidity, profitability and safety. The control policy consists of permanently inspecting the policy compliance in the utilization of derivatives, as well as to monitor the rates contracted against those used in the market.

A strong currency devaluation verified in the last quarter did not impact on the Company's consolidated cash position and solvency, considering the exposure of the Company and its subsidiaries to this currency compared to total indebtedness, associated with the fact that the policy for utilization of derivatives has been fully complied with.

c) Classification and measurement of financial instruments:



Concerning the calculation of market value, below the following considerations:

- Loans and receivables - consumers, concessionaires and permissionaires (clients) deriving from subsidiaries operations, are classified as held to maturity and are recorded by their original values, subject to provision for losses and present value adjustment, where applicable.
- Suppliers are measured by the amortized cost method and therefore, recognized by their original value.
- Loans and financing: market values were calculated at interest rates applicable to instruments with similar nature, maturities and risks, or based on market quotations of these securities. The market values for BNDES financing are identical to accounting balances, since there are no similar instruments, with comparable maturities and interest rates. In case of debentures, book and market values are identical, as there is no liquid trading market for these debentures as an accurate benchmark in the market calculation.
- Swap operations: the determination of market value used available information in the market and usual pricing methodology: the face value (notional) evaluation for long position (in U.S. dollars) until maturity date and discounted at present value of clean coupon rates, published in bulletins of Future and Commodities Exchange – BM&F.

It is worth mentioning that estimated market values of financial assets and liabilities were determined by means of information available on the market and appropriate valuation methodologies. Nevertheless, meaningful judgment was required when interpreting market data to produce the most appropriate market value estimate. As a result, estimates below do not necessarily indicate the amounts that may be realized in current exchange market.

d) Risk Factors

During the normal course of its businesses, the Company and its subsidiaries are exposed to the market risks related to currency variations and interest rates, as evidenced in the chart below:

Debt breakdown (excluding financial charges):

	Consolidated			
	12/31/2008		12/31/2007	
	R\$	%	R\$	%
USD	165,310	7.8%	150,950	7.9%
Currency Basket BNDES	2,388	0.1%	3,122	0.2%
Foreign Currency (current and non-current)	167,698	7.9%	154,072	8.1%
CDI (Interbank Deposit Certificate)	1,486,084	70.1%	1,450,000	76.2%
TJLP (Long-Term Interest Rate)	454,816	21.5%	286,445	15.1%
Other	10,803	0.5%	12,107	0.6%
Domestic Currency (current and non-current)	1,951,703	92.1%	1,748,552	91.9%
Overall Total (current and non-current)	2,119,401	100.0%	1,902,624	100.0%

On December 31, 2008, according to the chart above, the foreign currency-denominated debt is R\$167,698, or 7.9% of total debt. Nevertheless, if we include financial charges, this amount increases to R\$170,421 (US\$72,923, according to U.S. dollar quote of December 31, 2008).

Financial derivative instruments were contracted for the amount of foreign currency-denominated debt service to expire within 24 months, in the swap modality, whose notional value on December 31, 2008 stood at US\$22,995, according to the policy for utilization of derivative instruments approved by the Board of Directors. Thus, if we deduct this amount from total foreign currency-denominated debt, the foreign exchange exposure represents 5.4% of total debt.

Therefore, we provide a few considerations and analyses on risk factors impacting on business of Grupo Light companies:

• Currency risk

Considering that a portion of Light SESA's loans and financing is denominated in foreign currency, the company uses derivative financial instruments (swap operations) to hedge service associated with these debts (principal plus interest and commissions) to expire within 24 months. Derivative operations resulted in a R\$12,228 gain in 4Q08 (a R\$9,253 loss in 4Q07) and in a gain of



R\$11,144 in 2008 (a loss of R\$80,405 in 2007). The net amount of swap operations as of December 31, 2008 is positive by R\$11,084 (negative R\$10,130 in 2007), as shown below:

Institution	Light Receivable	Light Payable	Starting Date	Maturity Date	Notional Value Contracted (US\$thousand)	Fair Value Dec/08 (R\$thousand) Assets	Fair Value Dec/08 (R\$thousand) Liabilities
Itau	US\$+6,2%	100% CDI	06/19/07	01/15/09	42	13	-
Itau	US\$+6,1%	100% CDI	06/19/07	02/16/09	41	13	-
Unibanco	US\$+6,06%	100% CDI	06/19/07	03/11/09	111	35	-
Unibanco	US\$+6,07%	100% CDI	06/19/07	04/09/09	6,935	2,217	-
BNP	US\$+6,05%	100% CDI	06/19/07	05/15/09	40	13	-
Itau	US\$+6,06%	100% CDI	06/19/07	06/05/09	940	305	-
Itau	US\$+6,05%	100% CDI	06/19/07	06/26/09	444	149	-
Unibanco	US\$+3,3%	100% CDI	04/04/08	07/15/09	36	19	-
Unibanco	US\$+3,3%	100% CDI	04/04/08	08/17/09	36	18	-
Citibank	US\$+3,32%	100% CDI	04/04/08	09/10/09	73	37	-
Unibanco	US\$+3,31%	100% CDI	04/04/08	15/09/09	36	18	-
Citibank	US\$+3,4%	100% CDI	04/04/08	09/10/09	6,275	3,164	-
Unibanco	US\$+3,3%	100% CDI	04/04/08	10/15/09	35	18	-
Unibanco	US\$+3,35%	100% CDI	04/04/08	11/16/09	35	17	-
Citibank	US\$+3,41%	100% CDI	04/04/08	12/08/09	922	456	-
Unibanco	US\$+3,4%	100% CDI	04/04/08	12/15/09	34	17	-
Citibank	US\$+3,48%	100% CDI	04/04/08	12/28/09	449	222	-
Unibanco	US\$+4,42%	100% CDI	08/25/08	01/15/10	32	21	-
Unibanco	US\$+4,32%	100% CDI	08/25/08	02/17/10	32	21	-
Unibanco	US\$+4,32%	100% CDI	08/25/08	03/10/10	70	47	-
Unibanco	US\$+4,32%	100% CDI	08/25/08	03/15/10	31	21	-
Unibanco	US\$+4,53%	100% CDI	08/25/08	04/12/10	5,889	3,940	-
Unibanco	US\$+4,32%	100% CDI	08/25/08	04/15/10	31	20	-
Unibanco	US\$+4,45%	100% CDI	08/25/08	06/15/10	426	283	-
Totais					22,995	11,084	-

The amount recorded is already measured by its fair value on December 31, 2008. All operations with derivative financial instruments are registered in clearing houses for the custody and financial settlement of securities and there is no margin deposited in guarantee, operations have no initial cost.

Below, the sensitivity analysis for foreign exchange and interest rates fluctuations, showing eventual impacts on financial result of the Company and its subsidiaries.

The methodology used in the "Probable Scenario" was to consider the same behavior of foreign exchange and interest rates verified in 2008, maintaining steady liabilities, derivatives and financial investments on December 31, 2008. It is worth mentioning that the behavior of debt and derivatives balances will observe their respective contracts, and the balance of temporary cash investments will fluctuate according to the need or available funds of the Company and its subsidiaries.

RISCO DE DESVALORIZAÇÃO DA TAXA DE CAMBIO

Operation	Risk	Probable Scenario (I):	Scenario (II)	Scenario (III)
FINANCIAL LIABILITIES				
Par Bond	USD	(6,428)	(19,598)	(32,767)
Discount Bond	USD	(3,297)	(12,199)	(21,100)
Flirb	USD	(131)	(724)	(1,317)
C. Bond	USD	(4,432)	(16,004)	(27,577)
Debit.Conv.	USD	(1,866)	(10,745)	(19,624)
New Money	USD	(131)	(716)	(1,300)
Bib	USD	(101)	(495)	(890)
Bndes - Financ. Importação	Basket	(220)	(1,050)	(1,880)
Societe Generale	USD	(391)	(2,274)	(4,156)
KfW	USD	(292)	(1,674)	(3,055)
DERIVATIVE				
Swaps	USD	14,521	28,542	42,629
Reerence for financial assets and liabilities			+25%	+50%
R\$/US\$ Quote (End of the year)		2,3370	2,9213	3,5055

Exchange Rate Appreciation Risk (in domestic currency)

Operation	Risk	Probable Scenario (I)	Scenario (IV)	Scenario (V)
FINANCIAL LIABILITIES				
Par Bond	USD	(6,428)	6,741	19,911
Discount Bond	USD	(3,297)	5,604	14,506
Flirb	USD	(131)	462	1,055
C. Bond	USD	(4,432)	7,141	18,714
Debit.Conv.	USD	(1,866)	7,013	15,893
New Money	USD	(131)	453	1,038
Bib	USD	(101)	294	688
Bndes - Financ. Import	Basket	(220)	609	1,439
Societe Generale	USD	(391)	1,491	3,373
KfW	USD	(292)	1,089	2,470
DERIVATIVES				
Swaps	USD	14,521	367	(13,719)
Reference for financial assets and liabilities			-25%	-50%
Financeiros				
R\$/US\$ Quotes (End of the year)		2,3370	1,7528	1,1685

With the chart above, it is possible to identify that despite partial hedge against foreign currency-denominated debt (only limited to debt service to expire within 24 months), as R\$/US\$ quote increases, liabilities financial expense also increases but financial revenues of derivatives also partially offset this negative impact and vice-versa. Thus, cash is hedged thanks to the derivatives policy of the Company and its subsidiaries.

• **Interest rate risk**

This risk derives from impact of interest rates fluctuation not only over financial expense associated with loans and financing of subsidiaries, but also over financial revenues deriving from financial investments. The policy for utilization of derivatives approved by the Board of Directors does not comprise the contracting of instruments against such risk. Nevertheless, the Company and its subsidiaries continuously monitor interest rates so that to evaluate eventual need of contracting derivatives to hedge against interest rates volatility risk.

See below the sensitivity analysis of interest rate risk, evidencing the effects on variation results in the scenarios:

Risk of Interest Rate Rise

Operation	Risk	Probable Scenario: (I)	Scenario (IV)	Scenario (V)
FINANCIAL ASSETS				
Temporary cash investments	CDI	69,902	87,378	104,853
FINANCIAL LIABILITIES				
Debentures 5th Issue	CDI	(130,548)	(157,967)	(184,827)
CCB Bradesco	CDI	(60,864)	(75,768)	(90,962)
CCB Bco ABN Amro Banking S/A	CDI	(3,919)	(4,751)	(5,585)
Debentures 1st Issue	TJLP	(2,734)	(3,171)	(3,612)
Debentures 4th Issue	TJLP	(377)	(437)	(498)
FINEM BNDES	TJLP	(33,984)	(39,406)	(44,893)
DERIVATIVES				
Swaps	CDI	14,521	13,591	12,653
Reference for FINANCIAL ASSETS			+25%	+50%
CDI (% accumulated in the year)		12.3%	15.4%	18.4%
Reference for FINANCIAL LIABILITIES			+25%	+50%
CDI (% accumulated in the year)		12.3%	15.4%	18.4%
TJLP (% accumulated in the year)		6.25%	7.81%	9.38%

Operation	Risk	Probable Scenario: (I)	Scenario (IV)	Scenario (V)
FINANCIAL ASSETS				
Temporary cash investments	CDI	69,902	52,427	34,951
FINANCIAL LIABILITIES				
Debentures 5th Issue	CDI	(130,548)	(101,992)	(73,524)
CCB Bradesco	CDI	(60,864)	(44,466)	(30,672)
CCB Bco ABN Amro Banking S/A	CDI	(3,919)	(3,036)	(2,153)



Debentures 1st Issue	TJLP	(2,734)	(2,357)	(1,940)
Debentures 4th Issue	TJLP	(377)	(325)	(267)
FINEM BNDES	TJLP	(33,984)	(29,295)	(24,108)
DERIVATIVES				
Swaps	CDI	14,521	15,479	16,429
Reference for FINANCIAL ASSETS			-25%	-50%
CDI (% accumulated in the year)		12.3%	9.2%	6.1%
Reference for FINANCIAL LIABILITIES			-25%	-50%
CDI (% accumulated in the year)		12.3%	9.2%	6.1%
TJLP (% accumulated in the year)		6.3%	4.7%	3.1%

• Credit risk

It derives from the Company and its subsidiaries eventually suffering losses deriving from default of counterparties or financial institutions depository of funds or financial investments. To mitigate these risks, the Company and its subsidiaries adopt the analysis of financial and equity position of its counterparties as practice, as well as the definition of credit limits and permanent monitoring of outstanding positions. Concerning financial institutions, the Company and its subsidiaries only carry out operations with low-risk financial institutions classified by rating agencies.

34. Insurance

On December 31, 2008, the Company and its subsidiaries had insurance covering its main assets as follows:

Operational Risk Insurance – it covers property damages caused to buildings, machinery, equipment, furniture and fixture as a result of fire, explosion, rubbish, flooding, earthquake, loss of machinery and electric damages. All assets of Grupo Light are insured for operational risks with all-risks coverage, except for transmission and distribution lines.

D&O Civil Liability Insurance- Protects executives from losses and damages resulting from activities as Board members, Officers and managers of the Company.

Civil Liability and Blanket Insurance – it covers the payment of indemnity should the Company be liable on a civil basis by means of an unappealable decision or an agreement authorized by an insurance company related to indemnity for involuntary damages, physical damages to individuals and/or property damages caused to third parties and related to pollution, contamination or sudden leakage.

International Transportation Insurance – Covers shipments of cargo/equipment, Financial Guarantee Insurance – Sale of Energy (8 insurance policies) and Insurance against Fire on Leased Properties.

The assumptions of risks adopted, given their nature, are not included in the scope of an audit, accordingly, they were not audited by independent auditors.

Insurance coverage as of December 31, 2008 is considered sufficient by Management, as summarized below:

RISKS	Effective Term		Amount	
	From	To	Insured	Premium
Directors & Officers (D&O)	8/10/2008	8/10/2009	US\$30.000	US\$ 84
Civil and General Liabilities	9/25/2008	9/25/2009	R\$18,277	R\$504
Operating Risks	10/31/2008	10/31/2009	*R\$ 2.259.176	R\$1,108



*The maximum limit of indemnification (MLI) is R\$348,892

The amounts mentioned (Insured Amount and Premium) of Civil Liability, Blanket and Operating Risks Insurance were contracted as of this year in Reais in compliance with provisions of CNPS Resolution 165/2007, which does not allow another foreign currency-denominated contracting for these types of insurances.

35. Environmental issues

In view of commitment to sustainability declared in the Organization's mission, Grupo Light has been developed several initiatives and projects focused on environment. Among most relevant actions, we point out:

- Reduction of Greenhouse Gas (GHG) Emissions (1): Light started a survey of greenhouse gases related to its activities from 2006 to 2008. The results obtained will allow to study new ways of reducing its emissions, in addition to those already practiced, such as reforestation of degraded areas (1,180 ha until 2008) and generation of energy by renewable sources.

- Waste Management (1): Two waste centrals were implemented at units Rua Larga and Frei Caneca to manage solid waste and set them aside for recycling, which has been improving the efficiency of selective collection and decreasing generation of garbage.

- Environmental Management System (SGA) (1): SGA aims at managing environmental aspects and impacts, as well as the compliance with the Environmental Policy, employees awareness and training, among others. By the end of 2008, Light had already 182 certified facilities, and has undergone three re-certification processes, from the implementation of SGA in 2001.

- Reutilization of consumption materials (1): Concerned with reducing the purchase of materials, in order to preserve the global resources basis, Light has been using materials deriving from recycling, pointing out a great advance in the amount of recycled paper used that reached 97% of total amount consumed. Equipment, such as transformers and meters are also sent for repair, achieving a total of 77% and 65% of amount consumed, respectively.

- Energy Efficiency (1): Since 1999, when Energy Efficiency Programs have started, the Company and its subsidiaries invested in the development of 139 projects that provided energy savings of 478.4 GWh/year, approximately 3% of Light's captive market consumption in 2008. This result derives from the implementation of projects that use most modern and efficient technologies, such as the improvement or modernization in production processes and replacement of obsolete equipment. Accumulated energy savings until 2008 corresponds to the average consumption of approximately 250 thousand households during one-year period, which corresponds to residential consumption of a city with 1 million inhabitants.

In addition to these initiatives, 550km of conventional networks were replaced with protected networks in 2008 aiming at decreasing conflict between network and trees, as well as the excessive consumption of timber.

These initiatives contributed to Light continuing being included in the ISE Bovespa portfolio since 2007.

In 2008, amounts invested in the projects mentioned above amounted to R\$16,770, R\$6,010 earmarked for investment projects and R\$10,760 for operating expenses.

(1) Unaudited information.

36. Statement of income by company


ANNUAL SUSTAINABILITY REPORT 2008

01/01 to 12/31	Light SESA	Light Energia	Light SA	Light ESCO	Remorals	Consolidated 2008	Consolidated 2007
OPERATING REVENUE	7,893,652	346,728	-	95,650	(97,382)	8,238,648	8,138,365
Billed sales	7,227,091	-	-	-	-	7,227,091	7,093,519
Unbilled sales	(12,750)	-	-	-	-	(12,750)	-
Supply-Electric Power	10,742	341,299	-	77,596	(69,628)	360,009	405,536
Other	668,569	5,429	-	18,054	(27,754)	664,298	639,310
REVENUES DEDUCTION	(2,792,564)	(42,225)	-	(17,215)	-	(2,852,004)	(3,145,987)
Billed sales - ICMS (state VAT)	(1,935,264)	(307)	-	(13,447)	-	(1,949,018)	(1,927,228)
Consumer charges	(405,122)	(11,289)	-	-	-	(416,411)	(644,584)
PIS	(78,020)	(5,460)	-	(556)	-	(84,036)	(89,219)
COFINS	(377,432)	(25,158)	-	(2,570)	-	(405,160)	(410,955)
COFINS - CVA - Amortization	5,192	-	-	-	-	5,192	(71,709)
Other	(1,918)	(11)	-	(642)	-	(2,571)	(2,292)
NET OPERATING REVENUE	5,101,088	304,503	-	78,435	(97,382)	5,386,644	4,992,378
OPERATING EXPENSES	(4,053,064)	(122,879)	(26,446)	(68,518)	97,382	(4,173,525)	(4,182,524)
Personnel	(191,354)	(18,987)	(24,756)	(1,845)	-	(236,942)	(253,909)
Materials	(14,216)	(790)	(71)	(1,986)	-	(17,063)	(15,606)
Outsourced services	(256,993)	(12,259)	(1,208)	(6,293)	-	(276,753)	(273,211)
Energy purchased	(3,060,020)	(42,887)	-	(57,333)	97,063	(3,063,177)	(2,927,353)
Depreciation	(287,057)	(24,772)	-	(614)	-	(312,443)	(327,960)
Provisions	(201,131)	(22)	-	-	-	(201,153)	(298,791)
Other	(42,293)	(23,162)	(411)	(447)	319	(65,994)	(85,694)
Equity in the earnings of subsidiaries	-	-	1,023,996	-	(1,023,996)	-	-
FINANCIAL INCOME	159,186	(65,989)	379	816	-	94,392	(315,968)
Financial Income	334,533	8,163	763	1,179	-	344,638	247,633
Financial Expenses	(175,347)	(74,152)	(384)	(363)	-	(250,246)	(563,601)
OPERATING INCOME	1,207,210	115,635	997,929	10,733	(1,023,996)	1,307,511	493,886
NON-OPERATING INCOME	-	-	-	-	-	-	11,312
NON-OPERATING INCOME	-	-	-	-	-	-	17,888
Non-operating Expenses	-	-	-	-	-	-	(6,576)
INCOME BEFORE TAXES	1,207,210	115,635	997,929	10,733	(1,023,996)	1,307,511	505,198
Social Contribution	(65,656)	(10,285)	-	(1,801)	-	(77,742)	174,171



Income Tax	(194,135)	(27,516)	-	(2,138)	-	(223,789)	427,804
INCOME AFTER TAXES	947,419	77,834	997,929	6,794	(1,023,996)	1,005,980	1,107,173
Employees profit sharing	(29,255)	(1,733)	(25)	(514)	-	(31,527)	(32,843)
NET INCOME	918,164	76,101	997,904	6,280	(1,023,996)	974,453	1,074,330

37. Tariffreview

Result of second periodic tariff review of Light SESA:

At a public meeting held on November 4, 2008, ANEEL established, temporarily, the structural tariff repositioning of Light Serviços de Eletricidade S/A at 1.96%, which took effect on November 7, 2008. Considering the 2.30% financial additions, the tariff's impact was 4.27%. In view of the tariff basis withdraw of a -0.41% financial component that had been added to the 2007 annual readjustment, the average effect on the tariff to be acknowledged by the consumers corresponded to 4.70%.

Regarding the financial additions, it is worth pointing out that ANEEL granted the administrative appeal filed by Light concerning its 2007 readjustment. Through such appeal the Company requested the recalculation of energy tariff costs for the periods of 2005 and 2006. The impact of this decision was R\$76.8 million (additional tariff of 1.48%, effective for 12 months), distributed according to ANEEL methodology that used the CVA participation in the 2007 adjustment as basis to prorate the amounts receivable and payable related to CVA. This resulted in an increase of amounts recorded in CVA-CCC assets and amounts recorded in CVA-Energy liabilities and CVA-CDE (see chart in the Note 5-b).

The tariff review process showed the following main results: the tariff repositioning that established tariffs compatible with the coverage of efficient operating costs and the remuneration over prudent investments and; the X Factor that established productivity goals for the subsequent tariff period.

Concerning the calculation of tariff repositioning, ANEEL determines: (i) efficient operating costs, using the Benchmark Company methodology – ER, (ii) prudent investments, using the Regulatory Remuneration Basis, (iii) level of regulatory losses to be transferred to consumers and (iv) non-manageable costs, which represent the Portion A.

The table below presents the results for Light's tariff repositioning.

2008 Tariff Review

TARIFF REVIEW	Valor (R\$ mil)
1. Verifies Revenue	5,102,841
2. Required Revenue (Portion A + Portion B)	5,222,228
Portion A	3,531,847
Purchase of Energy	2,455,572
Sector Charges	643,772
Transportation of Electric Power	432,503
Portion B	1,690,381
Benchmark Company	575,868
Selinquency	66,737
Capital Remuneration	704,485
Reinstatement Quota	343,291
3. Other Revenues	19,221



4. Required Net Revenue (2-3)	5,203,007
5. Tariff Repositioning [(4-1)/1]	1.96%
6. Financial Components	119,817
7. Tariff Repositioning with financial effects (5 + 6/4)	4.27%

It is worth mentioning that the level of regulatory losses and the calculation of efficient operating costs (Benchmark Company and Default) are provisional.

ANEEL temporarily established a component Xe of X Factor, to be applied as reducer, in real terms, of Portion B in the subsequent tariff readjustments, from 2009 to 2012, at 0%.

With the conclusion of methodology improvements for the second cycle of tariff reviews on November 25, 2008, definite amounts will be established after resolution of the Public Enquiry process, expected for April 2009.

38. Long-term incentive plan

The Company's Long-Term Incentive Plan was approved at the Extraordinary General Meeting as of March 3, 2008, under the mode of Stock Option Plan and the mode "Phantom Options", in order to: (i) attract and retain executives; (ii) align the executives' interests with objectives and interests of shareholders; (iii) share the success and creating value with executives; and (iv) develop sustainability and long-term vision.

a) Stock Incentive Plan

The eligible beneficiaries of the Stock Option Plan mode are the Company's current executive officers, since they had not been appointed by the Board of Directors to be part of the Long-Term Incentive Plan in the mode "Phantom Options". Options granted up to December 31, 2008 totaled 6,917,733, equivalent to 3.4% of total shares issued by the Company, and the exercise price to be paid by the holders is R\$21.49 per Option, deducted from eventual amounts paid per share to shareholders as dividends, interest on capital or capital reduction. These options can be fully exercised, in a sole opportunity, between August 10, 2010 and August 10, 2011.

The Company's Long-Term Incentive Plan, under the mode of Stock Option will be settled with the delivery of equity instruments, which were measured by fair value on the granting date, based on respective market price of these instruments (R\$9.54 on March 3, 2008). The pricing model used to measure the market price was Black & Scholes. For this calculation, assumptions were used the Management deemed as appropriate, considering the volatility of a previous year to the granting date, the exercise price provided for in the plan, as reported above and the market price on the granting date.

Light S.A., pursuant to CVM Resolution 562 issued on December 17, 2008, recorded an increase of R\$22,459 in its shareholders' equity, under capital reserves, corresponding to the vesting period already incurred until December 31, 2008.

b) "Phantom Options" Incentive Plan

The "Phantom Options" mode will be offered to eligible officers appointed by the Board of Directors and is directly related to the creation of Light value, calculated by means of Light Unit Value (LUV) variation. The calculation of LUV results from the weighting of the following factors:

1. Market value of Light S.A. shares;
2. Economic value (EBITDA multiple);
3. Amount of distributed dividends.

The difference between LUV provided for in the Program for the granting year and the LUV verified in the year of exercise multiplied by the amount of options exercised by participant will amount total long-term bonus to be paid to each participant.

The Plan will be offered in three consecutive programs in 2008, 2009 and 2010 and the total amount of Options shall not exceed the total gross amount of R\$18,150.



The program approved for 2008 includes 1,540,146 "Phantom Options", accounting for, approximately, R\$16,000. The participant cannot exercise any Option up to December 31, 2010, and as of this date the participant may exercise up to 50% of their Options in the first following year (2011), plus 25% of their Options in the second following year (2012) and in the following third year (2013) the participant can exercise all their remaining Options.

The Company accrued the amount of R\$4,346 on December 31, 2008 related to the 2008 program, in contra account to the item of personnel expenses.



Fiscal Council's Opinion

The Fiscal Council of LIGHT S.A., in compliance with legal and statutory provisions, at meeting held on this date, examined the Management Annual Report and accompanying Financial Statements, i.e., the Balance Sheet, the Statements of Income for the Year, Statements of Changes in Shareholders' Equity, Statements of Cash Flows and Value-Added, as well related notes and supplementary accompanying statements and corresponding opinion issued by independent auditors, all of them related to the year ended December 31, 2008.

The examinations of statements mentioned above were also supplemented by analysis of documents and substantially by information and clarifications provided to the members of the Fiscal Council by Independent Auditors and Company's Management.

Therefore, based on works and clarifications provided by Independent Auditors and their unqualified opinion dated February 13, 2009, this Fiscal Council, by unanimous vote of its members, concludes that documents are fairly reported and they favorably assume that it shall be submitted to the Annual General Meeting.

Eduardo Grande Bittencourt Chairman

Ari Barcelos da Silva

Isabel da Silva Ramos Kemmelmeier

Aristóteles Luiz Menezes Vasconcellos Drummond

Maurício Wanderley Estanislau da Costa



Review report of independent auditors

To
the Board of Directors and Shareholders
of Light S.A.
Rio de Janeiro - RJ

1. We have examined the balance sheet of Light S.A. ("Company") and the consolidated balance sheet of this Company and its subsidiaries as of December 31, 2008, and the respective statements of income, changes in shareholders' equity, cash flows and value-added for the year then ended, which are the responsibility of its Management. Our responsibility is to express an opinion on these financial statements.
2. Our examination was conducted in accordance with auditing standards generally accepted in Brazil and included: (a) planning of works, considering the materiality of balances, the volume of transactions and the accounting and internal control systems of the Company and its subsidiaries; (b) verification, on a test basis, of the evidence and records that support the amounts and accounting information disclosed; and (c) evaluation of the most significant accounting policies and estimates adopted by the Management of the Company and its subsidiaries, as well as of the financial statements taken as a whole.
3. In our opinion, the aforementioned financial statements present fairly, in all material aspects, the equity and financial position of Light S.A. and the consolidated equity and financial position of this Company and its subsidiaries as of December 31, 2008, the results of its operations, changes in shareholders' equity, cash flows, and the values added on the operations for the year then ended, in conformity with accounting practices adopted in Brazil.
4. The financial statements of Fundação de Seguridade Social Braslight for the year ended December 31, 2008 were examined by other independent auditors who, on them, issued their opinion, dated January 29, 2009, including a paragraph commenting on a balance of R\$130,941 related to tax credits arising from the Entity's tax exemption proceeding, already considered a final and unappealable decision, which, according to the Management's forecast, can be offset by taxes payable in the following years. The future realization of the asset is subject to the continuance of the offset process in the Internal Revenue Service, which was suspended in September 2005. If this suspension is maintained, the Entity may eventually record a provision for the asset. This asset, which guarantees the Entity's actuarial reserves, was deducted from calculation of the subsidiaries' actuarial deficit, as required by CVM Resolution 371/00. Consequently, in case this amount is provisioned, Light's liabilities may be proportionally adjusted.
5. As mentioned in Note 37, due to the second periodical tariff review of subsidiary Light Serviços de Eletricidade S.A., set forth in the concession agreement, ANEEL (Agência Nacional de Energia Elétrica) ratified, temporarily, the subsidiary's tariff repositioning in 1.96%, to be applied for the period as of November 7, 2008. Taking in consideration the 2.30% interest on sales, the tariff's impact reaches 4.27%. Possible effects resulting from the final review, if any, will be reflected on the equity and financial position of the Company and its subsidiaries in the following periods.
6. The Company's financial statements and the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2007, including the balance sheet and the statements of income, changes in shareholders' equity and changes in financial position for that year, in addition to the supplementary information including the statement of cash flows, were examined by other independent auditors, who, on them, issued an unqualified opinion, dated February 13, 2008. As mentioned in note 3, the accounting practices adopted in Brazil underwent changes on January 1, 2008. The financial statements for the year ended December 31, 2007, presented together with the financial statements of 2008, were prepared in accordance with the accounting practices adopted in Brazil in effect until December 31, 2007, and, as permitted by the Technical Pronouncement CPC 13 – Preliminary Adoption of Law 11,638/07 and Provisional Measure 449/08, and are not presented with the adjustments for purposes of comparison between the years.

February 13, 2009

KPMG Auditores Independentes
CRC-SP-14.428/O-6-F-RJ

Vânia Andrade de Souza
Accountant CRC-RJ-057.497/O-2



Corporate Information

Administration Board

Effective

- Aldo Floris
- Carlos Augusto Leone Piani
- Djalma Bastos de Moraes
- Eduardo Borges de Andrade
- Firmino Ferreira Sampaio Neto
- Ricardo Coutinho de Sena
- Ricardo Simonsen
- Wilson Nélio Brumer
- Elvio Lima Gaspar (*)
- Ruy Flaks Schneider (**)
- José Luiz Silva (***)

Stand-ins

- Lauro Alberto De Luca
- Ana Marta Horta Veloso
- João Batista Zolini Carneiro
- João Pedro Amado Andrade
- Paulo Jerônimo Bandeira de Mello Pedrosa
- Paulo Roberto Reckziegel Guedes
- Carlos Roberto Teixeira Junger
- Luiz Fernando Rolla
- Joaquim Dias de Castro (*)
- Almir José dos Santos (**)
- Carmen Lúcia Clausen Kanter (***)

(*) BNDESPAR (**) Independent (***) Representative of Employees

Fiscal Council

Members

- Ari Barcelos da Silva
- Isabel da Silva Ramos Kimmelmeier
- Eduardo Grande Bittencourt
- Aristóteles Drummond
- Maurício Wanderley Estanislau da Costa

Stand-ins

- Eduardo Gomes Santos
- Leonardo George de Magalhães
- Ricardo Genton Peixoto
- Marcio Cunha Cavour Pereira de Almeida
- João Procópio Campos Loures Vale



Directors

- President-director: José Luiz Alquéres
- Executive Vice-president and Investor Relations: Ronnie Vaz Moreira
- Director, Customers: Roberto Alcoforado
- Director, New Business and Institutional: Paulo Roberto Ribeiro Pinto
- Director, Legal: Luiz Claudio Salles Cristofaro
- Director, People: Ana Silvia Matte
- Director, Concession Development: Paulo Born
- Director, Energy and Environment: Luiz Fernando de Almeida Guimarães
- Director, Instituto Light: Mozart Vitor Serra
- Superintendent, Public: Carlos Alberto Piazza Timo Iaria

Consumers' Council

Lista de Participantes do Conselho de Consumidores da Light

Conselheiros	Entidades
1. Antônio Florêncio de Queiroz Jr/Nilton Pereira	FECOMÉRCIO
2. Álvaro Prati de Aguiar/Tatiana Lauria	FIRJAN
3. Moisés Henrique Szawarciman/Maurício Marques de Oliveira	PUC
4. Walcyr Borges/Marly Rosa Machado	SEBRAE
5. Rodolfo Tavares/Carlos Eduardo Dair Coutinho	FAERJ
6. Erardo L. da Fonseca/Robson Teixeira de Souza	OCERJ
7. Renato Vasconcellos/José Octávio Knaack Campos	ACRJ
8. Eduardo Novais de Souza/Paulo César dos Santos Oliveira	FAMERJ
9. Hércules Ferreira/José Carlos de Souza	FAF-Rio
10. Rossino de Castro/Edson Ribeiro Magalhães Silva	FAFERJ
11. Sidney Medeiros Falcão/Luiz Carlos Gonçalves da Silva	RIOLUZ
12. Emy Guimarães de Lemos/Sidney do Valle Costa	CEDAE
13. Walmir Ribeiro Pinheiro Júnior/Valéria Barbosa Gomes	UERJ
14. Luiz Antonio de Almeida e Silva	SEDEIS
15. Francisco Paulino Campelo/Firmino Figueiredo de Almeida Mota	PROCON/RJ
16. VAGO (representante ainda não indicado pela associação)	AEMERJ
17. Nelson Janot Marinho	Membro honorário

Panel of Specialists



- André Urani
- David Zylberstajn
- Claudio Sales
- Paulo Ferraz
- Vicente Loureiro
- Armando Strozemberg
- Teresa Serra

Mediator

- Clarissa Lins - FBDS

Management List

Superintendents

Adalesio Vieira Guimaraes	Superintendent, High Tension Assets
Alexandre Rocha Sena	Superintendent, HR Services
Andre Rocha Mahmoud	Superintendent, Internal Audit and Control
Andreia Ribeiro Junqueira e Souza	Superintendent, People Strategy
Angela Magalhaes Gomes	Superintendent, Regulation
Carlos Alberto Piazza Timo Iaria	Superintendent, Public
Eduardo Luiz Pinto Camillo	Superintendent, Institutional Relations
Elvira Madruga Baracuchy Cavalcanti	Superintendent, Controllership and Planning
Erminio de Souza Pinto	Superintendent, HT Operating System and Maintenance
Gustavo Cesar de Alencar	Superintendent, Technical
Ivson Vasconcellos Pinto de Miranda	Superintendent, Ren Services
Jose Geraldo de Souza Pereira	Superintendent, Energy Recovery
Jose Hilario Farina Portes	Superintendent, Customer Services
Jose Roberto Barbosa Carrasco	Superintendent, Plant Operation and Maintenance
Leonardo Augusto Silva de Morais	Superintendent, Large Customers
Luiz Belchior Fonseca Souto	Superintendent, Regional - Vale Paraiba
Marco Antonio Donatelli	Superintendent, Light Esco Business
Marco Antonio Vilela de Oliveira	Superintendent, Commercial
Mario Guilherme Romano	Superintendent, Network Services
Nelson Jose Monteiro	Superintendent, Acquisition and Logistics
Nilmar Sisto Foletto	Superintendent, Strategic Info and Development
Ricardo Levy	Superintendent, Finances and Investor Relations
Mauricio Silveira Fernandes	Advisor, New Businesses
Annibal Jose Velloso Filho	Advisor, Technical

**Managers**

Adriana Maria Goes Hasselmann	Manager, People Strategy
Alessandra Guerra Mendes	Manager, Remuneration and Personnel Planning
Alexandre Nascimento da Silveira	Manager, Plant Oper Serv and Civil Maintenance
Allan Blanco Carnevale	Manager, Customer Services
Alvaro Maselli Junior	Manager, Energy and Infra-structure Services
Ana Maria Pimenta de Almeida	Manager, Energy Purchase
Ana Paula de Paiva Guimaraes	Manager, Energy Recovery Planning
Andre Luiz Almeida Chaves	Manager, Customer Services
Andre Santoro Velloso	Manager, Underground Grids
Antonio Paulo Machado Fagundes	Manager, Legal
Carla Alexandra da Motta Pirahy	Manager, Legal
Carlos Moreira Zsigmond	Manager, Property
Cesar de Mattos Lourenco	Manager, Distribution Operating Center
Cristina Carvalho Guedes	Manager, Investor Relations
Dalmer Alves de Souza	Manager, Institutional Relations
Eduardo Almeida Calazans	Manager, Energy Recovery
Elcio Soares de Moraes	Manager, Measurement
Ewerton Dantas Vital	Manager, Energy Recovery
Fabio de Oliveira Toledo	Manager, Operation and Maintenance
Fernando Barbosa Braga	Manager, Energy Commercialization
Fernando Luiz Grossi de Oliveira	Manager, Public Service Clients
Fernando Pires Coutinho	Manager, Prevention
Fernando Pires Mello	Gerente de Prevenção
Flavia Silveira de Azevedo	Manager, Energy Commercialization
Francisco da Costa Medeiros Neto	Manager, Treasury
Francisco Ivan Rafael	Manager, HT Lines Substation Maintenance and Oper
Gianfrnco Ronchi	Manager, Large Corporate Customers
Gladston Felicio Obeica	Manager, Expansion
Glaucio Momolo Vidal	Manager, Fleet Management
Gustavo Henrique de Aguiar Sablewski	Manager, Legal
Haber Nogueira Espiuca	Manager, Technology Solutions Architecture
Heitor Barreto Correa	Manager, Asset Management
Jose Armando da Silva Bittencourt	Manager, Customer Services
Jose Eduardo Nunes da Rocha	Manager, Business and Market Development
Jose Luis Pavao Carrasco	Manager, Electro-mechanic Maintenance Center
Jose Paulo Sarmento	Manager, Logistics Operations
Jose Renato Pecly Lavourinha	Manager, Small Hydro Enterprise
Leonardo Pinheiro Araujo	Manager, Networks and Telecommunications
Luciana Maximino Maia	Manager, Accounting
Luis Antonio Braga Grande	Manager, Environment Mills and Reservoirs



Luis Henrique de Souza Lopes	Manager, Legal
Luiz Antonio Araujo e Silva de Souza Barbosa	Manager, High Tension Proj and Construction
Luiz Carlos Menezes Direito	Manager, Technology and Measurement
Luiz Felipe Negreiros de Sa	Manager, Financial Operations
Mair de Azevedo Streva	Manager, Safety and Occupational Health
Marcelo Amaral da Silva	Manager, Expansion
Marcia de Moraes Coutinho	Manager, Attention to Communities
Marcio Monteleone Enne	Manager, Engineering
Marco Antonio de Araujo	Manager, High Tension Studies and Planning
Marco Aurelio da Cunha Tavares	Manager, Invoicing
Marcos Freire Ponciano	Manager, Operation and Maintenance
Marcos Guimaraes Ferreira	Manager, Personnel Administration
Margarida Maria de Sousa Leite	Manager, Processes and Projects
Maria Francisca Seravali Romboli	Manager, Control Management
Maria Secchin Young	Manager, Market Forecast and Supervision
Mario de Abreu Badiola	Manager, Technical Energy Recovery
Mauricio Benchimol	Manager, Attention
Mauro dos Santos Jacintho Andrade	Manager, Corporate and Technical Solutions
Monica Niklaus Moreira da Rocha	Manager, Billing
Paulo Eduardo Roscoe Bicalho	Manager, Events and Cultural Center
Renato de Almeida Rocha	Manager, Planning and Management
Ricardo Bichara de Melo	Manager, Elevating Plants
Rodolpho Duarte Linhares	Manager, Operation and Maintenance
Romulo de Sales Goncalves Filho	Manager, HT Lines and Substation Maintenance and Oper
Rosangela Cristina da Silva	Manager, Energy Recovery
Rosmary Zambelli Rodrigues Matokanovic	Manager, Material and Service Contracts
Sergio de Oliveira Carneiro	Manager, Operation and Maintenance
Sergio Luiz Cancela Ramalho	Manager, Commercial Solutions
Simone Goncalves Orlandini	Manager, Commercial Management
Solange Aleixo Lustosa de Andrade	Manager, Union and Labor Relations
Velma Augusta Correa Ferreira	Manager, Media
Wilson Cleber de Oliveira	Manager, Planning and Engineering

Coordinators

Alberto Dias de Souza	Coordinator, Network Operation
Aldo Ramos Junior	Coordinator, Control and Collection
Alessandra dos Santos Medeiros	Coordinator, Operational Support
Alex Rabelo Goncalves	Coordinator, Network Expansion
Alexandre Cardoso Pereira	Coordinator, Cutoffs and Reconnection
Alexandre de Mello	Coordinator, Material Quality
AlexandrE dos Santos Pereira	Coordinator, Network Maintenance



Alexandre Luiz Penna Botto Mandina	Coordinator, Information Security
Alexandre Moraes da Mota	Coordinator, Network Expansion
Alexandre Nilton Pereira	Coordinator, Network Expansion
Alexandre Silva Galdino	Coordinator, Central de Attention
Alexandre Vecchi de Freitas	Coordinator, Billing
Aline Silveira Goncalves	Coordinator, Relationship
Almir Ramos Ribeiro Junior	Coordinator, New Connections
Ana Claudia Figueiredo Jacoud	Coordinator, Billing
Ana Raquel de Oliveira Galvao	Coordinator, Human Resources
Andre Braz da Silva	Coordinator, Inspection
Antonio Carlos Nocera	Coordinator, Quality N Commercial
Ariane Esgobi dos Santos	Coordinator, Material and Service Contracts
Aurelino Ramos Filho	Coordinator, Treasury
Braulio de Souza Marques	Coordinator, Normalization
Carla Moreira Coppieters	Coordinator, Material and Service Contracts
Carlos Alberto Augusto	Coordinator, Normalization
Carlos Augusto da Silveira Santos	Coordinator, Attention
Carlos Fernando da Costa Alves	Coordinator, HT Substation Maintenance Operation
Carlos Jose Marques da Silva	Coordinator, Energy Recovery
Carlos Jose Silva Pereira	Coordinator, Inspection LT Indirect Measurement
Claudio Moises Ferreira de Oliveira	Coordinator, Management and Control
Claudio Vinicius Rodrigues Cerdeira	Coordinator, HT Lines Maintenance
Daniele Miranda Baptista	Coordinator, Origin Selection
Danilo Ribera Neto	Coordinator, Telemetry Processes Management
Deise Maria Pereira Teixeira	Coordinator, Attention
Delison Muniz Silva	Coordinator, Attention
Eduardo Righi Reis	Coordinator, Financial Regulation
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KMPG Auditores Independentes

Securities Market

Sao Paulo Stock Exchange (Bovespa)
Code: LIGT3 (ON-type stock)

Information Disclosure

Jornal do Commercio Diário Oficial do Rio de Janeiro

GRI Content Index


Light S.A. hereby declares that its Sustainability Report 2008 follows Global Reporting Initiative (GRI) criteria, in its consolidation model and information disclosure as determined in G3.

It still declares that it reached Application Level A, with all core indicators as applicable to the company. The report presents 69 indicators – 45 core and 24 additional – out of total 79 GRI indicators. Seven indicators are not applicable to Light:

- Economic (EC) – 7 core and 1 additional.
- Environment (EN) – 14 core and 10 additional.
- Labor Practices and Decent Work (LA) – 9 core and 5 additional.
- Human Rights (HR) – 6 core and 2 additional.
- Society (SO) – 6 core and 2 additional.
- Product Responsibility (PR) – 3 core and 4 additional.

Next is the GRI table of contents, associated with the Principles of Global Compact and Millennium Development Goals.

Millennium Goals



Global Pact Principles

HUMAN RIGHTS PRINCIPALS

- 1 *Respect the protect human rights;*
- 2 *Avoid human rights violations;*

PRINCIPLES OF LABOR PRINCIPALS

- 3 *Support freedom of association at work;*
- 4 *Eliminate all kinds of forced labor;*
- 5 *Eradicate child labor;*
- 6 *Eliminate workplace discrimination;*

ENVIRONMENTAL PROTECTION PRINCIPALS

- 7 *Keep a preventive focus on environment protection*
- 8 *Eliminate workplace discrimination;*
- 9 *Encourage environmental friendly technologies; and*

ANTI-CORRUPTION PRINCIPAL

- 10 *Combat corruption in all its forms, including extortion and payoffs.*

GRI G3	Topic	Global Compact	Millennium Goals	Page	Page in PDF
1	Strategy and Analysis				
1.1	Statement from the most senior decision-maker about the relevance of sustainability to the organization and its strategy.	8, 9	7, 8	Message from the President-Director	16
1.2	Description of key impacts, risks, and opportunities			Message from the President-Director Strategic Planning	16 32
2	Organizational Profile				
2.1	Name of the organization			Profile	2



2.2	Primary brands, products, and/or services.	Profile	2
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Profile Profile - Areas of activity	2 3
2.4	Location of organization's headquarters	Av. Marechal Floriano, 168 Centro - Rio de Janeiro - RJ CEP 20080-002 Caixa Postal 0571	
2.5	Number of countries where the organization operates		NA
2.6	Nature of ownership and legal form	Profile	2
2.7	Markets served	Profile - Areas of activity Market	3 50
2.8	Scale of the reporting organization	Profile - Areas of activity Market	3 50
2.9	Significant changes during the reporting period regarding size, structure, or ownership	Action in the face of environmental challenges	73
2.10	Awards received in the reporting period	The bases for this report - Principal Awards and Recognition	9
3	Report Parameters		
3.1	Reporting period for information provided	The bases for this report	7
3.2	Date of most recent previous report	The bases for this report	7
3.3	Reporting cycle	The bases for this report	7
3.4	Contact point for questions regarding the report or its contents	The bases for this report	7
3.5	Process for defining report content	The bases for this report	7
3.6	Boundary of the report	The bases for this report	7
3.7	Specific limitations on the scope or boundary of the report		NA
3.8	Basis for reporting that can significantly affect comparability from period to period and/or between organizations		NA
3.9	Data measurement techniques and the bases of calculations	The bases for this report	7
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.		NA
3.11	Significant changes from previous reporting periods	The bases for this report	7
3.12	Table identifying the location of the standard disclosures		190
3.13	Policy and current practice with regard to seeking external assurance for the report	The bases for this report	7
4	Governance, Commitments and Engagement		
4.1	Governance structure of the organization, including committees under the highest governance body	Corporate Governance Corporate Governance - Committees	19 25
4.2	Indication whether the Chair of the highest governance body is also an executive officer		NA
4.3	For organizations that have a unitary board structure, statement of the number of members of the highest governance body that are independent and/or non-executive members	Corporate Governance - Administration Council	22
4.4	Mechanisms for shareholders and employees to provide recommendations to the highest governance body	Results - Investor Relations	108
	Linkage between compensation for members of the	Corporate Governance - Evaluation of the Administration Council and the Board of Directors	26



4.5	highest governance body, senior managers, and executives, and the organization's performance.			Strategic Planning	32
				More Value - Definition of competence and performance management system	46
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.			Corporate Governance	19
				Corporate Governance - Administration Council	22
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.			Corporate Governance - Administration Council	22
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	1, 2, 3, 4, 5, 6, 7, 8, 9 e 10	7	Model for acting - Light's Mission	29
				Model for acting - Strategic and tactical plans	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.			Corporate Governance - Evaluation of the Administration Council and the Board of Directors	26
				Model for acting	29
				Strategic Planning	31
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.			Corporate Governance - Evaluation of the Administration Council and the Board of Directors	26
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.			Integrated risk management	111
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	1, 2, 3, 4, 5, 6, 7, 8, 9 e 10	1, 2, 3, 4, 5, 6, 7 e 8	The bases for this report	7
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.			Corporate Governance - Conformity	28
4.14	List of stakeholder groups engaged by the organization				Throughout the text
4.15	Basis for identification and selection of stakeholders with whom to engage			The bases for this report	7
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.			The bases for this report	7
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics.			The bases for this report	7
ECONOMIC PERFORMANCE – EC					
	Disclosure on Management Approach – Economic Performance	1, 7, 8, e 9	2, 7 e 8		99 to 110
Economic Performance					
EC1.	Direct economic value generated and distributed			Analysis of Economic-Financial Performance » Added Value Statements	105
EC2.	Financial implications and other risks and opportunities for the organization's activities due to climate change.	7, 8 e 9	7	Eficiência Energética » Introdução	85
EC3.	Coverage of the organization's defined benefit plan obligations	1		More Value » Complementary post-retirement income plans	44
EC4.	Significant financial assistance received from government			Analysis of Economic-Financial Performance » Added Value Statements	107
Market Presence					
EC5.	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	1		More Value » Compensation and benefits	43



EC6.	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.			Relationship with suppliers and contractors » Support of suppliers and contractors in the State of Rio de Janeiro	60
EC7.	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.			More Value » Recruitment and selection	43
Indirect Economic Impacts					
EC8.	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.		2 e 8	Relationship with the Community » Our people do miracles Light Institute » Urban Axis	63 65 71
EC9.	Understanding and describing significant indirect economic impacts, including the extent of impacts.				ND
ENVIRONMENTAL PERFORMANCE – EN					
	Disclosure on Management Approach – Environmental Performance	7, 8 e 9	7		73 to 86
Materials					
EN1.	Materials used by weight or volume.			Environmental performance » Materials Management	77
EN2.	Percentage of materials used that are recycled input materials			Environmental performance » Materials Management	77
Energy					
EN3.	Direct energy consumption by primary energy source.			Profile - Areas of activity	5
EN4.	Indirect energy consumption by primary source.			Profile - Areas of activity	5
EN5.	Energy saved due to conservation and efficiency improvements	7, 8 e 9	7	Eficiência Energética » Programas de Eficiência Energética	85
EN6.	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives				NA
EN7.	Initiatives to reduce indirect energy consumption and reductions achieved				ND
Water					
EN8.	Total water withdrawal by source			Environmental performance » Light S.A. and water	74
EN9.	Water sources significantly affected by withdrawal of water			Environmental performance » Light S.A. and water	74
EN10.	Percentage and total volume of water recycled and reused				NA
Biodiversity					
EN11.	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas			Environmental performance » Environmental protection areas	81
EN12.	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas			Environmental performance » Environmental protection areas	76
EN13.	Habitats protected or restored			Environmental performance » Environmental protection areas	82
EN14.	Strategies, current actions, and future plans for managing impacts on biodiversity	9		Environmental performance » Mitigating action in 2008	76



EN15.	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk			Environmental performance » Environmental protection areas	82
Emissions, Effluents, and Waste					
EN16.	Total direct and indirect greenhouse gas emissions by weight	8, 9	7	Environmental performance » Emissions	79
EN17.	Total direct and indirect greenhouse gas emissions by weight	8, 9	7	Environmental performance » Emissions	79
EN18.	Initiatives to reduce indirect energy consumption and reductions achieved	7, 8 e 9	7	Environmental performance » Emissions	80
EN19.	Emissions of ozone-depleting substances by weight			Environmental performance » Emissions	79
EN20.	NO, SO, and other significant air emissions by type and weight				NA
EN21.	Total water discharge by quality and destination			Environmental performance » Water consumption at the facilities	75
EN22.	Total weight of waste by type and disposal method			Environmental performance » Management of residues	78
EN23.	Total number and volume of significant spills			There are no significant spills	
EN24.	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally			Environmental performance » Management of residues	78
EN25.	Identification, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.			Environmental performance » Water consumption at the facilities	75
Products and Services					
EN26.	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	7, 8 e 9	7	Environmental performance » Mitigating action in 2008	76
EN27.	Percentage of products sold and their packaging materials that are reclaimed by category				NA
Compliance					
EN28.	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations			Environmental performance » Investments	80
Transport					
EN29.	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce			Environmental performance » Emission	77
				Environmental performance » Mitigating action in 2008	80
Overall					
EN30.	Total environmental protection expenditures and investments by type.	7, 8 e 9	7	Environmental performance » Investments	80
SOCIAL PERFORMANCE – LA, HR, SO, PR					
	Disclosure on Management Approach – Social Performance				34 to 49
LABOR PRACTICES AND DECENT WORK PERFORMANCE INDICATORS – LA					
	Disclosure on Management Approach - Labor Practices and Decent Work	3 e 6	3, 4, 5 e 6		34 to 49
Employment					
LA1.	Total workforce by employment type, employment contract, and region			More Value » Figures for Light's people	35
LA2.	Total number and rate of employee turnover by age group, gender, and region	6		More Value » Figures for Light's people	35



LA3.	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.			More Value » Compensation and benefits	44
Labor/Management Relations					
LA4.	Percentage of employees covered by collective bargaining agreements	3		More Value » Agreements with trade unions	47
LA5.	Minimum notice period(s) regarding operational changes	3		More Value » Agreements with trade unions	48
Occupational Health and Safety					
LA6.	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs			More Value » Health and Safety at Work	40
LA7.	Rates of injury, occupational diseases, lost days, absenteeism, and work-related fatalities			More Value » Promotion of occupational health	41 42
LA8.	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases		4, 5 e 6	More Value » Promotion of occupational health	41
LA9.	Health and safety topics covered in formal agreements with trade unions			More Value » Agreements with trade unions	47
Training and Education					
LA10.	Average hours of training per year per employee by employee category			More Value » Training and Development	45
LA11.	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings			More Value » Definition of competence and performance management system	47
LA12.	Employees receiving regular performance and career development reviews			More Value » Definition of competence and performance management system	47
Diversity and Equal Opportunity					
LA13.	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	6	3	More Value » Figures for Light's people	36
LA14.	Ratio of basic salary of men to women by employee category	6	3	More Value » Figures for Light's people	38
HUMAN RIGHTS PERFORMANCE INDICATORS – HR					
	Disclosure on Management Approach – Human Rights	1, 2, 3, 4, 5 e 6	8		34 to 49
Investment and Procurement Practices					
HR1.	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.			There have been no significant investment agreements, which are expected at Small Hydro construction	
HR2.	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	1, 2, 4 e 5	8	Relationship with suppliers and contractors » Evaluation	59
HR3.	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained				ND
Non-discrimination					
HR4.	Total number of incidents of discrimination and actions taken	1, 2 e 6		More Value » Human Rights	38
Freedom of Association and Collective Bargaining					
HR5.	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	3		More Value » Human Rights	38
Child Labor					



HR6.	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	1, 2 e 5	8	More Value » Human Rights	38
Forced and Compulsory Labor					
HR7.	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	1, 2 e 4	8	More Value » Human Rights	38
Security Practices					
HR8.	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	1 e 2		More Value » Human Rights	38
Indigenous Rights					
HR9.	Total number of incidents of violations involving rights of indigenous people and actions taken			More Value » Human Rights	38
SOCIETY PERFORMANCE INDICATORS – SO					
	Disclosure on Management Approach – Society	8 e 10	1, 2 e 8		50 to 72
Community					
SO1.	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	8	1, 2 e 8	Relationship with the Community » Our people do miracles	63
Corruption					
SO2.	Percentage and total number of business units analyzed for risks related to corruption	10		More Value » Anti-corruption	49
SO3.	Percentage of employees trained in organization's anti-corruption policies and procedures	10		More Value » Anti-corruption	49
SO4.	Actions taken in response to incidents of corruption	10		More Value » Anti-corruption	49
Public Policy					
SO5.	Public policy positions and participation in public policy development and lobbying		8	Light Institute » Institutional Axis	66
SO6.	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country			More Value » Introduction	34
Anti-Competitive Behavior					
SO7.	Total number of lawsuits for unfair competition, anti-trust and monopolistic practices and their results			Developing the Concession	69
Compliance					
SO8.	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations			Corporate Governance - Conformity	27
PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS – PR					
	Disclosure on Management Approach – Product Responsibility	1			87 to 95
Customer Health and Safety					
PR1.	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures			Environmental performance	75
PR2.	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	1		Customers » Safety	88
Product and Service Labeling					
PR3.	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements				NA
	Total number of incidents of non-compliance with				



PR4.	regulations and voluntary codes concerning product and service information and labeling, by type of outcomes		NA
PR5.	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Customers » Customer Satisfaction	89
Marketing Communications			
PR6.	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	Customers » Light S.A. in communication	93
PR7.	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Customers » Light S.A. in communication	93
Customer Privacy			
PR8.	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Customers » Ethics and confidentiality	89
Compliance			
PR9.	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services		56