



On a long enough timeline
the survival rate for
everyone drops to zero.

Eletropaulo Metropolitana Elet. (Brazil)

CREDIT SNAPSHOT

12/01/09

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ELPL6 BZ Equity

equity ticker: ELPL6 BZ

bond ticker: AES

sector: Utilities

subgroup: Electric-Distribution

company description:

Eletropaulo Metropolitana S.A. generates, transmits, distributes, and markets electrical power to the City of Sao Paulo and surrounding metropolitan regions.

Eletropaulo Metropolitana Elet. has 4,141 employees.

capitalisation (BRL in millions):

stock price	BRL 35.11
shares outstanding (million)	<u>98.37</u>
market capitalisation (BRL mm)	5,820
total debt	1,838
cash + marketable securities	1,143
other capital	<u>-1</u>
enterprise value (excl. cash)	6,514
current EV / TTM EBITDA	3.9x

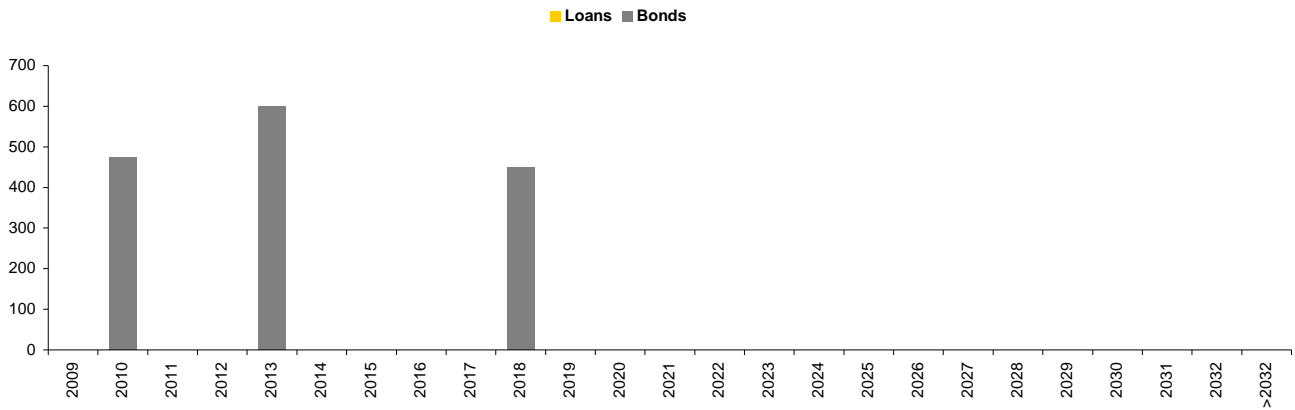
The company's next report is expected for 2/12/2010 (type: Estimated).

www.eletropaulo.com.br

DEBT DISTRIBUTION

issuer	Rtg	debt type & details	coupon	mat	crncy	amount out (mm)	facility amount (mm)	issue date
ELETROPAULO METROPOLITANA S	NA	Loan, unsecured, term, floater		5/12/2015	BRL		55	3/11/2008
ELETROPAULO METROPOLITAN	BB-	Bond, at maturity, sr unsecured, fixed	19.125%	6/28/2010	BRL	474	-	6/28/2005
ELETRICIDADE SAO PAULO	NA	Bond, sinkable, debentures, floating		9/15/2013	BRL	600	-	10/23/2007
ELETROPAULO METROPOLITAN	NA	Bond, call/sink, bonds, floating		8/20/2018	BRL	250	-	12/23/2005
ELETRICIDADE SAO PAULO	NA	Bond, sinkable, debentures, floating		11/1/2018	BRL	200	-	12/17/2007

Total amount out of instruments listed above (BRL in MM)	1,524	Cash (MM)	1,143
Total debt (MM)	1,838	Total Number of Debt Instruments (for the issuer and its subs)	5



Moody's Ratings	
Outlook	N/A
Issuer	N/A
Senior Secured Debt	N/A
LT Corp Family	N/A
Bank Loan Debt	N/A
Senior Unsecured Debt	N/A
Subordinated Debt	N/A
Short Term	N/A

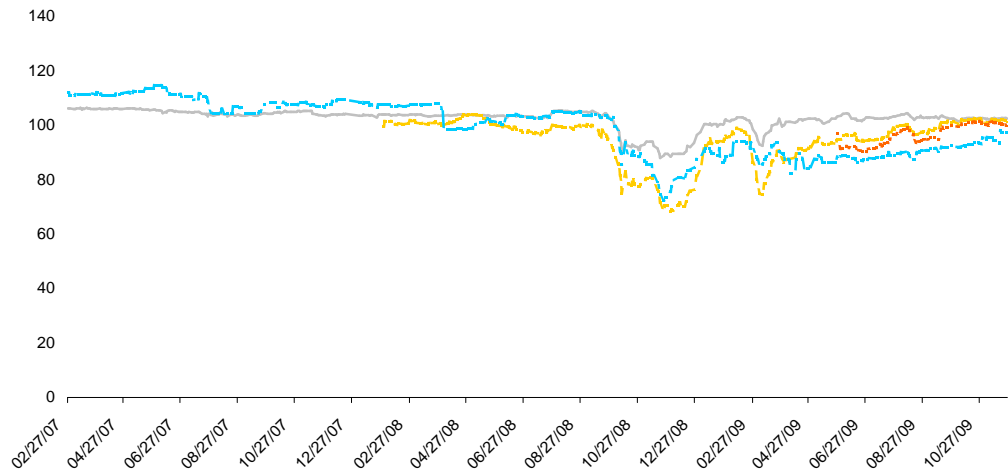
Standard & Poor's Ratings		
Outlook	POS	07/06/09
LT Foreign Currency Issuer	BB-	11/06/06
LT Local Currency Issuer	BB-	11/06/06
ST Foreign Currency Issuer	N/A	
ST Local Currency Issuer	N/A	

BONDS

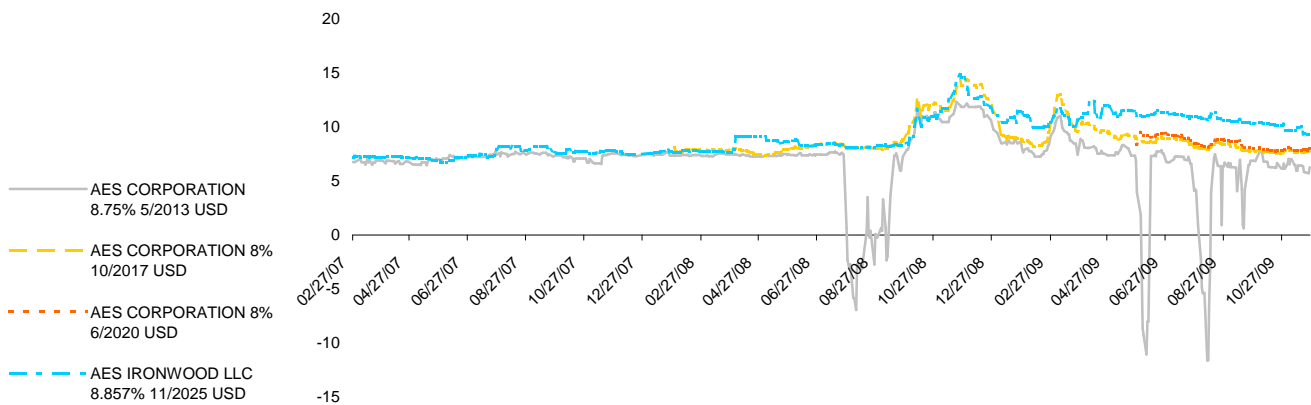
id	issuer	coupon	mat	currency	outstanding	S&P	MDY	ask px	yield	spread*	px date
00130HBA	AES CORPORATION	8.750	05/15/13	USD	690,301,000	BB+	Ba3	102.50	6.3	583	11/25/09
00130HBH	AES CORP	8.000	10/15/17	USD	1,500,000,000	BB-	B1	101.00	7.8	476	11/25/09
00130HBN	AES CORPORATION	8.000	06/01/20	USD	625,000,000	BB-	B1	100.00	8.0	458	11/25/09
00103XAC	AES IRONWOOD LLC	8.857	11/30/25	USD	253,526,000	B+	B1 /-	97.50	9.4	563	11/25/09

*interpol. swap spread
 This is not a complete list of Eletropaulo Metropolitana Elet. bonds outstanding, the securities listed have been selected by certain maturity and amount outstanding criteria. Total Debt for the company currently stands at BRL 1,838mm.

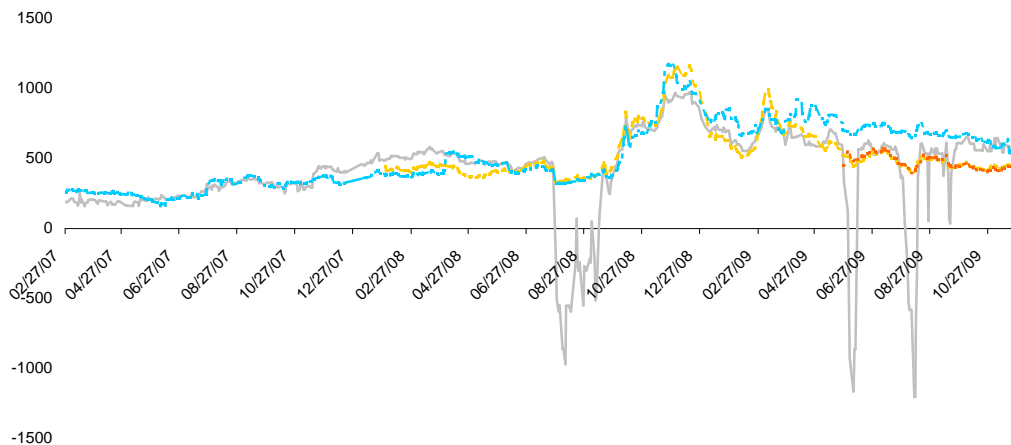
bond price



yield

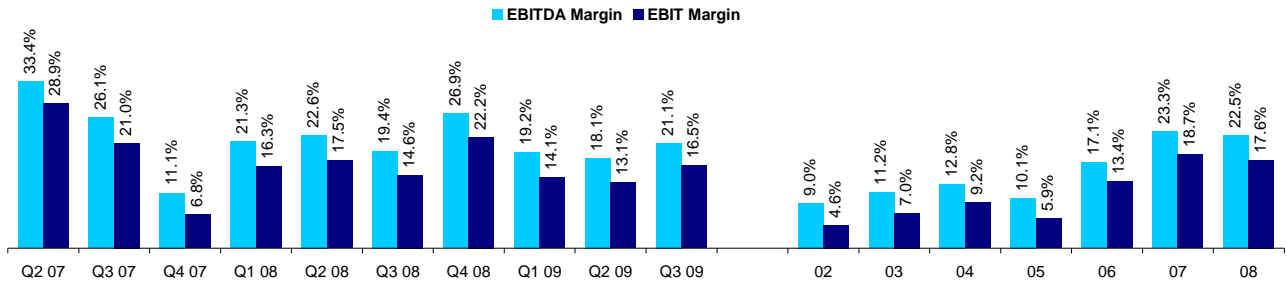


interpolated swap spread

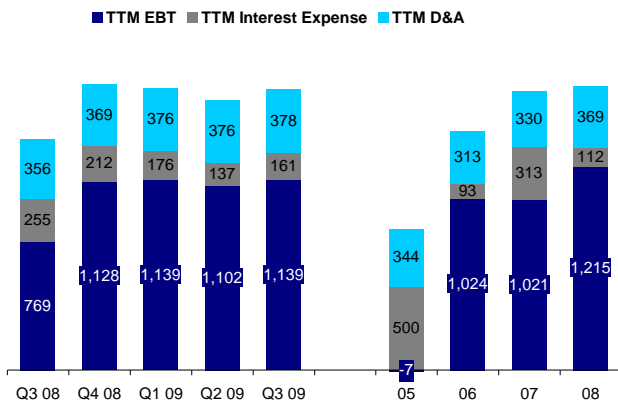
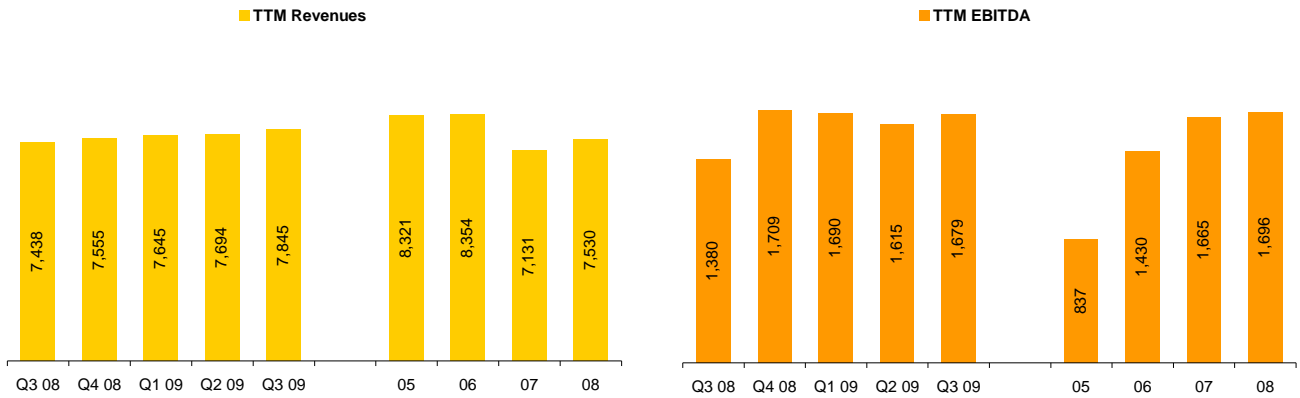


Prices & yields bid side to 28/7/08 and ask side thereafter. Spread is Govt Bid Sprd to 28/7/08 and Interpol. Swap Ask Sprd then.

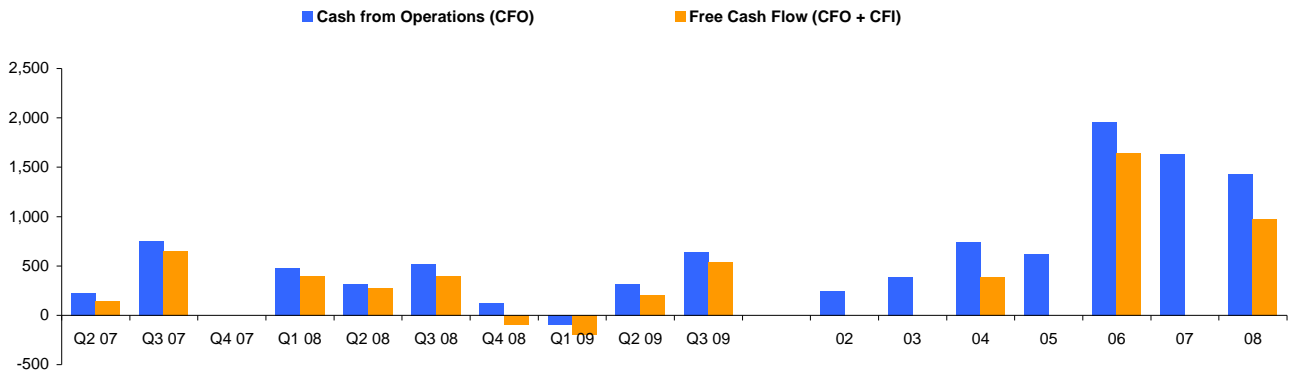
INCOME STATEMENT	BRL in millions									
	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08	
	09/30/09					12/31/08				
Revenues	1,961	1,990	1,850	1,893	2,112	8,321	8,354	7,131	7,530	
COGS	1,674	45	1,579	1,635	1,748	7,488	6,916	5,797	4,700	
COGS % of Revenues	85.4%	2.2%	85.4%	86.4%	82.8%	90.0%	82.8%	81.3%	62.4%	
SG&A	0	1,627	11	13	17	341	321	0	1,627	
SG&A % of Revenues	0.0%	81.8%	0.6%	0.7%	0.8%	4.1%	3.8%	0.0%	21.6%	
EBITDA	381	536	356	342	445	837	1,430	1,665	1,696	
Interest Expense	18	94	14	11	42	500	93	313	112	
EBT	270	348	248	236	307	-7	1,024	1,021	1,215	
Net Income	148	531	147	155	235	-184	373	713	1,027	
EBITDA Margin	19.4%	26.9%	19.2%	18.1%	21.1%	10.1%	17.1%	23.3%	22.5%	
EBIT Margin	14.6%	22.2%	14.1%	13.1%	16.5%	5.9%	13.4%	18.7%	17.6%	



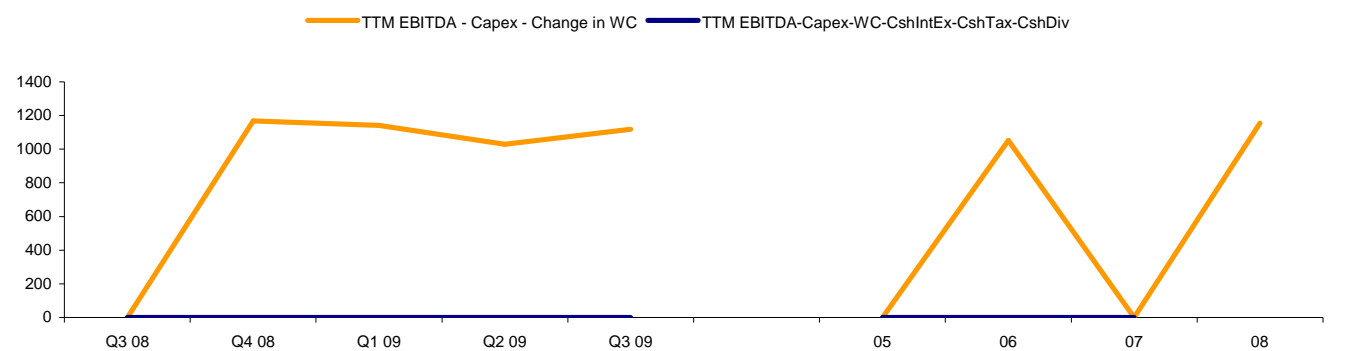
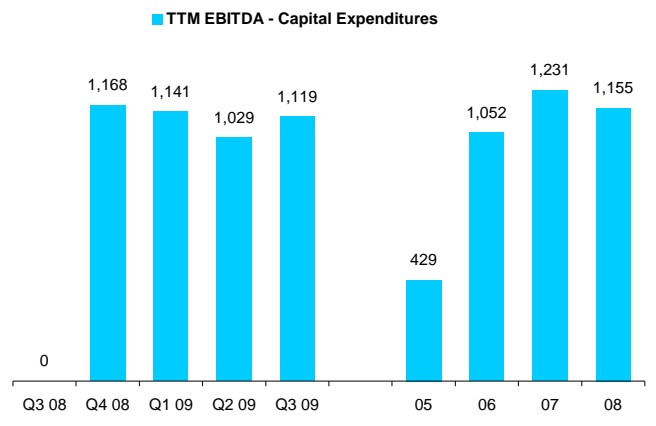
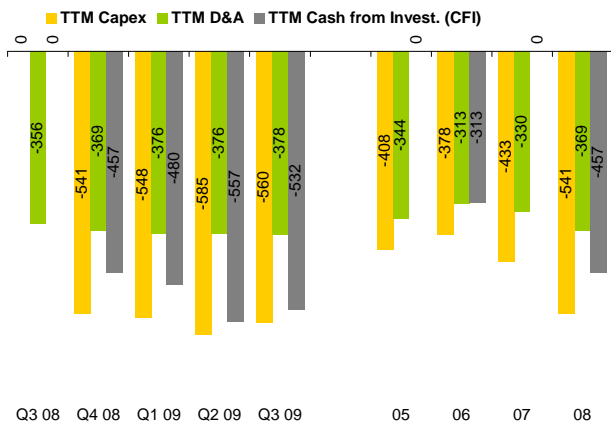
TTM INCOME STATEMENT	BRL in millions									
	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08	
	09/30/09					12/31/08				
TTM Revenues	7,438	7,555	7,645	7,694	7,845	8,321	8,354	7,131	7,530	
TTM EBITDA	1,380	1,709	1,690	1,615	1,679	837	1,430	1,665	1,696	
TTM D&A	356	369	376	376	378	344	313	330	369	
TTM EBIT	1,024	1,340	1,314	1,239	1,301	493	1,117	1,334	1,327	
TTM Interest Expense	255	212	176	137	161	500	93	313	112	
TTM EBT	769	1,128	1,139	1,102	1,139	-7	1,024	1,021	1,215	
TTM Net Income	505	1,027	1,024	982	1,069	-184	373	713	1,027	



BRL in millions		Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
CASH FLOW						09/30/09				12/31/08
	Cash from Operations (CFO)	516	121	-95	319	634	618	1,955	1,634	1,431
	Cash from Investing (CFI)	-120	-214	-104	-118	-96		-313		-457
	Free Cash Flow (CFO + CFI)	396	-93	-199	200	538		1,642		974
	Cash from Financing Activities	-447	39	-86	-469	-384		-966		-764



BRL in millions		Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08	
TTM CASH FLOW						09/30/09				12/31/08	
	TTM Cash from Operations (CFO)		1,431	856	861	979	618	1,955	1,634	1,431	
	TTM Cash from Invest. (CFI)		-457	-480	-557	-532		-313		-457	
	TTM Capex			-541	-548	-585	-560	-408	-378	-433	-541
	TTM D&A		-356	-369	-376	-376	-378	-344	-313	-330	-369
	TTM Free Cash Flow (CFO + CFI)			974	376	305	447		1,642		974
	TTM Cash from Financing Activities			-764	-794	-962	-899		-966		-764
	TTM CFO - Capital Expenditures			890	308	276	419	210	1,577	1,201	890
	TTM EBITDA - Capital Expenditures			1,168	1,141	1,029	1,119	429	1,052	1,231	1,155
	TTM EBITDA - Capex - Change in WC			1,167	1,141	1,029	1,118		1,052		1,154
	TTM EBITDA-Capex-WC-CshIntEx-CshTax-CshDiv										
	TTM CFO/Total Debt		73.6%	44.1%	46.8%	53.3%		22.8%	93.4%	86.6%	73.6%
TTM FCF/Total Debt		50.1%	19.4%	16.6%	24.3%			78.4%		50.1%	



BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
Cash	1	6	1,182	911	1,066	310	501	1,039	6
Marketable Securities / ST Investments	1,302	1,536	76	78	77	203			1,536
Accounts & Notes Receivable		91				2,313	3,150	2,119	91
Inventories & Unbilled Receivables	37	46	51	48	45	34	28	26	46
Net Fixed Assets	6,449	6,423	6,491	6,441	6,451	5,115	5,078	6,556	6,423
75% of Accounts Receivable		68				1,735	2,362	1,590	68
30% of Inventories & Unbill. Rec.	11	14	15	14	14	10	8	8	14
10% of Net Fixed Assets	645	642	649	644	645	511	508	656	642
Collateral (Liquidation) Asset Value	1,959	2,266	1,922	1,647	1,802	2,770	3,380	3,292	2,266
Working Capital	669	361	460	177	295	-197	500	742	361
Cash Conversion Cycle		-10.8	-7.6			39.4	72.2	84.1	-10.8
Total Borrowings (includes ST Borrowings)	1,954	1,944	1,940	1,842	1,838	2,705	2,093	1,887	1,944
Net Debt	651	403	683	853	695	2,191	1,592	848	403
Collateral Asset Value / Total Borrowings	100.3%	116.6%	99.1%	89.5%	98.0%	102.4%	161.4%	174.5%	116.6%

BALANCE SHEET

explanations and definitions:

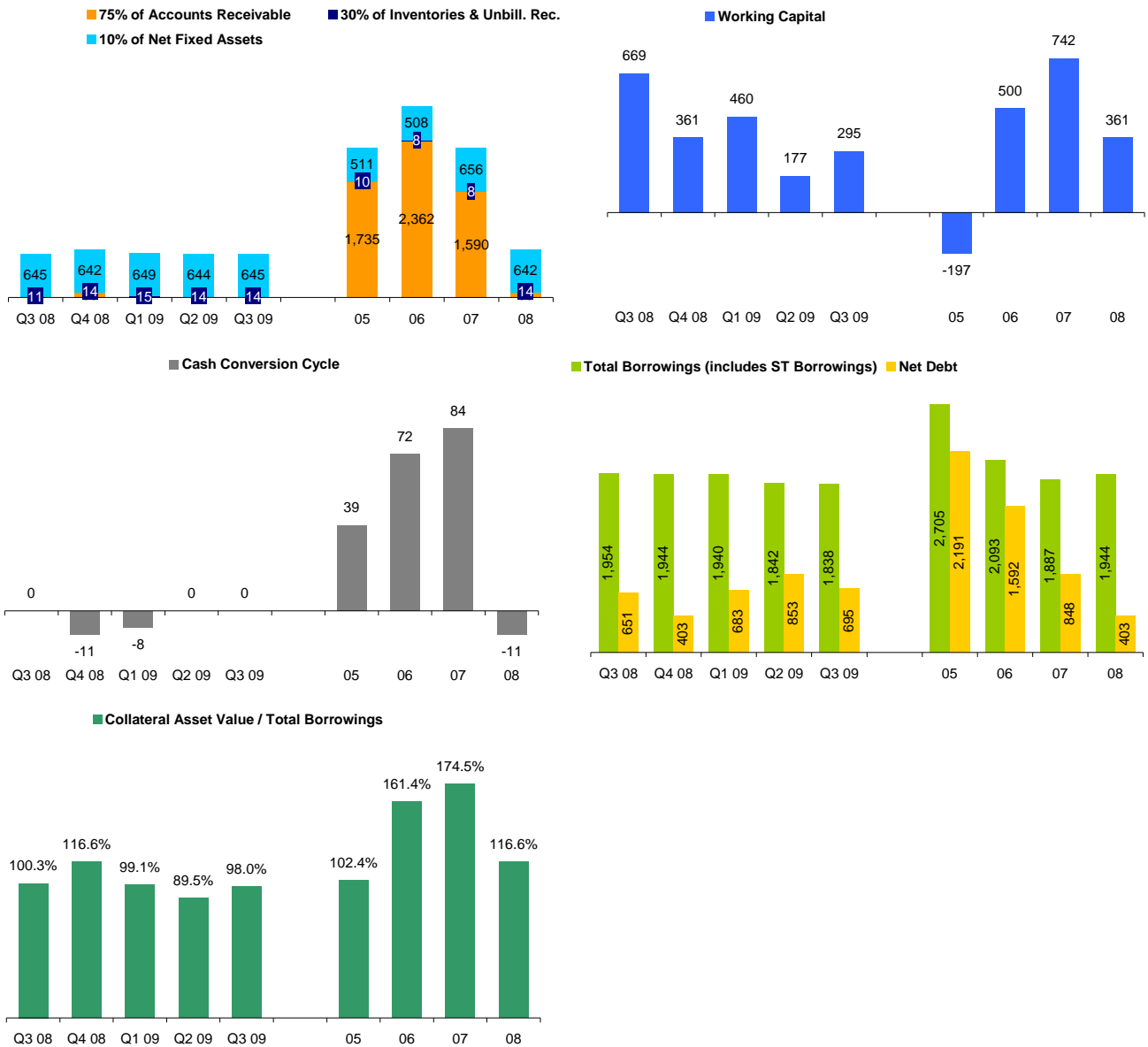
The approximation we use to calculate a company's total **Collateral (Liquidation) Asset Value** (for an asset based liquidation scenario) is calculated as the sum of Cash plus Marketable Securities / Short-Term Investments plus assets with the following valuation rates applied:

75% of stated Accounts Receivable

30% of stated Inventory

10% of stated Net Fixed Assets.

Although we acknowledge that some industries and individual situations demand clearly different assumptions we nevertheless think this is a useful approximation across all industries covered, if only as a starting point for further individual in-depth analysis.

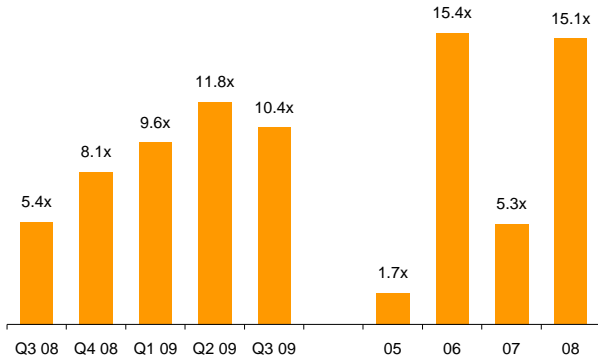


COVERAGE RATIOS	BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
						09/30/09				12/31/08
TTM EBITDA / TOTAL INTEREST		5.4x	8.1x	9.6x	11.8x	10.4x	1.7x	15.4x	5.3x	15.1x
TTM EBITDAR / TOTAL INTEREST+RENT		-	-	-	-	-	-	-	-	-
TTM EBITDA-CAPEX / TOTAL INTEREST		-	5.5x	6.5x	7.5x	6.9x	0.9x	11.4x	3.9x	10.3x
TTM EBITDAR-CAPEX / TOTAL INTEREST+RENT		-	-	-	-	-	-	-	-	-

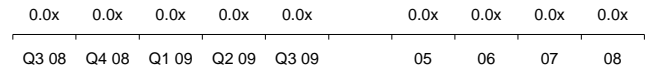
explanations and definitions:

TTM TOTAL INTEREST: For all coverage ratio calculations we use the Total Interest figure which in addition to Interest Expense also includes Capitalized Interest Expenses. We think this gives a better view of the economic reality than the simple Interest Expense figure.

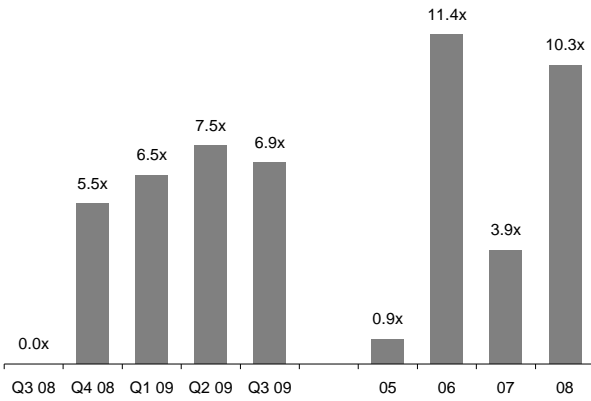
TTM EBITDA / TOTAL INTEREST



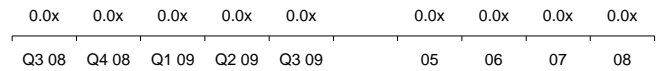
TTM EBITDAR / TOTAL INTEREST+RENT



TTM EBITDA-CAPEX / TOTAL INTEREST



TTM EBITDAR-CAPEX / TOTAL INTEREST+RENT

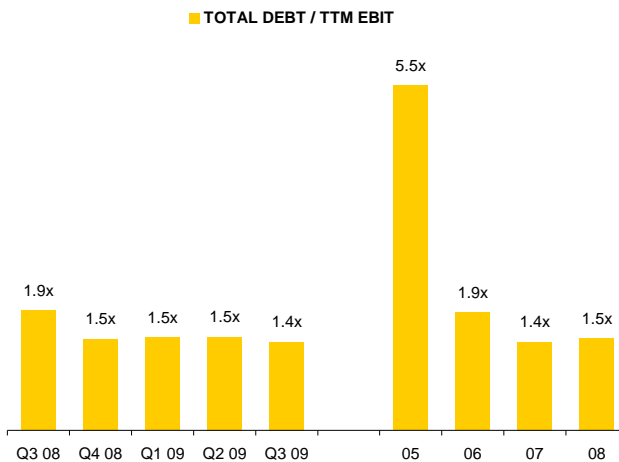
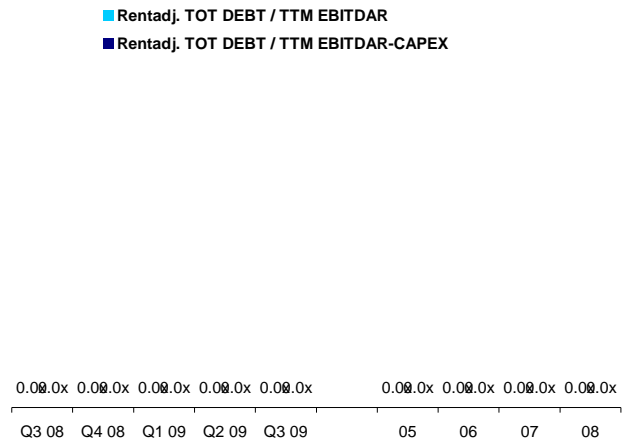
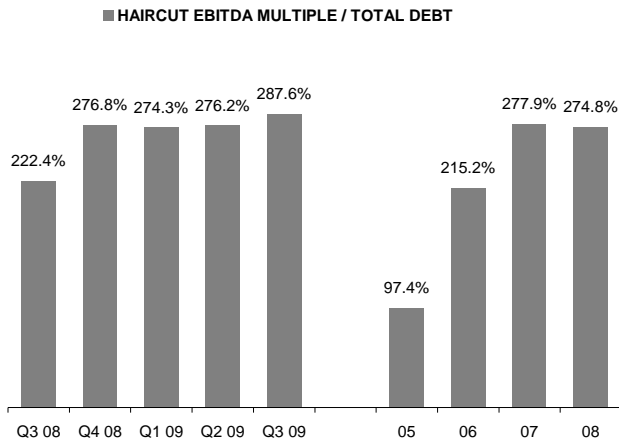
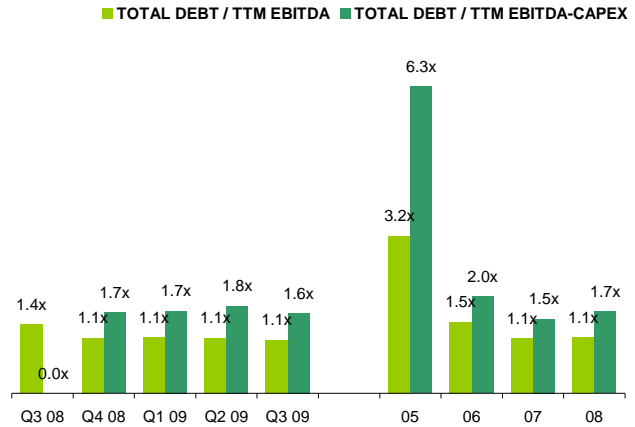
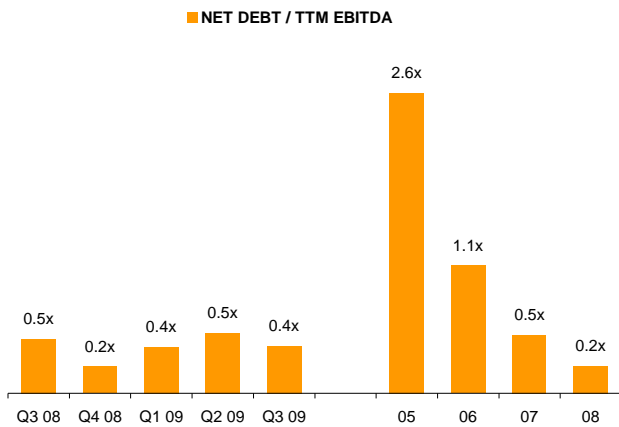


BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
NET DEBT / TTM EBITDA	0.5x	0.2x	0.4x	0.5x	0.4x	2.6x	1.1x	0.5x	0.2x
TOTAL DEBT / TTM EBITDA	1.4x	1.1x	1.1x	1.1x	1.1x	3.2x	1.5x	1.1x	1.1x
TOTAL DEBT / TTM EBITDA-CAPEX		1.7x	1.7x	1.8x	1.6x	6.3x	2.0x	1.5x	1.7x
Rentadj. TOT DEBT / TTM EBITDAR									
Rentadj. TOT DEBT / TTM EBITDAR-CAPEX									
HAIRCUT EBITDA MULTIPLE / TOTAL DEBT	222.4%	276.8%	274.3%	276.2%	287.6%	97.4%	215.2%	277.9%	274.8%
TOTAL DEBT / TTM EBIT	1.9x	1.5x	1.5x	1.5x	1.4x	5.5x	1.9x	1.4x	1.5x

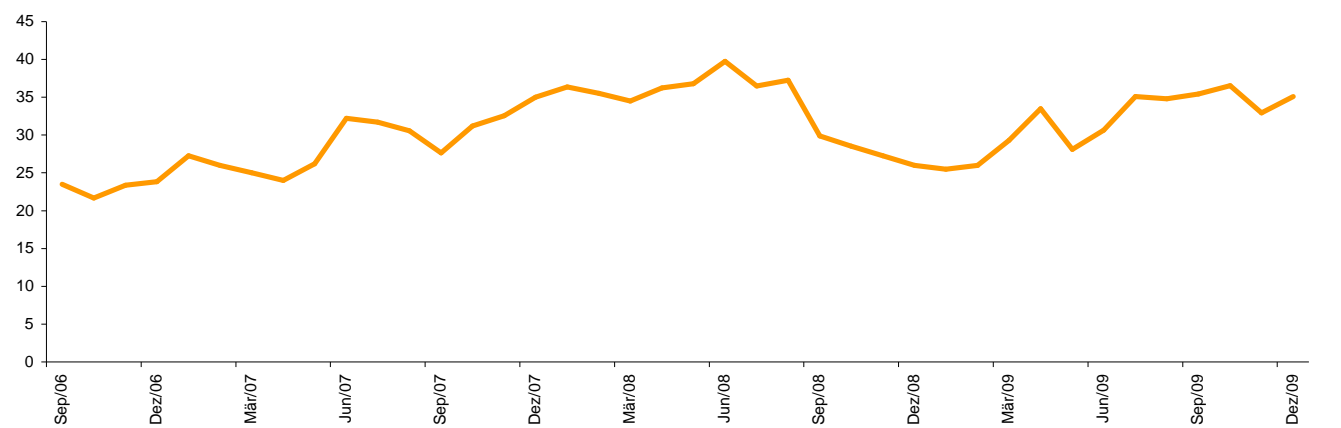
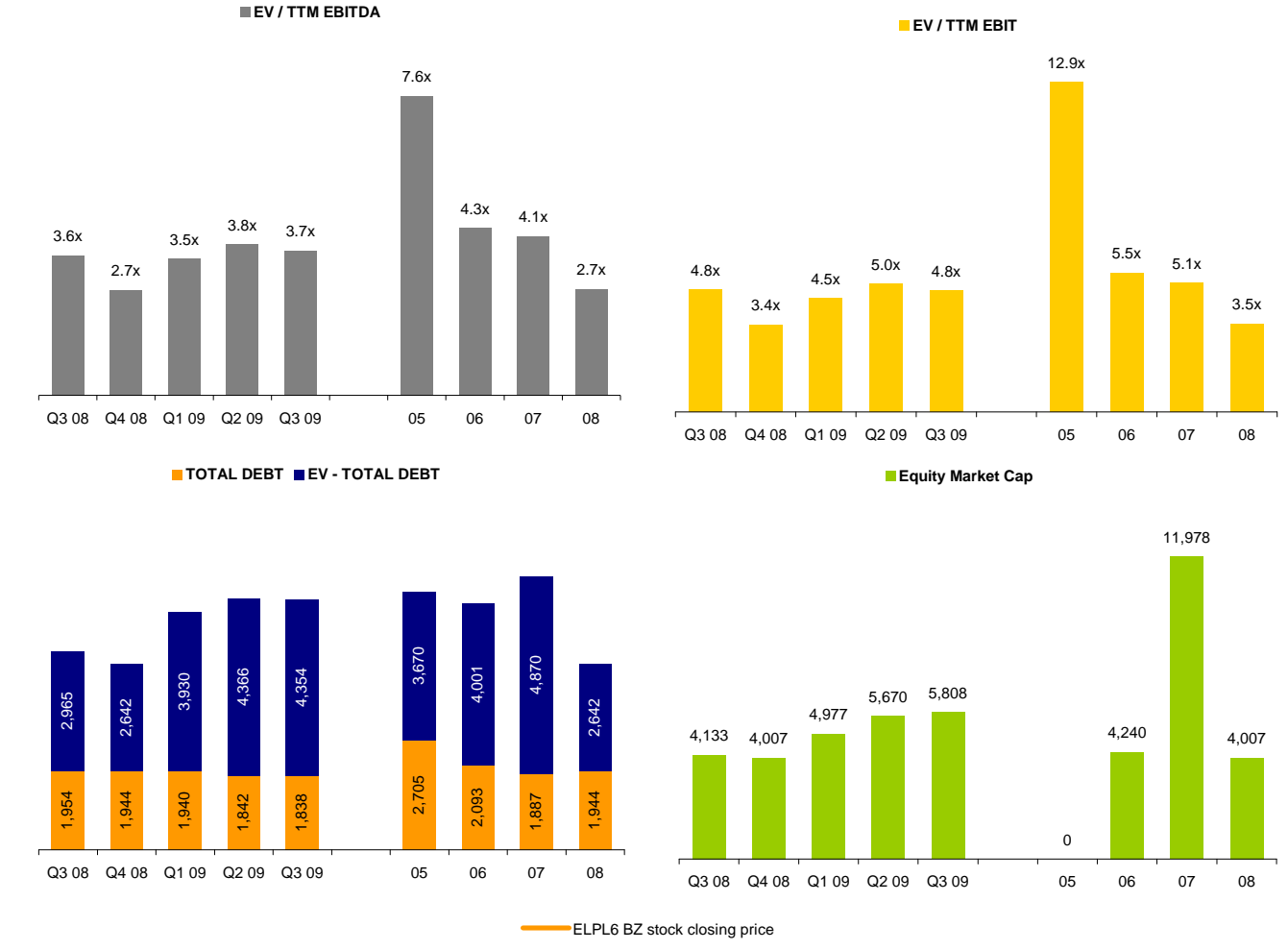
explanations and definitions:

Rent adj. Total Debt/TTM EBITDAR: This ratio is calculated by dividing the Rent Adjusted Total Debt figure (Total Debt plus 8 times TTM Rental Expenses) by EBITDAR (TTM EBITDA plus TTM Rental Expenses).

HAIRCUT EBITDA MULTIPLE / TOTAL DEBT: We adjust TTM EBITDA to 70% of its stated value, multiply the result with 4.5 as an assumed exit multiple and relate the resulting figure (the haircut EBITDA multiple) to the TOTAL DEBT number. This ratio should reflect the situation of an issuer's liquidation, whereby the assets can be sold at a reduced EBITDA multiple.



BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
EV / TTM EBITDA	3.6x	2.7x	3.5x	3.8x	3.7x	7.6x	4.3x	4.1x	2.7x
EV / TTM EBIT	4.8x	3.4x	4.5x	5.0x	4.8x	12.9x	5.5x	5.1x	3.5x
Enterprise Value	4,918	4,586	5,870	6,208	6,192	6,375	6,094	6,756	4,586
TOTAL DEBT	1,954	1,944	1,940	1,842	1,838	2,705	2,093	1,887	1,944
Equity Market Cap	4,133	4,007	4,977	5,670	5,808		4,240	11,978	4,007



BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
Adjusted Cap Rate	14.78%	20.33%	0	13.97%	14.65%	5.25%	12.15%	13.05%	19.12%
Tangible Capital	3,904	3,444	3,943	4,281	4,042	4,067	3,577	4,101	3,444
Total Intangibles	199	257	185	173	166	80	211	68	257
Pre-tax ROIC	26.2%	38.9%	33.3%	28.9%	32.2%	12.1%	31.2%	32.5%	38.5%
After-tax ROIC (effective tax rate)	17.3%	27.1%	21.9%	18.9%	21.2%	-25.2%	16.1%	20.4%	25.9%
After-tax ROIC (assumed tax rate)	17.0%	25.3%	21.7%	18.8%	20.9%	7.9%	20.3%	21.1%	25.0%
WACD (Pre-tax)	13.0%	10.9%	9.0%	7.4%	8.8%	18.5%	4.4%	16.6%	5.8%

explanations and definitions:

Adjusted Cap Rate: This ratio shows EBIT reduced by an assumed tax rate of 35% and adjusted for Net Non-Operating and Extraordinary Losses (Gains) - averaged over the last 5 years - divided by the Enterprise Value.

Tangible Capital: Starting with the Total Book Capital the Tangible Capital figure is calculated by subtracting Intangibles, Cash and Marketable Securities as well as Short Term Investments.

We calculate three different ROIC (Return on Invested Capital) figures:

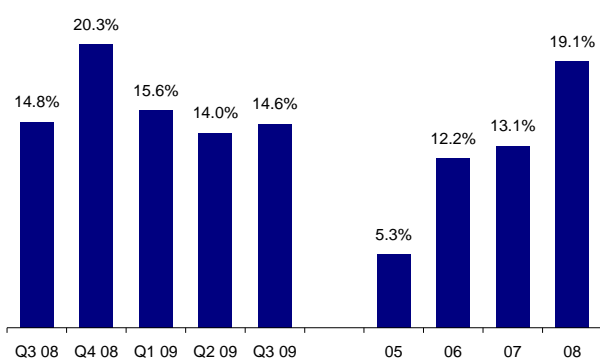
Pre-Tax ROIC: this ratio relates the trailing twelve months (TTM) EBIT to Tangible Capital as defined above.

After-tax ROIC (effective tax rate): here EBIT is corrected by the company's effective tax rate as stated in it's latest financials, giving an after-tax ROIC rate.

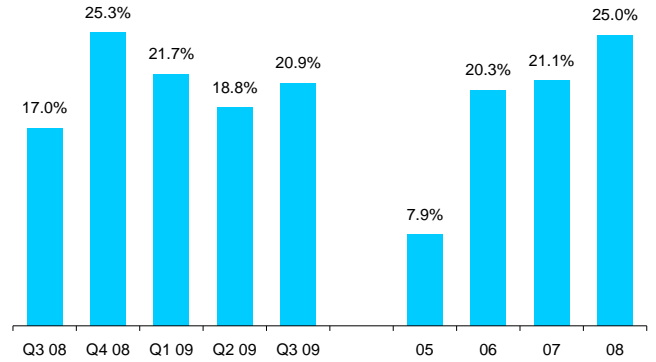
After-tax ROIC (assumed tax rate): here EBIT is corrected by an assumed tax rate of 35%, giving a modified after-tax ROIC rate.

WACD (Pre-Tax): This rate is defined as trailing twelve months (TTM) TOTAL INTEREST EXPENSE divided by Total Borrowings.

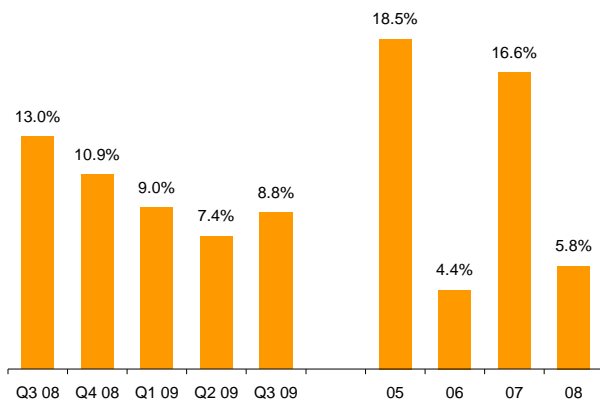
■ Adjusted Cap Rate



■ After-tax ROIC (assumed tax rate)



■ WACD (Pre-tax)



Average Bond Spread (in BPoints (1))	503
Estimated Bond Recovery Rate (2)	100.0%
Resulting Tolerable Default Rate (3)	NM

explanations and definitions:

We calculate estimated default and recovery rates to be used in other credit models (f.i. for the valuation of CDOs or similar structures) as follows:

(1) **Average Bond Spread:** Average Spread of all bonds listed on page 2 of this report.

(2) **Estimated Bond Recovery Rate:** To calculate this rate we first divide the total debt amount into bond debt and loan debt that is senior to bond debt. As an approximation for the total amount of bond debt we use the sum of the amounts outstanding of all bonds listed on page 1 of this report. The total debt figure is reduced by this sum, giving us an approximate figure for debt that is senior to bond debt. We then calculate a collateral asset coverage figure for the bond debt by starting with the Collateral Asset Value (as defined on page 5 of this report) which we reduce by the amount of senior debt ahead of the bonds. The remaining Collateral Asset Value is then divided by the approximate bond debt amount as defined above, giving an estimated recovery value on a collateral asset basis. We apply the same logic to an EBITDA multiple ratio (as on page 7 of this report) and get a second recovery estimate based on the EBITDA multiple. The higher of the 2 estimates is used as the "Estimated Bond Recovery Rate".

(3) **Resulting Tolerable Default Rate:** The implied default rate calculated using the Market Spread (1) and the Estimated Recovery Rate (2). With the given Market Spread and Estimated Recovery Rate it defines the maximum tolerable default probability for the risk premium paid in the form of Spread. Please note: This rate will only be displayed when it is greater than 0% and lower than 30% as we believe it is not meaningful ('NM') out of this range.

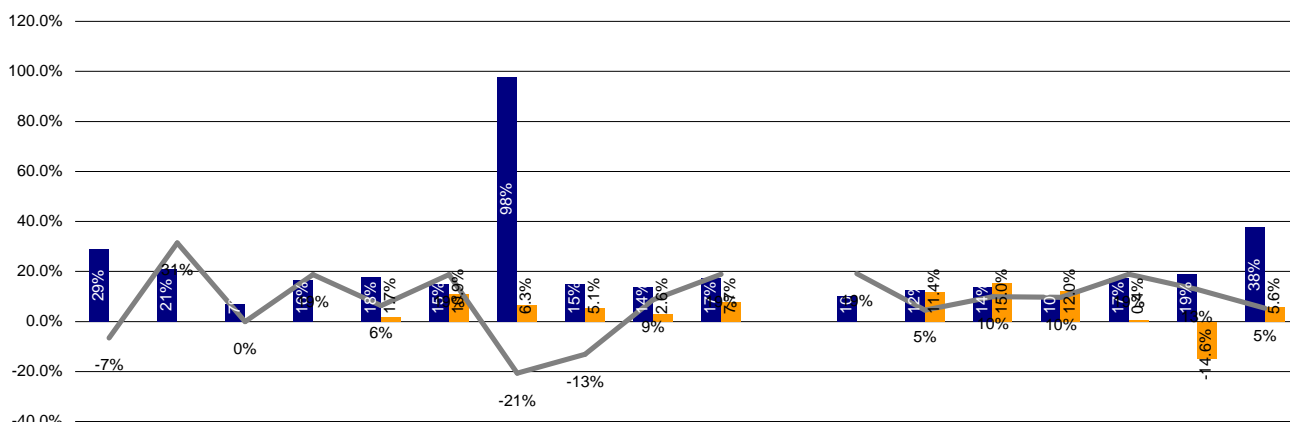
Although we acknowledge that the calculated results are by no means exact, we think they make for a good estimate in the valuation of credit structures when individual default and recovery rates for single issuers are to be used.

BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
Total Assets	12,357	12,556	12,327	12,091	12,292	11,090	11,211	12,153	12,556
Total Liabilities	8,905	9,258	8,881	8,491	8,779	9,135	9,015	8,831	9,258
Total Intangibles	199	257	185	173	166	80	211	68	257
Tangible Net Worth	3,253	3,042	3,261	3,428	3,347	1,875	1,985	3,254	3,042
Rent Debt (8x Annual Rental Expense)									
Underfunded Pension & Post Ret. Liab.									
Discount on Hard Assets	5,830	5,836	5,878	5,830	5,838	5,205	5,378	6,449	5,836
Adjusted Tangible Net Worth	-2,577	-2,794	-2,617	-2,402	-2,491	-3,330	-3,392	-3,195	-2,794

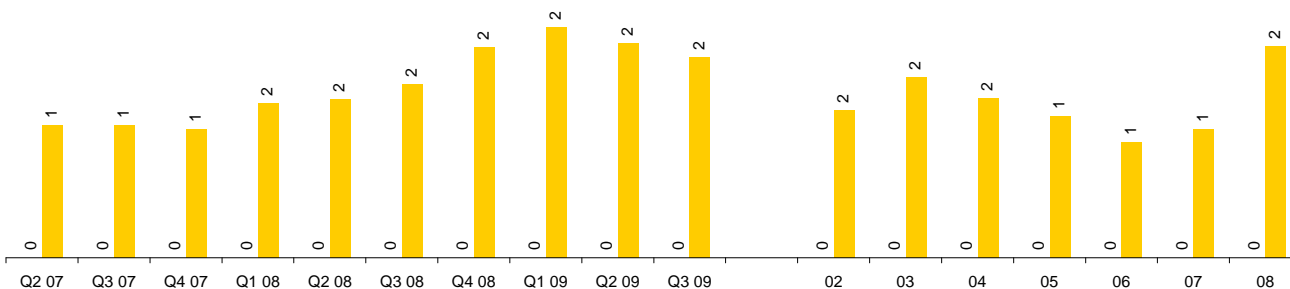
BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
(CFO-Net Income)/Revenues	18.8%	-20.6%	-13.1%	8.7%	18.9%	9.6%	18.9%	12.9%	5.4%
yoy Revenue Growth	10.9%	6.3%	5.1%	2.6%	7.7%	12.0%	0.4%	-14.6%	5.6%
Gross Margin	14.6%	97.8%	14.6%	13.6%	17.2%	10.0%	17.2%	18.7%	37.6%
Days Sales Outstanding	0	4	0	0	0	102	138	109	4
Days Sales of Inventory	2	2	2	2	2	1	1	1	2
Soft Assets	2,705	4,317	3,685	3,805	2,920	2,159	516	687	4,317
Unbilled Receivables	-	-	-	-	-	-	-	-	-
Deferred / Unearned Revenue	0.7	-	0.0	0.0	0.0	18.9	8.9	10.3	-
Allowance for Doubtful Accounts	-	-	-	-	-	-	-	-	-
TTM Dividends Paid	-	585	585	733	672	-	4	-	585
TTM Preferred Dividends	-	-	-	-	0	-	-	0	0
Net Change in Capital Stock	0	0	0	0	0	0	0	0	0
Non-Capex CFI (CFI less Capex)	5	19	-2	6	4		65		84

ACCOUNTING RED FLAGS

Gross Margin yoy Revenue Growth (CFO-Net Income)/Revenues



Days Sales Outstanding Days Sales of Inventory



Auditor Information:	
Current auditor	ERNST & YOUNG AUDITORES INDEPE (as of 17.2.2009)
Auditor's opinion	Unqualified
Auditor's opinion - Definitions	
Not Audited / Unaudited	No tests were performed to verify amounts in financial statements. Typically applied to interim statement.
Partially audited	Not all statements were audited. Auditor may specifically give opinion on one or two statements.
Unqualified	Auditor declares, without reservation, that the financial statements fairly represent the company's financial position at a point in time and that the statements conform in all material respects to GAAP.
Qualified: Limited Scope	An aspect of the company's financial statements could not be verified, such as a portion of inventory not counted.
Qualified: Inconsistent Standards	Accounting standards were not applied consistently between periods.
Qualified: not GAAP	Standard accounting principles for the country were not followed. Typically related to a unique line item and uses the phrase 'except for.'
Qualified: uncertainty	Doubt exists related to a material balance sheet item, such as value of investment or collectability of major receivable; or auditor doubts going concern ability of company. This opinion usually employs the phrase 'subject to.'
Disclaimer	Auditor refuses to state opinion on financial statements, typically due to lack of sufficient documentation provided by company and/or subsidiaries.

Quarterly Report (Form Type 10-Q)

end of period

Annual Report (Form Type 10-K)

end of period

Special Events & Material News (Form Type 8-K)

filing date

Prospectus (Form Type 42..)

filing date



On a long enough timeline
the survival rate for
everyone drops to zero.

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