



Escelsa Announces Third Quarter Results of 2004

Vitória, Espírito Santo, September 30, 2004 – Espírito Santo Centrais Elétricas S.A. (ESCELSA), announces the results for the third quarter ended September 30, 2004. The consolidated results include Magistra Participações S.A., TV a Cabo Vitória S.A. (TVIX) and Escelsa Participações S.A. (ESCELSADA).

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Introduction	3
Performance	4
Market - Energy Requirements and Energy Sold	5
Market - Customer Profiles and Number of Customers	6
Market - Performance Indicators	7
Economic-Financial Aspects - Non-recurring Events	8
Economic-Financial Aspects - Service Result and Operating Revenue	10
Economic-Financial Aspects - Purchased Energy and Operating Costs	11
Economic-Financial Aspects - Financial Result	12
Economic-Financial Aspects - 3Q04 Result and Available Resources	13
Economic-Financial Aspects - Loans and Financing	14
Economic-Financial Aspects - Debt Maturity Schedule	15
Balance Sheets	16
Statements of Cash Flow	19
Unconsolidated Statements of Income by Quarter	20

Introduction

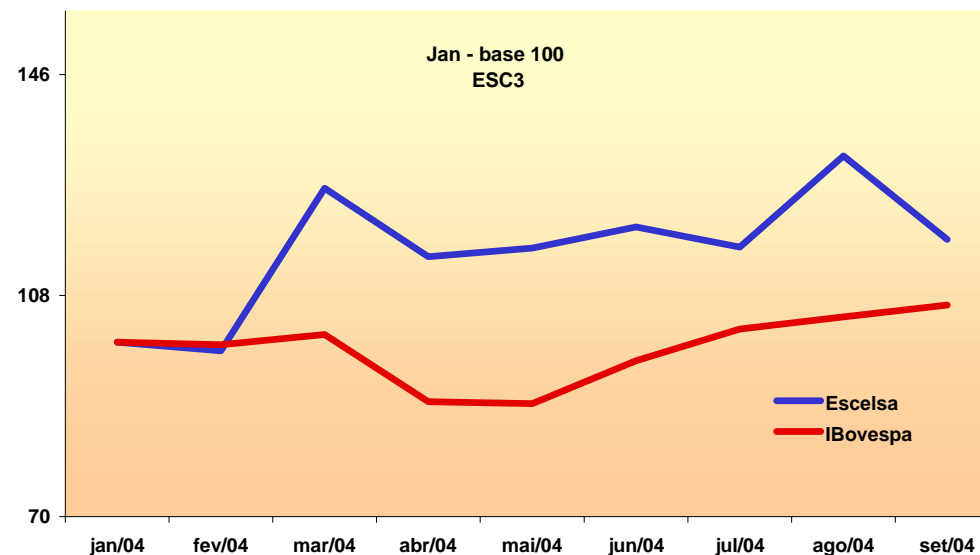
ESCELSA is a publicly held corporation controlled by the EDP Group (Eletricidade de Portugal S.A.), through IVEN S.A. ESCELSA's corporate purpose is the production, transmission, distribution and marketing of electrical energy, through a federal concession. The Company's activities are regulated by ANEEL (the National Electrical Energy Agency), connected to the Ministry of Mining and Energy.

ESCELSA's activities in the state of Espírito Santo cover 70 of the 78 municipalities within the 41,372 km² of its concession area, representing 90% of the total area of the state.

ESCELSA is also the majority stakeholder in the following companies:

- MAGISTRA PARTICIPAÇÕES S.A, which has majority control of EMPRESA ENERGÉTICA DE MATO GROSSO DO SUL S.A. - ENERSUL (the company granted a concession to provide electric generation, transmission and distribution services in the state of Mato Grosso do Sul) and holds 100% of CASTELO ENERGÉTICA S.A. - CESA (a company which engages in activities related to hydroelectric resources, thermal generation and the exploration of transmission lines).
- TV A CABO VITÓRIA S.A. - TVIX, which is currently not operating, but engaged in activities related to pay-TV and related services for residential communities in the municipalities of Vitória and Vila Velha, in the state of Espírito Santo.
- ESCELSA PARTICIPAÇÕES S.A. – ESCELSAPAR, a company that provides various information technology services.

Share Performance



Performance

	PARENT COMPANY			CONSOLIDATED		
	Third Quarter 2004	Third Quarter 2003	First Half 2003	Third Quarter 2004	Third Quarter 2003	First Half 2003
FINANCIAL INFORMATION (In thousands of reais)						
Gross operating revenues	1.077.596	963.060	745.646	1.756.718	1.503.545	1.198.484
Net operating revenues	728.851	671.043	496.654	1.241.645	1.079.170	829.244
Income from operations	94.547	85.555	82.239	209.992	153.791	152.843
Loss for the period	47.504	167.327	(33.484)	47.504	167.327	(33.484)
EBITDA(1)	140.061	129.706	112.506	310.132	240.774	219.673
Total Assets (*)	2.742.099	2.586.126	2.668.437	3.736.135	3.495.900	3.619.411
Shareholders' equity	405.432	390.349	324.445	405.433	390.349	324.445
Shares outstanding (number)	4.550.833	4.550.833	4.550.833	-	-	-
Book value per share (Reais)	89	85,78	71	-	-	-
Common stock price per share (Reais)	80	54,00	81	-	-	-
Market capitalization	364.067	245.745	370.665	-	-	-
INDICATORS						
Operating margin (%)	12,97%	12,75%	16,56%	16,91%	14,25%	18,43%
EBITDA margin (%)	19,22%	19,33%	22,65%	24,98%	22,31%	26,49%
Personnel expenses plus third party services/net oper.revenues (%)	11,89%	11,21%	11,31%	12,90%	12,97%	12,34%
Energy losses (%) (**)	12,87	11,92	0,12	-	-	-
DEC-Equivalent Outage Duration per Customer (hours) (**)	11,19	11,46	11,27	-	-	-
FEC- Equivalent Outage Frequency per Customer (number) (**)	9,69	9,41	10,26	-	-	-
TMA-Average Service Response Time (minutes) (**)	136	120	136	-	-	-
Number of customers per employee (**)	787	721	758	732	682	713
MARKET (**)						
Maximum demand - MWh/h	1.211,84	1.199	1.145	-	-	-
Energy Sales - MWh	4.177.167	4.412.902	2.799.662	6.298.519	6.500.739	4.236.190
Energy Distribution - MWh	5.342.267	5.383.587	3.554.943	7.594.412	7.502.524	5.072.803
Number of customers	979.610	964.860	978.167	1.611.253	1.574.370	1.603.848
HUMAN RESOURCES						
Number of employees (**)	1.244	1.338	1.290	2.201	2.310	2.248
Number of trainees (**)	35	45	35	66	63	72
Personnel expenses (thousands of reais)	56.971	51.428	37.166	103.503	92.417	67.800
Personnel expenses plus third party services (thousands of reais)	86.660	75.192	56.192	160.183	139.966	102.340

(1) EBITDA=Income from operations plus depreciation and amortization

(*) The Balance in the 1st Quarter of 2003 was reclassified in order to reach the same standard of comparison

(**) Unaudited

(***) Reclassified

Market

Energy Requirements

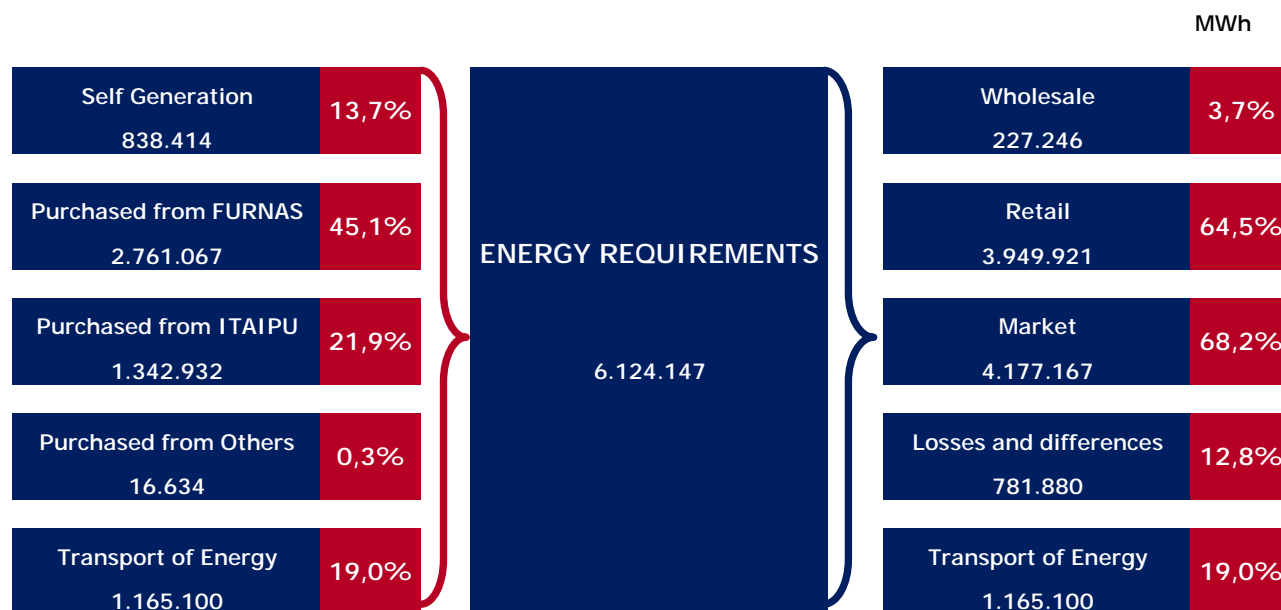
The energy requirements of the ESCELSA system were 4,959,048 MWh (consumer energy load), representing a decrease of 3.45% compared to the previous year, which had been 5,136,267 MWh.

Total energy (consumer energy load + free energy) was 6,124,147 MWh, representing an increase of 0.28% compared to the previous year, which had been 6,106,951 MWh. These figures do not include amounts of Basic Grid Losses.

To satisfy the demand of its own market, ESCELSA used 838,414 MWh of its own generation and 4,120,633 MWh purchased from other companies.

Maximum system demand in 2004 was 1,212 MWh/h,

Energy Sold



MWh

	PARENT COMPANY			CONSOLIDATED		
	First Half 2004		% Change	First Half 2004		% Change
	2004	2003		2004	2003	
Retail:						
Residential	894.114	908.410	-1,6%	1.568.536	1.554.245	0,9%
Industrial	1.853.230	2.042.274	-9,3%	2.292.885	2.528.101	-9,3%
Commercial	576.120	563.400	2,3%	1.006.191	967.081	4,0%
Rural	246.391	288.759	-14,7%	479.149	504.543	-5,0%
Other	380.067	374.767	1,4%	714.152	688.801	3,7%
	3.949.921	4.177.610	-5,5%	6.060.913	6.242.770	-2,9%
Wholesale	227.246	235.292	-3,4%	237.606	257.969	-7,9%
TOTAL	4.177.167	4.412.902	-5,3%	6.298.519	6.500.739	-3,1%
Free Customers	1.165.100	970.685	20,0%	1.295.894	1.001.785	29,4%
Energy Distbd.	5.342.267	5.383.587	-0,8%	7.594.413	7.502.524	1,2%

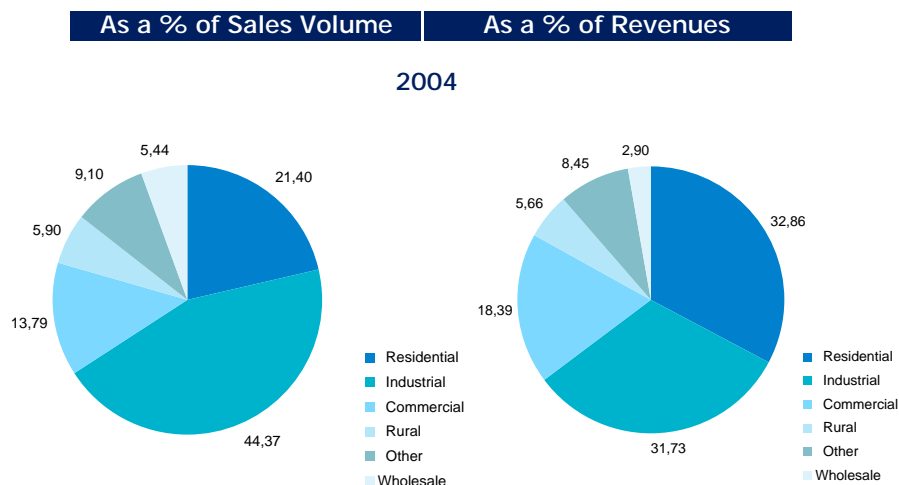
Energy sold in the third quarter of 2004 was 4,177,167 MWh, while sales during the same period last year reached 4,412,902 MWh, thus representing a decrease of 5.3%.

This decrease, in the residential sector, was due to reduced consumption as the result of climactic conditions in the concession area, where average temperatures were milder than normal. This decrease in the rural sector was due to heavy rains that reduced irrigation activities.

In the industrial sector, this decrease was due to Belgo Mineira and CST seeking energy on the open market. In the absence of these customers in 2003 and 2004, the market grew 3.0% in the industrial sector, and the variation of the total market (retail + wholesale) was 0.1%. It should be noted that drops in consumption reduce retail revenues and expenses related to purchasing energy, and are offset by an increase in revenues from the use of the distribution system.

Customer Profiles

There was a change in the industrial class of customers, compared to the same period in 2003, primarily due to the fact that some customers opted for other electrical energy suppliers.



	PARENT COMPANY		CONSOLIDATED	
	Third Quarter			
	2004		2003	
	%			
	As a % of Sales Volume	As a % of Revenues	As a % of Sales Volume	As a % of Revenues
Retail:				
Residential	21,40	32,86	20,59	33,31
Industrial	44,37	31,73	46,28	30,87
Commercial	13,79	18,39	12,77	18,12
Rural	5,90	5,66	6,54	6,43
Other	9,10	8,45	8,49	8,31
	94,56	97,10	94,67	97,04
Wholesale	5,44	2,90	5,33	2,96
Total	100,00	100,00	100,00	100,00

Number of Customers

At the end of the month of September 2004, the number of customers was 979,610, representing an increase of 1.5% over the same period last year.

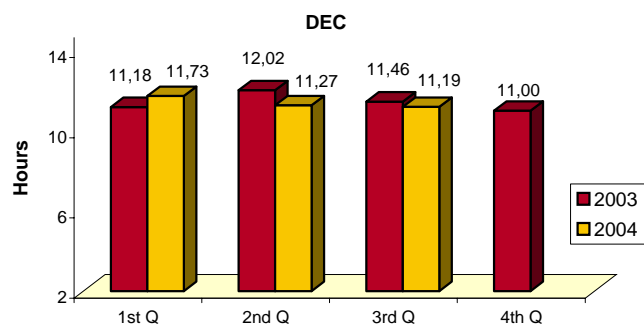
	PARENT COMPANY			CONSOLIDATED		
	Third Quarter		%	Third Quarter		%
	2004	2003	Change	2004	2003	Change
Retail:						
Residential	772.698	762.490	1,3%	1.291.415	1.262.554	2,3%
Industrial	10.591	10.672	-0,8%	15.041	15.120	-0,5%
Commercial	86.057	84.972	1,3%	140.252	137.962	1,7%
Rural	101.269	97.879	3,5%	148.608	143.255	3,7%
Other	8.993	8.845	1,7%	15.933	15.474	3,0%
	979.608	964.858	1,5%	1.611.249	1.574.365	2,3%
Wholesale	2	2	-	4	5	-20,0%
Total	979.610	964.860	1,5%	1.611.253	1.574.370	2,3%

Performance Indicators

DEC – Equivalent Outage Duration per Customer

Indicator measuring the average time that each customer remains without the supply of electrical energy.

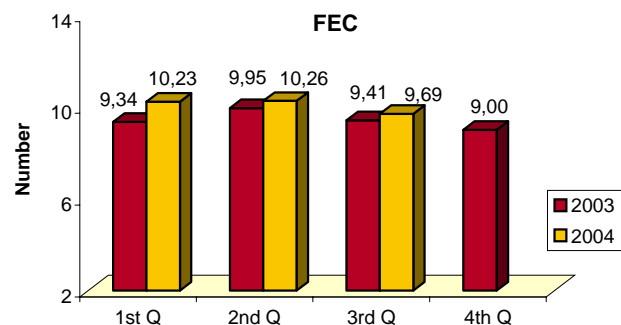
For the period ended September 30, 2004, the DEC was 11.19 hours, while the DEC for the same period last year was 11.46 hours, representing an improvement of 2.32%.



FEC - Equivalent Outage Frequency per Customer

Indicator measuring the average number, per customer, of interruptions in the supply of electrical energy.

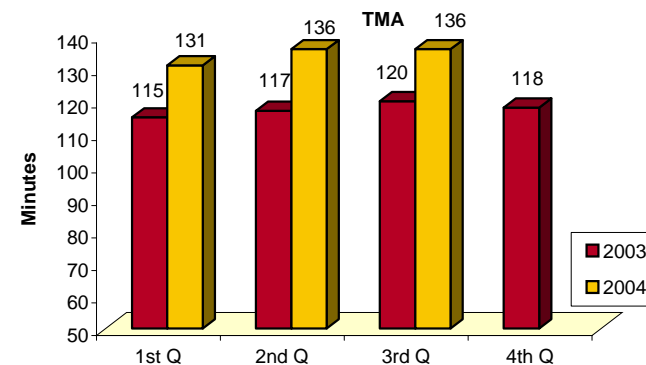
For the quarter ended September 30, 2004, the FEC was 9.69, compared to 9.41 for the same period last year, thus representing a decline of 3.03%.



TMA – Average Service Response Time

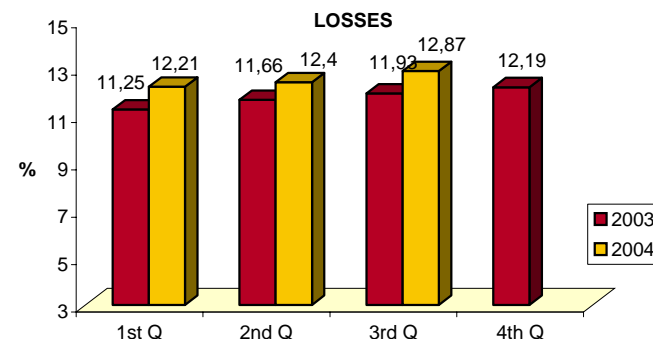
Indicator measuring the average time elapsed between the receipt of complaints regarding the interruption of service and its reestablishment.

On September 30, 2004, the TMA was 136 minutes, while the TMA for the same period last year was 120 minutes.



Energy Losses

Energy losses increased in the last twelve months, from 11.93%, at September 30, 2003, to 12.87% at September 30, 2004, representing a 9.54% increase in losses (invoiced base - MWh). The Company has been developing works to reduce losses, most notably those of a commercial origin.



Economic-Financial Aspects

Non-recurring Events

Certain non-recurring events had an impact on accounting during the quarter, as described below:

1. Tariff Review - Impact of tariff difference returned as part of 3rd Review of August 2004.

On August 6, 2004, ANEEL published Approval Resolution No. 191, of August 5, 2004, which fixed ESCELSA's tariffs for the period August 7, 2004 to August 6, 2005, with an average readjustment of 4.96%.

This readjustment rate, already deducted from 5.11%, includes ANEEL's establishment of the definitive basis of remuneration for 2001, in the amount of R\$ 796 million, which was lower than that used as the provisional amount -- R\$ 980 million -- in the 2nd tariff review that took place in August 2001. With this new basis, the readjustment at the time, which was 19.89%, ended up being 17.80%.

The difference between these two readjustment percentages was applied to the amount of energy sold between the 2nd and 3rd reviews, in the amount of R\$ 46,950 thousand, which, once corrected by the IGP-M index, ended up in the amount of R\$ 56,720 thousand.

This total represented a discount of 5.11% in the tariff repositioning, applicable from August 7, 2004 to August 6, 2005. In light of these events, ESCELSA's administration decided to immediately record the amount to be returned. The impact of this decision is presented in the table entitled Impact of Non-recurring Events on Results.

2. ICMS tax on subsidy for low-income customers

Based on Normative Opinion No. 03/2003, of November 24, 2003, issued by the State Treasury of Espírito Santo, which made the subsidy granted by the federal government to low income customers subject to the ICMS tax, the Administration decided to establish a provision for possible tax liability in the amount of R\$ 10,351 thousand, in December 2003.

On September 30, ICMS Ruling No.78/04 was published in the Official Federal Gazette, authorizing the states of Espírito Santo and Mato Grosso do Sul, among others, to exclude the ICMS tax owed on said subsidy from May 1, 2002, until February 29, 2004.

As a result, the Company wrote off the provision from December 2003.

Economic-Financial Aspects

Non-recurring Events

3. Equity Accounting

a) The results of subsidiary ENERSUL were positively impacted by the recognition of taxes in the amount of R\$ 25,575 thousand, due to the use of the provisions for the reduction of the market value of the turbine at the Campo Grande hydroelectric plant (UTE), which was sold on September 22, 2004.

Consequently, ESCELSA recognized a result under the equity accounting method related to its subsidiary (ENERSUL's parent company) in the amount of R\$ 16,788 thousand.

b) ENERSUL took identical measures with respect to the reversal of the ICMS provision on low income customers described in item 2 above, recording R\$ 4,590 thousand, and ordering the entry of a positive result for ESCELSA, under the equity accounting method, of R\$ 2,993 thousand.

IMPACT OF NON-RECURRING EVENTS ON RESULTS

GROSS OPERATING REVENUES				40.181
Retail Revenues - Reduction of Tariff Review 2001				46.950
Retail Revenues - Realization of reduction of Tariff Review 2001				-6.769
DEDUCTIONS FROM REVENUES				-3.717
Pis/Cofins				-4.343
Pis/Cofins				626
OPERATING EXPENSES				-9.064
Reversal of ICMS provision on Low Income				-9.064
SERVICE RESULT				27.400
FINANCIAL RESULT				7.256
Financial Expense - Updating of ICMS provision on Low Income				(1.287)
Financial Expense - Updating of tariff return provision				9.770
Financial Expense on installments returned as of Sept. 2004				(357)
Pis/ Cofins - tax credit on updating of tariff return provision	PIS/COFINS	9,25%		(904)
Pis/ Cofins - tax credit on returned installments				34
TAXES				#####
Provision - Tax Credit	IR/CS	34%		(17.501)
Realization of Tax Credit as of Sept. 2004	IR/CS	34%		2.199
IR/CS - Taxation of reversal of ICMS provision on low income	IR/CS	34%		3.519
EQUITY ACCOUNTING				(20.974)
Tax impact of sale of Campo Grande hydroelectric turbine				(17.981)
Impact of reversal of ICMS provision on low income				(2.993)
NEGATIVE IMPACT ON RESULTS				1.899

Economic-Financial Aspects

Service Result

At the end of the third quarter of 2004, results related to electric energy services reached R\$ 94,548 thousand, compared to R\$ 85,555 thousand for the same period last year. This result led to EBITDA of R\$ 140,061 thousand, equivalent to an EBITDA margin of 19.22%. The principal components of the service result were the following:

	PARENT COMPANY			CONSOLIDATED		
	Third Quarter		%	Third Quarter		%
	2004	2003		2004	2003	
Gross operating revenues	1.077.596	963.060	0,12	1.756.717	1.503.545	16,8%
Deductions from operating revenues:	(348.745)	(292.017)	19,4%	(515.073)	(424.375)	21,4%
Net operating revenues	728.851	671.044	8,6%	1.241.645	1.079.170	15,1%
Operating Expenses	(634.303)	(585.488)	8,3%	(1.031.655)	(925.379)	11,5%
Income from operations	94.548	85.555	10,5%	209.990	153.791	36,5%
Operating Margin - %	12,97%	12,75%	1,7%	16,91%	14,25%	18,68%
EBTIDA	140.061	129.706	8,0%	310.132	240.774	28,8%
EBITDA margin	19,22%	19,33%	-0,58%	24,98%	22,31%	11,95%

Operating Revenue

Gross operating revenues for the third quarter of 2004 were R\$ 1,077,596 thousand, representing an 11.89% increase over the same period last year. The following factors contributed to this: i) an increase in retail and wholesale revenues, which reached R\$ 57,325 thousand -- 6.5% higher than the previous year, despite negative market growth of 5.3%, offset by a tariff readjustment of 17.3% in August 2003; ii) an increase in the emergency capacity charge; iii) an increase in the tariff related to the use of the transmission and distribution system and the number of free customers, whose tariff was readjusted in August 2003, contributing to the maintenance of margins. In Non-invoiced Retail Revenues, there was a provision of R\$ 46,950 and the realization of R\$ 6,769 related to a return in a tariff difference, pursuant to ANEEL Resolution No. 191/2004. The reduction in other revenues was due to a settlement agreement signed in March 2003 with one customer for the payment of a legal claim.

Net operating revenues in the third quarter of 2004 totaled R\$ 728,851 thousand -- 8.6% higher than the same period last year. The breakdown of customers, per class, is as follows:

	PARENT COMPANY		CONSOLIDATED	
	Third Quarter			
	2004	2003	2004	2003
Retail:				
Residential	323.235	287.757	559.590	477.931
Industrial	317.162	268.328	412.711	350.528
Commercial	182.519	157.099	320.106	267.260
Rural	43.234	43.924	89.418	80.166
Other	80.106	69.606	151.206	125.573
Unbilled revenues	(32.013)	32.338	19.030	64.439
	914.244	859.052	1.552.062	1.365.897
Wholesale:				
Other distributors	21.230	19.389	23.249	22.860
Short-term	368	75	368	(688)
	21.597	19.464	23.616	22.172
Provision and Supply	935.841	878.516	1.575.678	1.388.069
Regulatory charge	53.814	34.933	76.031	49.145
Use of Distribution System	81.105	31.767	89.194	33.593
Other operating revenues	6.836	17.845	15.816	32.739
Gross operating revenues	1.077.596	963.060	1.756.719	1.503.546
(-) Operating revenues deductions	(348.745)	(292.017)	(515.073)	(424.375)
Net operating revenues	728.851	671.044	1.241.646	1.079.171

Purchased Energy

	PARENT COMPANY		CONSOLIDATED	
	Third Quarter			
	2004	2003	2004	2003
FURNAS / TRACTEBEL	141.732	172.993	141.732	172.993
ITAIPU	123.671	126.834	123.671	126.834
Other suppliers	70.242	9.180	58.452	7.351
Transport from FURNAS	6.539	5.409	6.539	5.409
Connection cost and grid	69.764	55.757	69.764	55.757
General agreement of energy sector and CVA	(2.521)	5.309	(2.521)	5.309
System Service Charges	3.215	-	3.215	-
Other	95	567	135	829
Total	412.737	376.049	400.988	374.482

The reduction in amounts related to Furnas/Tractebel was due to the fact that ESCELSA signed new contracts with other suppliers, thus achieving a 25% savings. The reduction in the amount related to Itaipu was due to ANEEL's approval of the CVA account, within 24 months, as of August 2004.

Operating Costs

Operating costs, which include expenses plus RGR quotas (global reserve for reversion quotas), reached R\$ 646,064 thousand at the end of the third quarter of 2004, compared to R\$ 597,446 thousand during the same period last year, representing an increase of 8.1%.

The Company's controlled costs decreased by 9.2%, from R\$ 169,356 thousand at September 30, 2003, to R\$ 153,708 thousand at September 30, 2004. Depreciation increased 3.1%. The principal changes were as follows:

- a) Personnel – cost increase due to the repercussions from the adjustment made in August 2003, the Company compensation policy, and the collective bargaining agreement of November 2003, comparing amount of transference of cost to investments;
- b) Materials – increase in materials for the recuperation of transformers, the purchase of meter seals, and connections, cuts and reconnections;
- c) Third-party services – increase in costs related to cuts, consumer unit inspections, reconnections, call center services, reading and delivery of billing statements, the maintenance of transmission lines and distribution network, and consulting, legal and environmental services;
- d) Provision for Contingencies – the reduction in 2004 was due, in reality, to the recording of tax contingencies in 2003;
- e) Others – the reduction in this account is due to smaller provisions for doubtful accounts, a reduction in the amount of the energy conservation program, and the reversal of the ICMS provision related to the federal subsidy for low-income customers.

The Company's non-controlled operating costs increased 15.0%, the principal of which include an increase in expenses related to purchased energy, costs of connection to the basic grid, CCC, collections for the Energy Development Account (CDE), created in 2003, and the costs of the Electrical Energy Rationing Program, included in tariffs.

	PARENT COMPANY				
	Third Quarter				
	2004		2003		Change
R\$ thousand	%	R\$ thousand	%		
Controlled Costs:					
Personnel	56.971	8,8%	51.428	8,6%	0,0%
Materials	7.108	1,1%	5.863	1,0%	0,0%
Third party services	29.689	4,6%	23.764	4,0%	0,0%
Provision for contingencies	4.723	0,7%	13.881	2,3%	0,0%
Other	9.703	1,5%	30.269	5,1%	0,0%
	108.194	16,7%	125.205	21,0%	-13,6%
Depreciation	45.513	7,0%	44.151	7,4%	0,0%
TOTAL CONTROLLED COSTS	153.708	23,8%	169.356	28,3%	-9,2%
Non-controlled costs:					
Energy purchased	412.737	63,9%	376.049	62,9%	0,0%
CCC	37.366	5,8%	32.582	5,5%	0,0%
Financial compensation	2.195	0,3%	1.884	0,3%	0,0%
ANEEL regulation charge	1.430	0,2%	1.036	0,2%	0,0%
RGR	11.760	1,8%	11.958	2,0%	0,0%
Energy Rationing Program	3.201	0,5%	-	-	-
Energy Development Account	23.666	3,7%	4.581	0	-
TOTAL NON-CONTROLLED COSTS	492.356	76,2%	428.090	71,7%	15,0%
TOTAL	646.064	100,0%	597.446	100,0%	8,1%

Financial Result

The financial result for the third quarter of 2004 was negative R\$ 104,131 thousand, compared to a positive figure of R\$ 164,639 thousand for the same period last year. The negative result for the third quarter was due to the devaluation of the Brazilian *Real* in relation to the U.S. dollar, whereas during the same period last year, the appreciation of the *Real* resulted in exchange gains. The financial result decreased as the result of lower levels of investment.

3Q04 Result

Profits of R\$ 47.504 thousand in the third quarter of 2004 were due to the positive results of the stakeholding in MAGISTRA in the amount of R\$ 57,783 thousand, as well as the reversion of provisions related to IRPJ and CSSL taxes, since there were negative bases for both of these taxes.

Available Resources

ESCELSA had available resources, at September 30, 2004, on deposit with banking institutions or invested in the financial market, in the amount of R\$ 202,095 thousand and the consolidated figure of R\$ 265,153 thousand, as shown below:

	PARENT COMPANY		CONSOLIDATED	
	Third Quarter			
	R\$ thousand	US\$ thousand	R\$ thousand	US\$ thousand
Investments in Reais:				
Cash and banks	8.869	-	55.503	-
Certificates of deposit	2.547	-	5.050	-
Investment funds	-	-	13.270	-
Others	113	-	764	-
Total investments in Reais	11.529	-	74.587	-
Investments in U.S. dollars:				
Dollar-indexed bonds - NBC's	190.566	66.664	190.566	66.664
Total investments in U.S. dollars	190.566	66.664	190.566	66.664

Loans and Financing

PARENT COMPANY						
	AVERAGE ANNUAL INTEREST RATE	AMORTIZATION		set/04		
		TYPE (*)	PERIOD MM/YY	and Other Charges	Current	Long-Term
Local Currency:						
ELETOBRAS	5,0% - 7,0%	M	05/99 to 08/07	-	1.802	12.488
BNDES	TJLP + 3,8%	M	10/99 to 10/10	703	41.856	53.817
BNDES-Perdas Racionamento	SELIC+1,0%	M	03/02 to 01/06	472	55.531	116.677
Conta Garantida e Operações Comp	CDI+1,75%,	M	11/02 to 03/05	-	29.893	-
				-	92.678	-
				-	-	-
Total Local Currency:				1.175	221.760	182.982
Foreign Currency:						
Senior Notes	10,0%+V.CAMBIA	U	7/7	25.665	-	1.231.937
BNDES	3,5%+UMBND	M	09/01 to 10/10	152	11.400	9.248
Total Foreign Currency				25.817	11.400	1.241.185
TOTAL				26.992	233.160	1.424.167

CONSOLIDATED						
	AVERAGE ANNUAL INTEREST RATE	AMORTIZATION		set/04		
		TYPE (*)	PERIOD MM/YY	Interest and Other Charges	Current	Long-Term
Local Currency:						
ELETOBRAS-ESCELSA	5,1% - 7,0%	M	05/99 to 08/07	-	1.802	12.488
ELETOBRAS - ENERSUL	6,0%-12,0%	M	12/97 to 05/22	162	10.168	34.058
BNDES - ESCELSA	TJLP + 3,8%	M	10/99 to 10/10	703	41.856	53.817
BNDES - MAGISTRA	TJLP + 4,0%	S	11/99 to 11/04	777	21.208	-
BNDES - ENERSUL	TJLP + 3,8%	M	09/01 to 02/08	189	14.094	34.059
BNDES - ENERSUL	TJLP + 4,0%	M	02/00 to 04/04	-	-	-
BNDES-Perdas Racionamento	SELIC+1,0%	M	03/02 to 12/08	795	43.049	162.495
BNDES-CVA.	SELIC+1,0%			173	40.325	33.298
BNDES-ALFA	TJLP + 4,00%	M	10/01 to 09/07	115	9.699	19.402
BNDES - CESA	TJLP + 4,5%	M	07/04 to 07/12	203	6.333	42.744
BCO BRASIL - FCO	0,112	M	11/04 to 11/13	563	2.778	27.222
CONTA GARANTIDA	DI+1,85%, 110%	M	11/02 to 12/03	-	159.723	-
FUNDAÇÃO ENERSUL	10%+INPC	M	07/98 to 11/13	100	3.739	14.857
OUTROS	0,0135	M	05/00 to 06/09	166	-	1.272
Total Local Currency:				3.946	354.774	435.712
Foreign Currency:						
SENIOR NOTES	10%+V.CAMBIAL	U	7/7	25.665	-	1.231.937
BRADESCO (*)	6,50%a6,9%	M	11/02 to 11/04	195	2.844	-
UNIBANCO (*)	2,40%-5,00%	U	3/6	126	7.826	3.913
EUROPEAN INVEST BANK	LIBOR+4,0%-5,0%	S	12/02 to 03/09	630	8.420	25.572
STN-DMLP	LIBOR+4,5%-8,2%	S	10/96 to 04/24	826	3.183	34.751
BBA FMO (*)	0,089	S	03/02 to 09/07	50	5.477	3.652
BNDES-ESCELSA	3,5%+UMBND	M	09/01 to 10/10	152	11.400	9.248
BNDES-ENERSUL	4%+UMBND	M	04/03 to 10/07	152	2.122	4.823
BNDES-CESA	4,5%+UMBND	M	07/04 to 07/12	36	965	6.593
ITAÚ-BBA (*)	0,04	U	3/5	686	42.546	-
BBV-BRADESCO (*)	0,1155	M	12/03 to 11/05	730	7.938	1.323
Total Foreign Currency:				29.248	92.721	1.321.812
Long-term						
BRADESCO (*)	11,55%	M	12/03 a 11/05	122	-	-
UNIBANCO (*)	2,4% to 5,0%	M	03/06	58	-	-
TOTAL				33.374	447.495	1.757.524

Debt Maturity Schedule

MATURITY	PARENT COMPANY			CONSOLIDATED		
	TYPE					
	Local	Foreign	Total	Local	Foreign	Total
Current						
2004	69.319	2.814	72.133	136.510	15.721	152.231
2005	152.441	8.586	161.027	218.264	77.000	295.264
	221.760	11.400	233.160	354.774	92.721	447.495
Long-Term						
2005	39.717	3.816	43.533	59.243	13.733	72.976
2006	65.192	3.290	68.482	129.106	21.386	150.492
2007	59.296	1.232.507	1.291.803	120.605	1.247.904	1.368.509
2008	5.032	571	5.603	53.711	8.407	62.118
2009	5.032	571	5.603	18.675	3.940	22.615
2010	3.664	430	4.094	17.307	3.229	20.536
2011	929	-	929	14.573	2.800	17.373
2012	929	-	929	9.822	1.831	11.653
2013	3.191	-	3.191	7.689	866	8.555
After 2013	-	-	-	4.981	17.716	22.697
	182.982	1.241.185	1.424.167	435.712	1.321.812	1.757.524
Total	404.742	1.252.585	1.657.327	790.486	1.414.533	2.205.019

Balance Sheets (In thousands of Brazilian reais)

ASSETS	PARENT COMPANY			CONSOLIDATED		
	set/04	set/03	jun/04	set/04	set/03	jun/04
CURRENT:	509.992	493.656	501.815	885.293	808.266	837.296
Cash and banks	8.869	2.302	15.798	55.503	3.794	17.193
Accounts receivable	239.815	231.865	237.150	487.403	427.978	462.098
Other accounts receivable	15.165	35.048	14.009	8.848	16.460	9.625
Deferred income and social contribution taxes	-	-	-	41.000	44.539	26.705
Taxes credits	-	-	-	7.608	-	7.608
Allowance for doubtful accounts	(21.318)	(31.062)	(21.796)	(44.822)	(46.299)	(41.908)
Material and supplies	6.375	3.182	2.666	8.222	5.109	4.628
Marketable securities	193.226	197.334	209.553	209.650	207.428	220.094
Escrow deposits	-	1.659	-	-	1.659	-
Other credits - UTE Campo Grande	-	-	-	-	49.656	45.750
Other credits	30.090	8.680	13.863	41.663	17.818	21.459
Prepaid expenses	37.770	44.647	30.572	70.218	80.124	64.044
	-	-	-	-	-	-
LONG-TERM:	533.529	473.739	503.050	977.242	832.939	924.323
Accounts receivable	141.608	191.451	138.803	240.611	276.588	243.741
Recoverable taxes	-	-	-	-	-	-
Affiliates and subsidiaries	2.794	4.075	2.012	82.497	74.318	79.643
Escrow deposits	114.091	85.370	110.082	161.473	122.510	155.003
Debt issuance costs	1.345	2.113	1.537	1.345	2.113	1.537
Deferred income and social contribution taxes	142.395	125.895	143.201	274.944	236.164	270.881
Other credits - low income consumers	-	-	-	-	3.359	-
Other credits	13.329	11.137	10.852	22.014	17.149	19.486
Prepaid expenses	117.967	53.698	96.563	194.358	100.738	154.032
	-	-	-	-	-	-
PERMANENT:	1.698.578	1.618.732	1.663.571	1.873.601	1.854.695	1.857.792
Investments	941.178	878.365	919.596	351.171	374.213	354.775
Property, plant and equipment, net	757.400	740.368	743.975	1.522.430	1.480.482	1.503.017
Deferred	-	-	-	-	-	-
	-	-	-	-	-	-
TOTAL	2.742.099	2.586.127	2.668.437	3.736.136	3.495.900	3.619.411

Balance Sheets (In thousands of Brazilian reais)

LIABILITIES AND SHAREHOLDERS' EQUITY	PARENT COMPANY			CONSOLIDATED		
	set/04	91/2003	6/31/2004	set/04	set/03	jun/04
CURRENT	542.090	380.059	475.536	913.102	672.123	816.877
Suppliers	103.535	98.535	93.529	165.641	154.940	151.401
Payroll	2.292	8.196	2.499	2.812	10.882	3.034
Accrued interest and fees	26.992	27.789	62.480	33.194	38.575	67.215
Loans and financing	233.160	178.601	193.142	447.495	346.340	386.491
Accrued taxes and social contributions	34.923	24.372	35.481	90.618	51.326	92.396
Dividends	42.041	21	42.041	42.053	33	42.053
Post retirement benefits	2.143	1.486	2.090	2.143	1.486	2.090
Accrued obligations	14.046	13.394	10.940	26.849	25.178	21.856
Regulatory charges	14.294	6.543	8.431	20.989	15.449	18.897
Provision for contingencies	-	-	-	-	-	-
Other accounts payable	68.664	21.122	24.903	81.308	27.914	31.444
					-	-
LONG - TERM	1.794.576	1.815.719	1.868.455	2.229.340	2.433.428	2.478.089
Suppliers	68.736	56.800	60.055	87.693	78.089	80.565
Interest on loans and financing	-	-	-	180	42	288
Income and social contribution taxes	-	-	-	-	-	-
Loans and financing	1.424.167	1.486.829	1.546.335	1.757.524	1.867.247	1.885.780
Post retirement benefits	30.253	28.212	30.253	30.253	28.212	30.253
Deferred income taxes	74.567	44.040	42.170	92.093	47.566	59.696
Affiliates and subsidiaries	1.040	86	103	1	152	-
Provision for contingencies	158.328	133.921	153.801	222.070	187.834	214.061
Other accounts payable	37.485	65.832	35.738	39.526	67.897	37.694
					-	-
MINORITY INTEREST	-	-	-	188.261	156.389	169.752
SHAREHOLDERS' EQUITY	405.433	390.349	324.446	405.433	390.349	324.445
Capital stock	153.947	153.947	153.947	153.947	153.947	153.947
Capital reserves	65.688	65.688	65.688	65.688	65.688	65.687
Legal reserves	8.847	-	8.846	-	-	-
Income reserves	126.061	-	126.061	134.907	-	134.908
Loss	47.504	167.327	(33.483)	47.504	167.327	(33.484)
					-	-
Credits for capital increase	3.387	3.387	3.387	3.387	3.387	3.387
					-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2.742.099	2.586.127	2.668.437	3.736.136	3.495.900	3.619.411

Balance Sheets

(In thousands of Brazilian reais, except income per share)

STATEMENTS OF INCOME	PARENT COMPANY			CONSOLIDATED		
	set/04	set/03	jun/04	set/04	set/03	jun/04
OPERATING REVENUES:	1.077.596	963.060	745.646	1.756.718	1.503.545	1.198.484
Electricity sales to final customers	914.244	859.051	645.606	1.552.060	1.365.896	1.071.425
Contingency fee	53.814	34.933	36.502	76.031	49.145	51.890
Electricity sales to distributors	21.597	19.464	14.310	23.616	22.172	16.187
Use of transmission and distribution system	81.105	31.767	45.285	89.193	33.588	49.089
Other revenues	6.836	17.845	3.942	15.818	32.744	9.893
Deductions from operating revenues:	(348.745)	(292.017)	(248.992)	(515.073)	(424.375)	(369.240)
State value-added taxes - ICMS	(251.555)	(208.318)	(167.977)	(363.337)	(295.778)	(240.976)
PIS and COFINS tax	(31.610)	(36.772)	(36.666)	(53.048)	(57.892)	(61.255)
Global reserve for reversion quota - RGR	(11.760)	(11.958)	(7.843)	(22.541)	(21.096)	(15.050)
Contingency fee	(53.814)	(34.933)	(36.502)	(76.031)	(49.145)	(51.890)
Tax on services (ISSQN)	(6)	(36)	(4)	(116)	(464)	(69)
Net operating revenues	728.851	671.043	496.654	1.241.645	1.079.170	829.244
OPERATING EXPENSES:	(634.304)	(585.488)	(414.415)	(1.031.653)	(925.379)	(676.401)
Electricity purchased for resale	(412.736)	(376.049)	(265.845)	(625.393)	(558.122)	(406.184)
Depreciation and amortization	(45.514)	(44.151)	(30.267)	(100.142)	(86.983)	(66.830)
Personnel	(56.971)	(51.428)	(37.166)	(103.503)	(92.417)	(67.800)
Material	(7.108)	(5.863)	(4.807)	(14.247)	(14.735)	(11.008)
Third-party services	(29.689)	(23.764)	(19.026)	(56.680)	(47.549)	(34.540)
Fuel usage quota - CCC	(37.366)	(32.582)	(21.387)	(53.714)	(49.209)	(32.020)
Provision for contingencies	(4.723)	(13.881)	(3.854)	(7.541)	(22.748)	(6.794)
Other	(40.197)	(37.771)	(32.063)	(70.433)	(53.616)	(51.225)
INCOME FROM OPERATIONS	94.547	85.555	82.239	209.992	153.791	152.843
EQUITY IN SUBSIDIARIES	57.783	13.327	19.122	-	-	-
FINANCIAL REVENUES:	64.573	97.875	59.820	106.360	157.065	87.334
Income from temporary cash investments	13.390	38.275	24.508	22.596	49.469	30.485
Increase in overdue collections	14.767	12.546	10.164	25.249	21.557	17.517
Hedge	-	(2.176)	-	-	(2.176)	-
Regulatory assets - SELIC	35.213	37.198	24.014	51.267	71.131	32.064
Other	1.203	12.032	1.134	7.248	17.084	7.268
FINANCIAL EXPENSES:	(168.704)	66.764	(213.630)	(220.817)	2.539	(256.614)
Monetary variation - electricity purchase	(1.464)	(18.906)	(128)	(1.464)	(19.220)	(128)
Monetary and exchange variation on loans and financing	14.197	265.299	(99.009)	11.600	275.788	(107.172)
Interest on loans and financing	(147.876)	(146.063)	(95.683)	(189.876)	(206.188)	(121.907)
Other	(33.561)	(33.566)	(18.809)	(41.077)	(47.841)	(27.407)
FINANCIAL RESULTS	(104.131)	164.639	(153.809)	(114.457)	159.604	(169.280)
OPERATING PROFIT (LOSS)	48.199	263.520	(52.449)	95.535	313.395	(16.437)
NON-OPERATING REVENUES	798	540	474	2.660	708	1.614
NON-OPERATING EXPENSES	(495)	(3.651)	(342)	(11.015)	(26.881)	(6.461)
NON-OPERATING INCOME (LOSS), NET	303	(3.111)	132	(8.355)	(26.173)	(4.847)
INCOME (LOSS) BEFORE TAXES	48.502	260.409	(52.317)	87.180	287.222	(21.284)
Social contribution	230	(23.488)	5.428	(2.341)	(30.454)	(177)
Income tax	(1.228)	(69.594)	13.405	(10.685)	(89.977)	(4.320)
INCOME (LOSS) AFTER TAXES	(998)	(93.082)	18.833	(13.026)	(120.431)	(4.497)
MINORITY SHARE IN PROFIT	-	-	-	(26.650)	536	(7.703)
NET INCOME (LOSS) FOR THE PERIOD	47.504	167.327	(33.484)	47.504	167.327	(33.484)
Net Income(loss) per share - R\$	10,44	36,77	(7,36)	-	-	-

Statements of Cash Flow

(In thousands of Brazilian reais)

	PARENT COMPANY			CONSOLIDATED		
	set/04	set/03	jun/04	set/04	set/03	jun/04
Net Income(loss) for the period	47.504	167.327	(33.484)	47.504	167.327	(33.484)
Adjustments to reconcile income to cash from operating activities:						
Operating activities:	6.506	(180.943)	94.138	105.750	(123.507)	139.431
Long term interest and monetary and exchange variation	(22.077)	(265.962)	89.156	(42.368)	(285.862)	83.244
Equity in subsidiaries	(57.783)	(13.326)	(19.122)	-	-	-
Depreciation and amortization	45.514	44.151	30.267	100.142	86.904	66.830
Disposal of property, plant and equipment	1.898	1.624	1.547	5.138	6.558	2.645
Sale of UTE Campo Grande	-	-	-	9.345	19.794	5.429
Provision for contingencies	16.180	6.852	11.653	25.409	21.068	17.400
Regulatory assets	-	-	-	-	(22.597)	-
Tariff readjustment	-	-	-	(35.678)	-	(28.254)
Tariff reduction provision	49.594	-	-	49.594	-	-
Reversal ICMS provision for low-income customers subsidy	(10.351)	-	-	(14.941)	-	-
Bonus foreign funding	576	577	384	576	577	384
Post retirement benefits	(1.428)	(556)	(1.481)	(1.428)	(556)	(1.481)
Liabilities adjustments	5.479	9.104	3.636	5.479	9.104	3.636
Deferred income taxes	(21.096)	36.593	(21.902)	(22.168)	42.851	(18.105)
Remuneration on construction work in progress	-	-	-	26.650	(1.348)	7.703
Changes in current assets and liabilities:	(7.867)	29.590	838	6.185	(35.649)	(12.391)
Accounts receivable	(4.090)	46.175	(948)	(22.793)	29.721	(7.669)
Other accounts receivable	15.292	17.106	14.171	2.432	15.394	13.025
Other credits-UTE Campo Grande	-	-	-	39.771	(43.559)	(2.063)
Other credits	(13.799)	45.666	2.816	(16.746)	42.204	3.343
Prepaid expenses	(16.066)	(44.139)	(9.193)	(23.989)	(65.874)	(17.836)
Suppliers	12.086	(6.205)	2.080	14.444	(378)	116
Accrued taxes and social contributions	3.048	(45.131)	(4.552)	14.836	(36.556)	1.670
Accrued obligations	1.154	376	(1.952)	3.050	1.923	(1.326)
Regulatory charges	7.774	1.685	5.237	9.352	2.563	7.260
Other	(13.266)	14.057	(6.821)	(14.172)	18.913	(8.911)
Change in non-current assets and liabilities:	(9.830)	76.649	(19.430)	2.637	90.568	3.353
Accounts receivable	15.037	5.194	9.162	33.554	13.458	21.454
Escrow deposits	(17.665)	(13.195)	(13.656)	(27.177)	(21.580)	(19.510)
Affiliates and subsidiaries	2.299	2.636	3.081	6.294	1.659	8.165
Prepaid expenses	(38.747)	10.326	(17.343)	(46.621)	9.616	(9.746)
Accrued taxes and social contributions	27.592	44.040	(4.805)	30.314	47.566	(2.083)
Other credits - low income	-	9.675	-	-	15.359	-
Other	1.654	17.973	4.131	6.273	24.490	5.073
Net cash provided (use in) operating activities	36.313	92.623	42.062	162.076	98.739	96.909
Investing activities:						
Additions to property, plant and equipment	(59.351)	(36.358)	(27.644)	(133.685)	(103.757)	(73.081)
Additions to investments	21.239	(117.389)	4.160	(12)	1	(4)
Additions to the Deferred account	-	-	-	-	79	-
Obligations related to the concession	5.089	5.759	2.405	17.697	13.167	8.698
Net cash used in investing activities	(33.023)	(147.988)	(21.079)	(116.000)	(90.510)	(64.387)
Financing activities:						
Loans and financing	29.286	(4.007)	203	36.312	(74.290)	(12.570)
Accrued interest and fees	(31.448)	(48.536)	4.040	(33.977)	(48.809)	152
Dividends	-	-	-	(1.813)	(536)	(1.372)
Affiliates and subsidiaries	947	(51)	105	-	-	-
Net cash provided by (used in) financing activities	(1.215)	(52.594)	4.348	522	(123.635)	(13.790)
Net increase(decrease) in cash and cash equivalents	2.075	(107.959)	25.331	46.598	(115.406)	18.732
Cash and cash equivalents at the beginning of the period	200.020	307.595	200.020	218.555	326.628	218.555
Cash and cash equivalents at the end of the period	202.095	199.636	225.351	265.153	211.222	237.287

Uncosolidated Statements of Income by Quarter

(in thousands of Brazilian reais)

	2004					2003				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter.	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
NET OPERATING REVENUES	248.470	248.184	232.197	-	728.851	237.708	205.146	228.189	272.654	943.697
OPERATING EXPENSES:	(209.473)	(204.942)	(219.888)		(634.303)	(184.664)	(199.590)	(201.234)	(238.040)	(823.528)
Electricity purchased for resale	(133.957)	(131.888)	(146.892)		(412.737)	(122.881)	(121.970)	(131.198)	(158.435)	(534.484)
Depreciation and amortization	(15.094)	(15.172)	(15.247)		(45.513)	(14.573)	(14.759)	(14.819)	(14.991)	(59.142)
Personnel	(18.244)	(18.922)	(19.805)		(56.971)	(15.817)	(17.426)	(18.185)	(19.717)	(71.145)
Material	(2.189)	(2.618)	(2.301)		(7.108)	(1.936)	(1.667)	(2.260)	(2.774)	(8.637)
Third-party services	(9.444)	(9.582)	(10.663)		(29.689)	(7.783)	(7.398)	(8.583)	(10.496)	(34.260)
Fuel usage quota - CCC	(10.693)	(10.694)	(15.979)		(37.366)	(10.522)	(10.548)	(11.512)	(10.694)	(43.276)
Provision for contingencies	(2.270)	(1.586)	(867)		(4.723)	(140)	(13.861)	121	9.360	(4.520)
Other	(17.582)	(14.480)	(8.132)		(40.194)	(11.012)	(11.961)	(14.798)	(30.293)	(68.064)
INCOME FROM OPERATIONS	38.997	43.242	12.309		94.548	53.044	5.556	26.955	34.614	120.169
EQUITY IN SUBSIDIARIES	16.869	2.253	38.661		57.783	3.327	460	9.539	6.119	19.445
FINANCIAL REVENUES	23.376	36.444	4.753		64.573	60.952	5.725	31.198	23.335	121.210
FINANCIAL EXPENSES:	(67.302)	(146.327)	44.925		(168.704)	8.591	150.522	(92.349)	(44.667)	22.097
Monetary variation - electricity purchase	(24)	(104)	(1.336)		(1.464)	(7.091)	(5.716)	(6.099)	10.642	(8.264)
Monetary and exchange variation on loans and financing	(8.484)	(90.525)	113.206		14.197	74.488	215.335	(24.524)	13.827	279.126
Interest on loans and financing	(47.196)	(48.488)	(52.193)		(147.876)	(50.486)	(45.403)	(50.174)	(59.756)	(205.819)
Other	(11.599)	(7.209)	(14.753)		(33.561)	(8.320)	(13.694)	(11.552)	(9.380)	(42.946)
FINANCIAL RESULTS	(43.926)	(109.883)	49.678		(104.132)	69.543	156.247	(61.151)	(21.332)	143.307
NON-OPERATING INCOME(LOSS), NET	117	15	171		303	(1.303)	(199)	(1.609)	950	(2.161)
INCOME(LOSS) BEFORE TAXES	12.057	(64.373)	100.818		48.502	124.611	162.064	(26.266)	20.352	280.761
Social contribution and income tax	-	18.833	(19.831)		(998)	(42.485)	(60.930)	10.333	(10.752)	(103.834)
NET INCOME(LOSS) FOR THE PERIOD	12.057	(45.540)	80.987		47.504	82.126	101.134	(15.933)	9.601	176.928
EBITDA	54.091	58.414	27.556		140.061	67.617	20.315	41.774	49.605	179.311
(+)Financial revenues	23.376	36.444	4.753		64.573	60.952	5.725	31.198	23.335	121.210
(+)Non-operating income (loss), net	117	15	171		303	-1.303	-199	-1.609	950	-2.161
=Adjusted EBITDA	77.584	94.873	32.480		204.937	127.266	25.841	71.363	73.890	298.360
CAPITAL EXPENDITURE	11.776	15.867	31.708		59.351	12.327	11.022	14.173	26.951	64.473
TOTAL DEBT	1.731.045	1.801.957	1.684.319		1.684.319	1.907.669	1.707.814	1.693.221	1.708.557	1.708.557
INTERES ON LOANS AND FINANCING	47.196	48.488	52.193		147.876	50.486	45.403	50.174	59.756	205.819
EBITDA margin	21,77%	23,54%	11,87%		19,22%	28,45%	9,90%	18,31%	18,19%	19,00%
EBITDA/Interest on loans and financing (x)	1,1	1,2	0,5		0,9	1,3	0,4	0,8	0,8	0,9
Adjusted EBITDA margin	31,22%	38,23%	13,99%		28,12%	53,54%	12,60%	31,27%	27,10%	31,62%
Adjusted EBITDA/Interest on loans and financing	1,6	2,0	0,6		1,4	2,5	0,6	1,4	1,2	1,4