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ESCELSA ANNOUNCES FIRST QUARTER 2003 RESULTS

April 30, 2003, Espírito Santo, Brazil – **Espírito Santo Centrais Elétricas S.A.- ESCELSA** today announced its financial results stated in corporate law in accordance with Brazilian GAAP for the first quarter ended March 31, 2003. All figures are in Brazilian Reais. Consolidated results include the incorporation of wholly owned subsidiary Magistra Participações, a 65.2% shareholder of EMPRESA ENERGÉTICA DE MATO GROSSO DO SUL S.A. - ENERSUL, and wholly owned subsidiaries TV A Cabo Vitória S.A. - TVIX, which provides cable TV service in Vitória and Vila Velha, and ESCELSAPAR, which operates as an Internet service provider and information technology services provider. Further informations are available on the Company's website: **www.escelsa.com.br**

FIRST QUARTER 2003 HIGHLIGHTS

- Energy sold in the first quarter of 2003 totaled 1,514,139 MWh, 6.3% higher than the 1,424,123 MWh sold in the same period the previous year, as January and February of 2002 were months that fell within the rationing period.
- At the close of 1Q03, the real appreciated 5.1% compared to the close of 4Q02, which generated a positive net financial result of R$69,543 thousand.
- ESCELSA's net earnings for 1Q03 totaled R$ 82,126 thousand, or R$18.05 per share.

ESCELSA'S NUMBERS

	PARENT COMPANY			CONSOLIDATED		
	1st Quarter 2003	1st Quarter 2002	4th Quarter 2002	1st Quarter 2003	1st Quarter 2002	4th Quarter 2002
FINANCIAL INFORMATION (In thousands of reais)						
Gross operating revenues	333,961	281,008	352,201	484,020	430,233	514,761
Net operating revenues	237,708	208,163	247,616	348,485	327,906	369,067
Income from operations	53,044	31,214	46,345	63,414	61,159	54,811
Income for the period	82,126	14,155	149,187	82,126	14,155	149,187
EBITDA (1)	67,617	45,345	60,805	92,743	90,383	86,705
Total Assets	2,701,895	2,518,982	2,750,065	3,651,015	3,437,401	3,714,230
Shareholders' equity	305,148	746,781	223,021	305,148	746,781	223,021
Shares outstanding(number)	4,550,833	4,550,833	4,550,833	-	-	-
Book value per share (R$)	67.05	164.10	49.01	-	-	-
Share price (R$)	40.00	95.95	40.00	-	-	-
Market value	182,033	436,652	182,033	-	-	-
INDICATORS						
Operating margin (%)	22.31	14.99	18.72	18.20	18.65	14.85
(Income from operations/Net operating revenues)						
EBITDA margin (%)	28.45	21.78	24.56	26.61	27.56	23.49
(EBITDA)/Net operating revenues						
Personnel expenses plus third party services/net oper.revenues (%)	9.93	10.53	9.96	12.50	12.29	11.15
Energy losses (%) (2)	11.20	10.91	11.42			
DEC-Equivalent Outage Duration per Customer (hours) (2)	11.17	15.87	14.51			
FEC- Equivalent Outage Frequency per Customer (number) (2)	9.32	12.14	10.95			
TMA-Average Service Response Time (minutes)(2)	115	111	112			
Number of customers per employee	710	668	705	664	620	659
MARKET						
Maximum demand - MWh/h	1,199.2	993.3	1,127.3			
Energy Sales - MWh	1,514,139	1,424,123	1,620,069	2,219,540	2,075,854	2,358,802
Number of customers	966,268	938,029	954,381	1,568,357	1,519,799	1,550,950
Average tariff to final customers - R$/MWh	158.56	137.57				
Average cost of electricity purchased - R$/MWh	82.13	64.50				
HUMAN RESOURCES						
Number of employees	1,360	1,404	1,353	2,361	2,450	2,354
Number of trainees	36	83	86	77	102	138
Personnel expenses (thousands of reais)	15,817	14,225	15,879	28,629	25,716	26,642
Personnel expenses plus third party services (thousands of reais)	23,600	21,923	24,651	43,556	40,315	41,149

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

(2) Twelve-month period

ENERGY SOLD

Energy sold totaled 1,514,139 MWh in 1Q03, representing an increase of 6.3% when compared to last year's 1,424,123 MWh, as January and February of 2002 were months that fell within the rationing period.

Sales volume to the residential segment was 22% higher than in 1Q03, which indicates a recovery in average consumption among residential consumers, despite a tendency of household budget consciousness and energy rate increases.

Lower industrial consumption was due mainly to the discontinuation of Vale do Rio Doce and Samarco as customers, as they elected to become free consumers.

The decrease in commercial consumption can be attributed basically to the discontinuation of CVRD's ore and coal terminal, which became a free consumer in 2003.

Sales volume to the rural segment was 25.4% higher due to an increase in energy usage for irrigation activity.

MWh						
	PARENT COMPANY			CONSOLIDATED		
	1st Quarter		% Change	1st Quarter		% Change
	2003	2002		2003	2002	
Retail:						
Residential	340,391	279,031	22.0	578,138	486,670	18.8
Industrial	674,754	682,945	(1.2)	829,424	838,482	(1.1)
Commercial	209,477	211,310	(0.9)	354,250	338,470	4.7
Rural	86,065	68,621	25.4	156,728	133,174	17.7
Other	128,840	106,882	20.5	220,573	197,404	(53.5)
	1,439,527	**1,348,789**	**6.7**	**2,139,113**	**1,994,200**	**7.3**
Wholesale	**74,612**	**75,334**	**(1.0)**	**80,427**	**81,654**	**(1.5)**
TOTAL	**1,514,139**	**1,424,123**	**6.3**	**2,219,540**	**2,075,854**	**6.9**

CUSTOMER PROFILES

The sales volume and revenue breakdown among residential and industrial customers underwent a significant change in the quarter, mainly as a result of customers that became free consumers and chose to obtain energy from sources other than ESCELSA.
For the purposes of calculating revenue breakdown per segment, the effects of the regulatory asset and short-term market sales were not considered.

	PARENT COMPANY			
	1st Quarter 2003		1st Quarter 2002	
	As a % of Sales Volume	As a % of Revenues	As a % of Sales Volume	As a % of Revenues
Retail:				
Residential	22.48	37.18	19.59	33.82
Industrial	44.56	30.48	47.96	34.12
Commercial	13.83	18.57	14.84	19.08
Rural	5.68	4.16	4.82	3.77
Other	8.51	7.63	7.51	6.90
	95.07	**98.01**	**94.71**	**97.68**
Wholesale	**4.93**	**1.99**	**5.29**	**2.32**
TOTAL	**100.00**	**100.00**	**100.00**	**100.00**

NUMBER OF CUSTOMERS

The number of customers on March 31, 2003 totaled 966,268, an increase of 3.0% compared to the same period last year. During the first quarter of 2003, 11,887 customers were connected.

	PARENT COMPANY			CONSOLIDATED		
	March 31		% Change	March 31		% Change
	2003	2002		2003	2002	
Retail:						
Residential	765,767	745,288	2.7	1,259,740	1,223,409	3.0
Industrial	11,049	11,207	(1.4)	15,722	15,900	(1.1)
Commercial	85,213	83,202	2.4	137,686	134,608	2.3
Rural	95,171	89,515	6.3	139,638	130,903	6.7
Other	9,066	8,815	2.8	15,566	14,974	4.0
	966,266	**938,027**	**3.0**	**1,568,352**	**1,519,794**	**3.2**
Wholesale	**2**	**2**		**5**	**5**	
TOTAL	**966,268**	**938,029**	**3.0**	**1,568,357**	**1,519,799**	**3.2**

AVERAGE TARIFF

The average tariff charged to retail customers in March 2003 was R$ 157.55/MWh, while the wholesale rate to other distributors was R$ 82.52/MWh, resulting in an overall average tariff of R$ 153.42/MWh, an increase of 17.3%, compared to the same month last year. The average tariffs per segment are as follows:

R$MWh						
PARENT COMPANY						
	MAR-2003	MAR-2002	% Change	3 MONTHS-03	3 MONTHS-02	% Change
Retail:						
Residential	241.63	222.42	8.6	241.43	221.68	8.9
Industrial	103.08	92.90	11.0	103.43	95.28	8.6
Commercial	211.90	168.43	25.8	212.13	169.84	24.9
Rural	142.41	128.27	11.0	146.96	128.98	13.9
Other	150.62	130.97	15.0	148.95	129.57	15.0
	157.55	**134.28**	**17.3**	**158.56**	**137.57**	**15.3**
Wholesale	**82.52**	**67.44**	**22.4**	**80.74**	**64.63**	**24.9**
Average	**153.42**	**130.84**	**17.3**	**154.72**	**133.71**	**15.7**

QUALITY OF SERVICE RENDERED

In order to more accurately reflect service quality indicators, the amounts have been presented on a 12-month basis in order to eliminate any effects of seasonality.

Equivalent Outage Duration per Customer–DEC

Indicator that measures the average number of hours that customer remain without the supply of electric energy.
For the period ended March 31, 2003, DEC was 11.17 hours, compared to 15.87 hours in the same period last year, an improvement of 29.6%. The DEC amount in 2002 was negatively impacted by the blackout that occurred in January of that year, which had an impact of 2.55 hours.

Equivalent Outage Frequency per Customer–FEC

Indicator that measures the average number of interruptions in the supply of electric energy, per customer.
For the period ended March 31, 2003, FEC was 9.32, compared to 12.14 in the same period last year, an improvement of 23.2%. As in the case of the DEC indicator, the blackout in January 2002 had a negative impact of 1.0 interruption.

Average Service Response Time-TMA

Indicator that measures the average time between a complaint of interruptions in energy and the reestablishment of service.
For the period ended March 31, 2003, TMA was 115 minutes, compared to 111 minutes in the same period last year.

Energy losses

Energy losses were greater in the past 12 months compared to the previous year, increasing from 10.91% to 11.20% for the 12-month period ended March 31, 2003. The Company has undertaken initiatives to reduce losses, particularly among commercial customers.

FINANCIAL PERFORMANCE

INCOME FROM OPERATIONS

Income from operations in 1Q03 totaled R$ 53,044 thousand compared to R$31,214 in the same period last year, resulting in an EBITDA of R$ 67,617 thousand, equal to an EBITDA margin of 28.5%. The main items of income from operations were:

	1st Quarter			
	PARENT COMPANY		CONSOLIDATED	
	2003	2002	2003	2002
Gross operating revenues	333,961	281,008	484,198	430,233
Deductions from operating revenues	(96,253)	(72,845)	(135,535)	(102,327)
Net operating revenues	237,708	208,163	348,663	327,906
Operating expenses	(184,664)	(176,949)	(285,249)	(266,747)
Income from operations	53,044	31,214	63,414	61,159
EBITDA	67,617	45,345	92,743	90,383
EBITDA margin %	28.5	21.8	26.6	27.6

OPERATING REVENUES

Gross operating revenues in 1Q03 totaled R$ 333,961 thousand, 18.8% higher compared to 1Q02. Revenue from the retail sector was R$ 308,073 thousand, 17.1% higher than in 1Q02, due to rate increases implemented in 2002 as well as higher sales volume.
Lower wholesale energy sales in 1Q03 compared to 1Q02 reflects short-term supply sales of excess energy made the previous year.
The increase in other revenues is due to the growth in the utilization of the transmission and distribution system by free consumers and revenues resulting from the agreement with CST.
Net operating revenues in 1Q03 totaled R$ 237,708 thousand, 14.2% higher than the same period in 2002.

	thousands of reais			
	PARENT COMPANY		CONSOLIDATED	
	1st Quarter			
	2003	2002	2003	2002
Retail:				
Residential	112,762	82,138	174,512	130,894
Industrial	92,442	82,861	113,624	101,608
Commercial	56,320	46,337	89,797	72,978
Rural	12,626	9,159	21,480	17,281
Other	23,153	16,765	37,160	29,163
Contingency fee	10,770	-	15,452	-
Regulatory assets	-	25,921	-	53,894
	308,073	**263,181**	**452,025**	**405,818**
Wholesale:				
Other distributors	6,024	5,626	6,883	6,538
Short-term	62	8,773	68	10,269
	6,086	**14,399**	**6,951**	**16,807**
Other operating revenues	19,802	3,428	25,044	7,608
Gross operating revenues	**333,961**	**281,008**	**484,020**	**430,233**
(-) Deductions from operating revenues	(96,253)	(72,845)	(135,535)	(102,327)
Net operating revenues	**237,708**	**208,163**	**348,485**	**327,906**

OPERATING COSTS

Operating costs including operating expenses plus RGR quotas increased 4.3% from R$ 181,001 thousand to R$ 188,734 thousand in 1Q03.
Operating costs outside Company control such as energy purchased, electric power transport, CCC, and RGR quotas increased 10.0%.
Costs managed by the Company such as personnel, material, third party services and other expenses decreased from R$ 40,876 thousand to R$ 35,601 thousand in 1Q03, or 12.9%, while depreciation increased 3.1%.
The increase in costs outside Company control is a result of higher energy expenses from Itaipu, a function of the currency devaluation during the period.
The reduction in costs managed by the Company was due to the following factors:

a) Personnel – lower transfer of costs to investments due to the reduction of such costs in 1Q03 and to higher compensation as a result of the wage agreement;
b) Materials – materials used for company transport and to maintain electric system;
c) Others – due to a provision in the amount of R$10,994 thousand related to the regulatory asset in 1Q02 and for which a reversal was recorded in June of the same year. Eliminating this factor, other expenses were higher due to expenses incurred with energy conservation programs, software fees and an adjustment in the provision for doubtful accounts.

	thousands of reais		
	PARENT COMPANY		
	1st Quarter		
	2003	2002	%Change
Controlled Costs:			
Personnel	15,817	14,225	11.2
Material	1,936	1,557	24.3
Third party services	7,783	7,698	1.1
Other	10,065	17,396	(42.1)
	35,601	**40,876**	**(12.9)**
Depreciation	14,573	14,131	3.1
TOTAL CONTROLLED COSTS	**50,174**	**55,007**	**(8.8)**
Non-controlled costs:			
Energy purchased	122,881	108,323	13.4
CCC	10,522	12,907	(18.5)
Financial compensation	767	423	81.3
ANEEL regulation charge	320	289	10.7
RGR	4,070	4,052	0.4
TOTAL NON-CONTROLLED COSTS	**138,560**	**125,994**	**10.0**
GRAND TOTAL	**188,734**	**181,001**	**4.3**

ENERGY PURCHASED EXPENSES:

	PARENT COMPANY		CONSOLIDATED	
	1st Quarter			
	2003	2002	2003	2002
FURNAS / TRACTEBEL				
Energy contracted- MWh	1,046,536	1,251,736	1,510,100	1,850,684
Expenses – thousands of reais	56,545	58,647	76,080	80,164
Average Tariff - R$/MWh	54.03	46.85	50.38	43.32
ITAIPU				
Energy contracted- MWh	442,811	427,719	623,255	601,934
Expenses – thousands of reais	47,354	35,534	66,683	50,047
Average Tariff - R$/MWh	106.94	83.08	106.99	83.14
OTHER SUPPLIERS				
Energy contracted- MWh	6,750	-	112,222	41,642
Cesa/Costa Rica - MWh	2,245	5,142	-	-
Expenses – thousands of reais	1,082	517	8,222	4,422
Average Tariff - R$/MWh	120.29	100.54	73.27	106.19
TRANSPORT FROM ITAIPU				
Expenses – thousands of reais	1,635	1,455	2,301	2,049
Average Tariff - R$/MWh	3.69	3.40	3.69	3.40
TRANSPORT FROM OTHER				
Expenses – thousands of reais	16,504	13,538	25,981	22,367
Average Tariff - R$/MWh	15.77	10.82	17.20	12.09
SECTOR AGREEMENT AND CVA				
Expenses – thousands of reais	(473)	(1,627)	(7,580)	(4,979)
OTHER EXPENSES				
Expenses – thousands of reais	234	259	303	280
TOTAL				
Energy contracted- MWh	1,496,097	1,679,455	2,245,577	2,494,260
Cesa/Costa Rica - MWh	2,245	5,142	-	-
Expenses – thousands of reais	122,881	108,323	171,990	154,350
Average Cost - R$/MWh	82.13	64.50	76.59	61.88

FINANCIAL RESULTS

The net financial result in 1Q03 was positive R$ 69,543 thousand, while in the same period last year was negative R$ 18,542 thousand. This result was mainly due to the impact of the 5.1% appreciation of the real against the U.S. dollar during the period, which caused a significant reduction in monetary variation and interest on the foreign currency debt obligations.

CASH AND EQUIVALENTS

ESCELSA has funds deposited in banks or invested in financial instruments in the amount of R$ 291,881 thousand (R$303,566 thousand on a consolidated basis) as shown below:

	PARENT COMPANY		CONSOLIDATED	
	March 31, 2003			
	Thousands of reais	US$ thousand	Thousands of reais	US$ thousand
Investments in Reais:				
Cash and Banks	6,337	-	9,118	-
Banking deposits certificates	-	-	8,904	-
Other	182	-	182	-
Total real denominated investments	**6,519**	**-**	**18,204**	**-**
Investments in Dollars:				
Currency Exchange Securities-NBC-E	285,362	85,104	285,362	85,104
Total Dollar denominated investments	**285,362**	**85,104**	**285,362**	**85,104**
Total cash and equivalents	**291,881**	**85,104**	**303,566**	**85,104**
US dollar = 3,3531 Real				

BALANCE SHEETS

(In thousands of Brazilian reais)

ASSETS	PARENT COMPANY			CONSOLIDATED		
	MAR-03	MAR-02	DEC-2002	MAR-03	MAR-02	DEC-2002
CURRENT:						
Cash and banks	6,337	8,060	11,097	9,118	10,482	20,008
Accounts receivable	267,427	233,685	272,326	420,623	384,981	426,860
Other accounts receivable	11,027	11,517	9,406	9,571	21,115	8,028
Recoverable taxes	6,811	42,550	42,926	28,869	56,255	68,543
Allowance for doubtful accounts	(27,227)	(19,086)	(25,348)	(40,983)	(29,921)	(37,760)
Material and supplies	3,585	4,031	3,621	5,741	6,989	6,174
Marketable securities	285,544	207,672	296,498	294,448	207,931	306,620
Escrow deposits	39,382	39,382	39,382	39,382	39,382	39,382
Deposits	529	-	-	529	-	-
Services in progress	5,008	7,656	4,970	6,665	9,766	7,250
Accounts receivable - UTE Campo Grande	-	-	-	39,485	-	25,891
Other credits	2,984	875	11,475	7,535	4,599	14,871
Prepaid expenses	7,869	6,412	5,779	47,734	11,840	24,476
	609,276	**542,754**	**672,132**	**868,717**	**723,419**	**910,343**
LONG-TERM ASSETS:						
Accounts receivable	184,379	210,452	190,840	290,054	303,762	297,544
Tariff bonus and surcharges	5,833	46,596	5,833	9,718	71,778	9,718
Affiliates and subsidiaries	21,220	901	6,711	68,766	55,479	65,505
Escrow deposits	78,090	63,651	72,175	102,459	84,361	94,553
Deposits	-	-	-	6,699	3,804	5,956
Debt issuance costs	2,498	3,235	2,690	2,498	3,235	2,690
Deferred income and social contribution taxes	149,846	97,356	170,130	266,337	197,630	286,657
Other credits - low income consumers	18,818	-	13,034	26,669	-	18,718
Other credits	4,808	3,372	19,761	8,942	12,355	23,897
Prepaid expenses	105,765	58,606	93,565	148,984	90,788	142,373
	571,257	**484,169**	**574,739**	**931,126**	**823,192**	**947,611**
PERMANENT ASSETS:						
Investments	771,265	724,639	747,650	374,332	382,230	374,391
Property, plant and equipment, net	750,097	767,420	755,544	1,476,761	1,508,481	1,481,806
Deferred charges	-	-	-	79	79	79
	1,521,362	**1,492,059**	**1,503,194**	**1,851,172**	**1,890,790**	**1,856,276**
TOTAL ASSETS	**2,701,895**	**2,518,982**	**2,750,065**	**3,651,015**	**3,437,401**	**3,714,230**

BALANCE SHEETS

(In thousands of Brazilian reais)

LIABILITIES AND SHAREHOLDERS' EQUITY	PARENT COMPANY			CONSOLIDATED		
	MAR-03	MAR-02	DEC-2002	MAR-03	MAR-02	DEC-2002
CURRENT LIABILITIES:						
Suppliers	90,986	119,824	104,740	135,172	165,268	155,615
Payroll	1,940	1,159	1,977	3,602	1,903	2,968
Accrued interest and fees	37,654	22,553	76,325	50,456	32,199	83,836
Loans and financing	161,374	70,971	142,342	357,885	316,716	337,125
Accrued taxes and social contributions	21,873	32,859	30,120	43,187	49,081	48,482
Dividends	21	21	21	30	4,048	30
Postretirement benefits	1,886	2,420	2,042	1,886	2,420	2,042
Accrued obligations	7,322	6,549	13,018	14,916	13,138	23,735
Regulatory charges	9,129	6,818	7,149	16,302	10,609	12,886
Provision for contingencies	39,382	39,382	39,382	39,382	39,382	39,382
Variation of Parcel A items	10,059	1,702	5,271	20,353	1,702	10,226
Other accounts payable	17,522	11,035	11,432	27,066	12,462	17,520
	399,148	**315,293**	**433,819**	**710,237**	**648,928**	**733,847**
LONG - TERM LIABILITIES:						
Suppliers	60,640	61,239	58,346	86,868	84,600	83,781
Accrued interest and fees	-		-	-	1,467	3,590
Loans and financing	1,708,642	1,171,032	1,793,057	2,117,842	1,488,642	2,223,718
Emergency program for the energy reduction	-	26,560	-	-	40,548	-
Postretirement benefits	28,212	28,032	28,212	28,212	28,032	28,212
Deferred income taxes	-	9,491	7,642	-	9,491	7,642
Affiliates and subsidiaries	150	-	137	86	-	-
Provision for contingencies	114,510	114,148	127,069	156,811	142,612	166,367
Variation of Parcel A items	30,762	1,216	29,542	31,698	2,784	32,019
Other accounts payable	54,683	45,190	49,220	58,395	47,045	54,341
	1,997,599	**1,456,908**	**2,093,225**	**2,479,912**	**1,845,221**	**2,599,670**
MINORITY INTEREST	**-**	**-**	**-**	**155,718**	**196,471**	**157,692**
SHAREHOLDERS' EQUITY:						
Capital stock	153,947	153,947	153,947	153,947	153,947	153,947
Capital reserves	65,688	575,292	65,687	65,688	575,292	65,687
Retained earnings	82,126	14,155	-	82,126	14,155	-
	301,761	**743,394**	**219,634**	**301,761**	**743,394**	**219,634**
Credits for capital increase	3,387	3,387	3,387	3,387	3,387	3,387
	305,148	**746,781**	**223,021**	**305,148**	**746,781**	**223,021**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,701,895**	**2,518,982**	**2,750,065**	**3,651,015**	**3,437,401**	**3,714,230**

STATEMENTS OF INCOME

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

	PARENT COMPANY			CONSOLIDATED		
	1st Quarter 2003	1st Quarter 2002	4th Quarter 2002	1st Quarter 2003	1st Quarter 2002	4th Quarter 2002
OPERATING REVENUES:						
Electricity sales to final customers	297,303	263,181	317,485	436,573	405,818	470,376
Contingency fee	10,770	-	11,629	15,452	-	16,367
Electricity sales to distributors	6,086	14,399	11,972	6,951	16,807	12,000
Use of transmission and distribution system	7,379	1,978	5,388	7,379	1,978	5,450
Other revenues	12,423	1,450	5,727	17,665	5,630	10,568
	333,961	**281,008**	**352,201**	**484,020**	**430,233**	**514,761**
Deductions from operating revenues:						
State value-added taxes - ICMS	(68,372)	(58,017)	(74,472)	(94,428)	(78,880)	(101,033)
PIS and COFINS tax	(13,018)	(10,772)	(14,502)	(19,324)	(16,260)	(20,857)
Global reserve for reversion quota - RGR	(4,070)	(4,052)	(3,974)	(6,176)	(7,056)	(7,301)
Contingency fee	(10,770)	-	(11,629)	(15,452)	-	(16,367)
Tax on services (ISSQN)	(23)	(4)	(8)	(155)	(131)	(136)
	(96,253)	**(72,845)**	**(104,585)**	**(135,535)**	**(102,327)**	**(145,694)**
Net operating revenues	**237,708**	**208,163**	**247,616**	**348,485**	**327,906**	**369,067**
OPERATING EXPENSES:						
Electricity purchased for resale	(122,881)	(108,323)	(142,881)	(171,990)	(154,350)	(199,735)
Depreciation and amortization	(14,573)	(14,131)	(14,460)	(29,329)	(29,224)	(31,894)
Personnel	(15,817)	(14,225)	(15,879)	(28,629)	(25,716)	(26,642)
Material	(1,936)	(1,557)	(1,701)	(5,262)	(3,612)	(5,850)
Third-party services	(7,783)	(7,698)	(8,772)	(14,927)	(14,599)	(14,507)
Fuel usage quota – CCC	(10,522)	(12,907)	(10,439)	(17,440)	(17,887)	(17,365)
Provision for contingencies	(140)	-	(1,287)	(1,688)	-	(4,907)
Other	(11,012)	(18,108)	(5,852)	(15,806)	(21,359)	(13,356)
	(184,664)	**(176,949)**	**(201,271)**	**(285,071)**	**(266,747)**	**(314,256)**
INCOME FROM OPERATIONS	**53,044**	**31,214**	**46,345**	**63,414**	**61,159**	**54,811**
EQUITY IN SUBSIDIARIES	**3,327**	**8,268**	**(30,849)**	**-**	**-**	**-**
FINANCIAL REVENUES:						
Income from temporary cash investments	44,180	6,266	27,528	52,436	9,092	34,125
Increase in overdue collections	4,140	2,470	3,724	7,117	3,616	6,679
Hedge	(2,176)	-	(3,811)	(2,176)	-	(3,811)
Regulatory assets – SELIC	11,561	8,683	9,704	21,691	8,683	16,576
Other	3,247	1,796	2,055	5,577	9,596	3,313
	60,952	**19,215**	**39,200**	**84,645**	**30,987**	**56,882**
FINANCIAL EXPENSES:						
Monetary variation - electricity purchase	(7,091)	(305)	(4,958)	(6,685)	(685)	(2,666)
Monetary and exchange variation on loans and financing	74,488	(32,037)	157,413	75,196	(6,746)	161,833
Interest on loans and financing	(50,486)	(2,821)	(45,829)	(77,286)	(45,727)	(69,303)
Other	(8,320)	(2,594)	(5,428)	(11,541)	(2,916)	(7,384)
	8,591	**(37,757)**	**101,198**	**(20,316)**	**(56,074)**	**82,480**
FINANCIAL RESULTS	**69,543**	**(18,542)**	**140,398**	**64,329**	**(25,087)**	**139,362**
OPERATING PROFIT (LOSS)	**125,914**	**20,940**	**155,894**	**127,743**	**36,072**	**194,173**
NON-OPERATING REVENUES	149	156	179	1,692	335	234
NON-OPERATING EXPENSES	(1,452)	(3,130)	(9,724)	(3,777)	(3,284)	(64,025)
NON-OPERATING INCOME(LOSS), NET	**(1,303)**	**(2,974)**	**(9,545)**	**(2,085)**	**(2,949)**	**(63,791)**
INCOME BEFORE TAXES	**124,611**	**17,966**	**146,349**	**125,658**	**33,123**	**130,382**
Social contribution	(10,779)	(1,029)	-	(11,376)	(3,409)	12
Income tax	(31,706)	(2,782)	2,838	(33,336)	(9,416)	1,626
	(42,485)	**(3,811)**	**2,838**	**(44,712)**	**(12,825)**	**1,638**
INCOME AFTER TAXES	**82,126**	**14,155**	**149,187**	**80,946**	**20,298**	**132,020**
MINORITY SHARE IN PROFIT	**-**	**-**	**-**	**1,180**	**(6,143)**	**17,167**
INCOME FOR THE PERIOD	**82,126**	**14,155**	**149,187**	**82,126**	**14,155**	**149,187**
Income per share - R$	**18.05**	**3.11**	**32.78**	**-**	**-**	**-**

STATEMENTS OF CASH FLOWS

(In thousands of Brazilian reais)

	PARENT COMPANY			CONSOLIDATED		
	1st Quarter 2003	1st Quarter 2002	4th Quarter 2002	1st Quarter 2003	1st Quarter 2002	4th Quarter 2002
From operations:						
Income for the period	**82,126**	**14,155**	**149,187**	**82,126**	**14,155**	**149,187**
Adjustments to reconcile income to cash provided by operating activities:						
Operating activities:						
Long term interest and monetary and exchange variation	(77,659)	2,821	(157,944)	(71,723)	5,183	(174,214)
Equity in subsidiaries	(3,327)	(8,268)	30,849	-	-	-
Depreciation and amortization	14,573	14,131	14,460	29,329	29,224	31,894
Disposal of property, plant and equipment	1,046	1,038	999	1,530	2,523	2,441
Provision for losses - UTE Campo Grande	-	-	-	-	-	77,291
Provision for contingencies	(12,559)	1,948	5,719	(9,687)	2,074	9,463
Regulatory assets	-	(25,921)	(16,184)	-	(53,894)	(16,184)
Liabilities adjustments	2,598	-	2,926	2,598	-	2,926
Other expenses	-	-	11,884	-	-	11,884
Deferred income taxes	12,642	(2,322)	(617)	12,678	6,786	(527)
Minority share in profit	-	-	-	(1,180)	6,143	(17,167)
Remuneration on construction work in progress	-	-	-	(307)	(600)	(157)
	19,440	**(2,418)**	**41,279**	**45,364**	**11,594**	**76,837**
Changes in current assets and liabilities:						
Accounts receivable	6,778	(30,011)	(5,611)	9,434	(48,016)	(11,099)
Other accounts receivable	34,316	15,160	2,714	37,953	12,869	10,660
Other credits-UTE Campo Grande	-	-		(13,594)	-	
Other credits	8,102	(987)	9,774	7,570	8,283	11,211
Prepaid expenses	(2,090)	(287)	(1,789)	(23,258)	(287)	(11,883)
Suppliers	(13,754)	(16,463)	(11,294)	(20,444)	(13,881)	(9,125)
Accrued taxes and social contributions	(8,247)	4,309	(7,533)	(5,295)	845	(4,245)
Accrued obligations	(5,696)	(5,808)	649	(6,402)	(6,070)	(197)
Regulatory charges	1,980	(1,563)	1,556	3,416	(2,631)	2,864
Postretirement benefits	(156)	-	-	(156)	-	-
Variation of Parcel A items	4,788	-	1,963	10,127	-	5,396
Other	6,089	1,273	(6,122)	8,993	(4,382)	(31,096)
	32,110	**(34,377)**	**(15,693)**	**8,344**	**(53,270)**	**(37,514)**
Change in non-current assets and liabilities:						
Accounts receivable	23,924	5,452	(12,074)	23,924	5,452	(12,074)
Escrow deposits	(5,915)	(2,556)	(2,762)	(7,905)	(3,782)	(4,146)
Tariff bonus and surcharges		2,668	5,140		3,286	7,621
Affiliates and subsidiaries	(14,509)	1,352	(205)	(42,292)	(14,467)	(45,846)
Prepaid expenses	(12,200)	(5,997)	(37,231)	(6,611)	(8,590)	(38,691)
Variation of Parcel A items	1,220	-		(321)	-	
Other credits - low income	(5,784)			(7,951)	-	
Other	2,649	13,668	24,489	2,700	13,056	18,765
	(10,615)	**14,587**	**(22,643)**	**(38,456)**	**(5,045)**	**(74,371)**
Net cash provided (use in) operating activities	**40,935**	**(22,208)**	**2,943**	**15,252**	**(46,721)**	**(35,048)**
Investing activities:						
Additions to property, plant and equipment	(11,586)	(12,241)	(14,538)	(27,044)	(42,982)	(54,399)
Additions to investments	(20,288)	(19,079)	(16,049)	1	-	395
Obligations related to the concession	1,415	584	1,317	1,782	632	1,767
Net cash used in investing activities	**(30,459)**	**(30,736)**	**(29,270)**	**(25,261)**	**(42,350)**	**(52,237)**
Financing activities:						
Loans and financing	12,276	35,268	14,632	(9,714)	56,216	35,547
Accrued interest and fees	(38,479)	(24,357)	29,657	(36,778)	(20,219)	28,170
Dividends	-	-	-	(294)	(182)	(1,313)
Affiliates and subsidiaries	13	-		33,733	12,172	56,306
Net cash provided by (used in) financing activities	**(26,190)**	**10,911**	**44,289**	**(13,053)**	**47,987**	**118,710**
Net increase(decrease) in cash and cash equivalents	**(15,714)**	**(42,033)**	**17,962**	**(23,062)**	**(41,084)**	**31,425**
Cash and cash equivalents at the beginning of the period	307,595	257,765	289,633	326,628	259,497	295,202
Cash and cash equivalents at the end of the period	291,881	215,732	307,595	303,566	218,413	326,627
	(15,714)	**(42,033)**	**17,962**	**(23,062)**	**(41,084)**	**31,425**