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ECELSA ANNOUNCES FOURTH QUARTER AND FULL YEAR 2003 RESULTS

February 28, 2004, Espírito Santo, Brazil – Espírito Santo Centrais Elétricas S.A.- ECELSA today announced its financial results stated in corporate law in accordance with Brazilian GAAP for the fourth quarter and year ended December 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 ECELSAPAR, which operates as an Internet service provider and information technology services provider. Further information is available on the Company's website: www.escelsa.com.br

ECELSA'S NUMBERS

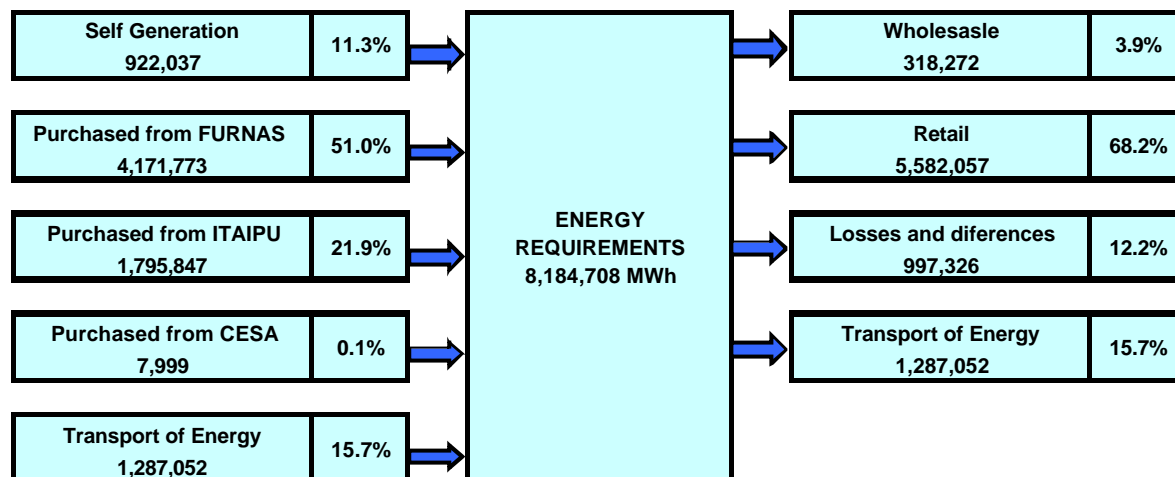
	PARENT COMPANY			CONSOLIDATED		
	12 MONTHS OF 2003	12 MONTHS OF 2002	9 MONTHS OF 2003	12 MONTHS OF 2003	12 MONTHS OF 2002	9 MONTHS OF 2003
FINANCIAL INFORMATION (In thousands of reais)						
Gross operating revenues	1,356,517	1,183,012	963,060	2,112,909	1,755,184	1,503,545
Net operating revenues	943,697	837,248	671,043	1,514,003	1,271,754	1,079,170
Income from operations	120,169	94,965	85,555	205,159	114,332	153,791
Loss for the period	176,928	-509,252	167,327	176,928	-509,252	167,327
EBITDA(1)	179,310	152,046	129,705	-	-	-
Total Assets	2,658,616	2,715,252	2,586,125	3,605,452	3,702,088	3,495,900
Shareholders' equity	357,929	223,021	390,349	357,929	223,021	390,349
Shares outstanding(number)	4,550,833	4,550,833	4,550,833			
Book value per share (Reais)	78.65	49.01	85.78			
Common stock price per share (Reais)	70.00	40.00	54.00			
Market capitalization	318,558	182,033	245,745			
INDICATORS						
Operating margin (%)	12.73	11.34	12.75	13.55	8.99	14.25
EBITDA margin (%)	19.00	18.16	19.33	-	-	-
Personnel expenses plus third party services/net oper.revenues (%)	11.17	11.34	11.21	12.77	13.51	12.97
Energy losses (%)	12.19	11.34	11.92			
DEC-Equivalent Outage Duration per Customer (hours)	10.73	14.51	11.46			
FEC- Equivalent Outage Frequency per Customer (number)	8.80	10.95	9.41			
TMA-Average Service Response Time (minutes)	118	112	120			
Number of customers per employee	742	705	1,177	705	629	682
MARKET						
Energy Sales - MWh	1,165.91	1,127.30	1,199.30			
Maximum demand - MWh/h	5,900,329	6,364,928	4,412,902	8,716,390	9,119,161	2,088
Number of customers	968,165	954,381	964,860	1,582,002	1,550,950	1,574,370
HUMAN RESOURCES						
Number of employees	1,305	1,353	1,338	2,245	2,466	2,310
Number of trainees	36	88	45	57	109	78
Personnel expenses (thousands of reais)	71,145	63,105	51,428	126,863	111,354	92,417
Personnel expenses plus third party services (thousands of reais)	105,405	95,054	75,192	193,605	171,769	139,966

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

MARKET PERFORMANCE
ENERGY REQUIREMENTS

Energy requirements for the twelve months of 2003 totaled 8,184,708 MWh 10.75% higher compared to 7,390,241 MWh, including 53,873 MWh from self-producers, in the same period the previous year.

The maximum demand during 2003 was 1,199,2 MWh/h, a increase of 6.38% compared to the previous year

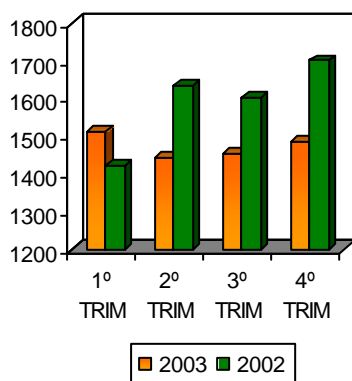

ENERGY SOLD

Energy sold totaled 5,900,329 MWh in full-year 2003, representing a reduction of 7.3% when compared to 2002.

Sales volume to the residential segment, which accounts for 20.3% of total energy consumption, was 5.5% higher than in 2002. This result was due to the rationing in January and February of 2002 and also to the increase in the number of consumers and specific consumption in 2003.

Sales volume to the rural segment was 22% higher due to an increase in energy usage for irrigation activity.

The reduction in the commercial and industrial segments was due to the fact that some consumers decided to deal in the free market environment.



	MWh					
	PARENT COMPANY			CONSOLIDATED		
	Twelve months		% Change	Twelve months		% Change
2003	2002	2003		2001		
Retail:						
Residential	1,195,443	1,133,546	5.5	2,067,581	1,996,023	3.6
Industrial	2,744,836	3,289,738	(16.6)	3,398,994	3,960,959	(14.2)
Commercial	753,856	839,335	(10.2)	1,301,005	1,366,711	(4.8)
Rural	384,819	315,396	22.0	675,767	591,644	14.2
Other	503,104	469,079	7.3	924,596	860,257	7.5
	5,582,057	6,047,094	(7.7)	8,367,943	8,775,594	(4.6)
Wholesale	318,272	317,834	0.1	348,447	343,567	1.4
TOTAL	5,900,329	6,364,928	(7.3)	8,716,390	9,119,161	(4.4)

CUSTOMER PROFILES

	PARENT COMPANY			
	2003		2002	
	Volume	As a % of Revenues	Volume	As a % of Revenues
Retail:				
Residential	20.26	33.24	17.81	30.77
Industrial	46.52	32.69	51.69	37.88
Commercial	12.78	18.50	13.19	18.03
Rural	6.52	5.13	4.96	4.12
Other	8.53	8.21	7.37	7.24
	94.61	97.77	95.01	98.05
Wholesale	5.39	2.23	4.99	1.95
TOTAL	100.00	100.00	100.00	100.00

NUMBER OF CUSTOMERS

The number of customers on December 31, 2003 totaled 968,165, an increase of 1.4% compared to December the previous year. During the twelve months of 2003, 13,784 customers were connected.

	PARENT COMPANY			CONSOLIDATED		
	December 31,		% Change	December 31,		% Change
	2003	2002		2003	2002	
Retail:						
Residential	764,264	756,409	1.04	1,267,808	1,245,620	1.78
Industrial	10,633	11,069	(3.94)	15,084	15,755	(4.26)
Commercial	85,465	84,460	1.19	138,744	136,814	1.41
Rural	98,947	93,372	5.97	144,786	137,254	5.49
Other	8,854	9,069	(2.37)	15,570	15,502	0.44
	968,163	954,379	1.44	1,581,992	1,550,945	2.00
Wholesale	2	2	0	5	5	0
Free Market				5		
Retail:	968,165	954,381	1.44	1,582,002	1,550,950	2.00

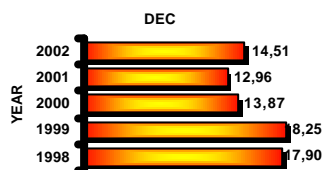
AVERAGE TARIFF

The average tariff charged to retail customers in December 2003 was R\$ 180.76/MWh, while the wholesale rate to other distributors was R\$ 83.04/MWh, resulting in an overall average tariff of R\$ 175.56/MWh, an increase of 22.6%, compared to the same month in 2002. The average tariffs per segment are as follows:

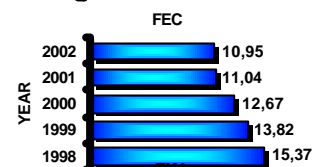
	R\$/MWh					
	PARENT COMPANY					
	DEC-2003	DEC-2002	% Change	12M2003	12M2002	% Change
Retail:						
Residential	276.73	240.02	15.29	252.05	225.85	11.60
Industrial	122.92	100.33	22.52	115.08	96.6	19.13
Commercial	249.12	196	27.10	226.78	181.13	25.20
Rural	165.40	145.65	13.56	153.24	136.42	12.33
Other	172.99	149.97	15.35	160.47	138.59	15.78
	180.76	146.87	23.08	166.22	137.89	20.54
Wholesale	83.04	69.42	19.61	82.30	67	22.84
Retail:	175.56	143.22	22.58	161.69	134.35	20.35

QUALITY OF SERVICE RENDERED

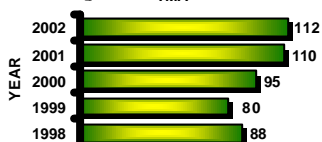
The main indicators used by the energy sector to measure the quality of service rendered showed the following performance:



Equivalent Outage Duration per Customer-DEC Its performance was better than in 2002; DEC decreased from 14.51 hours per customer/year in 2002 to 10.73 hours per customer in 2003. The number registered was 26% lower than in 2002 considering the blackout occurred in April 2003, which influenced in 1.264 hours to Escelsa. DEC is an indicator that measures the average number of hours that customers remain without the supply of electric energy.



Equivalent Outage Frequency per Customer-FEC Improved 19.6%, from 10.95 to 8.80 interruptions per customer/year, despite the impact of the blackout that occurred on the grid in April 200, which influenced in 0.989 interruptions for Escelsa. FEC is an indicator that measures the average number of interruptions in the supply of electric energy, per customer.



Average Service Response Time-TMA, an indicator that measures the average time between a complaint of interruptions in energy and the reestablishment of service, improved in 5.4%, with averaging 118 minutes in 2003 compared to 112 minutes in 2002.



LOSSES

Starting in 2003, the energy for free customers (in the free market) was considered in the calculation of the losses. In order to have same-base comparison, the energy of free customers was included in 2002, the index changing from 11.42 to 11.34. As a consequence, energy losses went from 11.34% to 12.19%, after this adjustment. The increase of losses is related to the increased of commercial losses.

FINANCIAL PERFORMANCE

INCOME FROM OPERATIONS

Income from operations in the twelve months of 2003 totaled R\$120,169 thousand, 26.54% higher than the same period of the previous year, resulting in an EBITDA of R\$ 173,310 thousand, equal to an EBITDA margin of 19.0%. The main items of income from operations were:

OPERATING REVENUES

Gross operating revenues in the twelve months of 2003 totaled R\$ 1,356,517 thousand, 14.7% higher compared to 2002. The revenue from the retail sector was R\$ 1,233,771, 9.07% higher than to the same period in 2002. The increase in the wholesale revenue in the twelve months of 2002 compared to the same period last year was due to the short-term supply sales of excess energy.

Net operating revenues in the twelve months of 2003 totaled R\$ 943,697 thousand, 12.7% higher than the same period in 2002.

	thousands of reais			
	PARENT COMPANY		CONSOLIDATED	
	Twelve months			
	2003	2002	2003	2002
Retail:				
Residential	390,586	329,317	655,738	541,232
Industrial	384,060	405,458	497,836	495,885
Commercial	217,399	193,024	371,322	311,053
Rural	60,289	44,116	109,741	81,197
Other	96,489	77,524	169,990	136,423
Unbilled revenues	26,993	7,803	43,619	21,106
Unbilled revenues – low income	21,642	13,034	21,642	13,034
Contingency fee	381		381	
Capacity charge	51,212	22,900	72,318	31,906
Regulatory assets	9,668	6,845	49,262	35,410
	1,258,719	1,100,020	1,991,849	1,667,246
Wholesale:				
Other distributors	26,193	20,839	30,943	24,723
Short-term	71	33,212	-442	15,634
	26,264	54,050	30,501	40,357
Other operating revenues	71,534	28,942	90,559	47,581
Gross operating revenues	1,356,517	1,183,012	2,112,909	1,755,184
(-) Operating revenues deductions	-412,820	-345,764	-598,906	-483,430
Net operating revenues	943,697	837,249	1,514,003	1,271,754

OPERATING COSTS

Operating costs including operating expenses plus RGR quotas increased from R\$ 757,776 thousand to R\$ 839,367 thousand, a increase of 10.8%.

Operating costs outside Company control such as energy purchased, electric power transport, CCC, and RGR quotas increased from R\$ 567,530 thousand to R\$ 608,931 thousand, an increase of .7.29%.

Costs managed by the Company such as personnel, material, third party services and other expenses increased from R\$ 133,165 thousand in the twelve months of 2002 to R\$ 171,294 thousand in the same period of 2003, or 28.6%. Depreciation increased 3.6%, from R\$ 57,081 thousand to R\$ 59,141 thousand.

The increase in costs controlled by the Company was due to: in 2002 civil and fiscal operating contingencies were necessary; adjustments in post-retirement benefits due to deliberation CVM 371/2000 of December, 13 of 2000; energy conservation expenses; in accordance with the ANEEL program; contribution to the Domestic Scientific and Technological Development Fund, in accordance with legislation; registration, for caution, of the occurrence of ICMS over subvention granted to the low income customer, based in the report issued by the Treasury Bureau of the State of Espírito Santo; reversion in Allowance for Doubtful Credits of R\$ 12, 736.00, due to agreement with the State Government.

The increase in costs outside Company control is a result of the impact of the tariff increase in August 2003 on energy purchased from FURNAS and contribution to the Energy Development Account.

	PARENT COMPANY				
	2003		2002		% Change
	R\$ 1,000	%	R\$ 1,000	%	
Controlled Costs:					
Personnel	71,145	8.48	63,102	8.33	12.74
Material	8,637	1.03	6,848	0.90	26.12
Third party services	34,260	4.08	31,949	4.22	7.23
Provision for contingencies	13,575	1.62	3,246	0.43	318.19
Other	43,676	5.20	28,019	3.70	55.88
	171,294	20.41	133,165	17.57	28.63
Depreciation	59,141	7.05	57,081	7.53	3.61
TOTAL CONTROLLED COSTS	230,435	27.45	190,246	25.11	21.13
Non-controlled costs:					
Energy purchased	534,485	63.68	499,840	65.96	6.93
CCC	43,275	5.16	48,534	6.40	(10.84)
Financial compensation	2,410	0.29	2,396	0.32	0.58
ANEEL regulation charge	1,469	0.18	1,267	0.17	15.97
RGR	15,839	1.89	15,493	2.04	2.24
Development energy account	11,454	1.36			
TOTAL NON-CONTROLLED COSTS	608,932	72.55	567,530	74.89	7.30
GRAND TOTAL	839,367	100.00	757,776	100.00	10.77

ENERGY PURCHASED EXPENSES:

Expense of energy purchased in 2003 was R\$ 534,485 thous and, with the following breakdown:

	PARENT COMPANY		CONSOLIDATED	
	Twelve months			
	2003	2002	2003	2002
FURNAS/TRACTEBEL	244,862	267,892	345,455	366,862
TRANSPORT FROM ITAIPU	7,552	6,088	10,630	8,569
TRANSPORT FROM OTHER	79,419	63,551	128,395	103,283
ITAIPU	166,103	176,183	233,935	247,971
OTHER	14,226	9,132	53,747	16,474
SECTOR AGREEMENT AND PARCEL 'A'	22,323	-23,006	19,109	-33,183
TOTAL	534,485	499,840	791,271	709,976

FINANCIAL RESULTS

The net financial result in the twelve months of 2003 was positive R\$ 143,307 thousand, while in the same period last year was negative R\$ 606,147 thousand.

This result was mainly due to the impact of the exchange rate on the foreign currency debt obligations, mainly because of the appreciation of Real in 18.2%.

NET INCOME FOR THE YEAR

The Net Income for 2003 amounted to R\$176,928 thousand and the main factors that contributed to this result were: appreciation of 18,2% of the Brazilian real against the US dollar; increase of 26,54% in operating revenues and a higher result in the participation of investment in subsidiaries, which reached R\$19,446 thousand in 2003 while in 2002 the result was a negative R\$65,295.

CASH AND EQUIVALENTS

ESCELSA has funds deposited in banks or invested in financial instruments in the amount of R\$ 200,020 thousand as shown below:

	PARENT COMPANY		CONSOLIDATED	
	December 31, 2003			
	thousands of reais	US\$ thousand	thousands of reais	US\$ thousand
Investments in Reais:				
Cash and bank	8,597		15,465	
Fixed Income Funds				
Investments funds				
Other	2,488		14,154	
Total real denominated investments	11,085	-	29,619	-
Investments in Dollars:				
Currency Exchange Securities- NBC's	188,935	83,867	188,935	83,867
Total Dollar denominated investments	188,935	83,867	188,935	83,867
Total cash and equivalents	200,020		218,554	
US dollar = 2.8720 Real				

LOANS AND FINANCING
INTEREST ON LOANS AND FINANCING TRANSFER TO PROPERTY, PLANT AND EQUIPMENT

	PARENT COMPANY		CONSOLIDATED		
	Distribution	Total	Generation	Distribution	Total
Gross interest on loans and financing	211,217	211,217	808	286,994	287,802
(-) Transfer to property, plant and equipment	-5,938	-5,938	-	-7,003	-7,003
Net	205,279	205,279	808	279,991	280,799
Gross monetary and exchange variation	-277,444	-277,444	83	-287,134	-287,051
(-) Transfer to property, plant and equipment	-1,682	-1,682	-	-2,001	-2,001
Net	-279,126	-279,126	83	-289,135	-289,052

DETAIL OF LOANS AND FINANCING

PARENT COMPANY

DESCRIPTION	AVERAGE ANNUAL INTEREST RATE	AMORTIZATION		Interest and Other Charges	2003		Interest and Other Charges	2002	
		TYPE (*)	PERIOD MM/YY		Current	Long-Term		Current	Long-Term
Local Currency:									
ELETROBRAS	5,0% - 7,0%	M	05/99 a 08/07	-	2,142	4,421	-	2,096	6,076
BNDES	TJLP + 3,8%	M	11/99 a 10/10	496	37,744	83,001	2,787	40,647	149,396
BNDES-Perdas Rac.	SELIC+1,0%	M	03/02 a 01/06	675	31,950	124,637	-	25,337	114,881
Banco Pactual	CDI+1,85%	M	12/03 a 12/04	-	75,409	-	-	-	-
Banco Pactual	110% CDI	U	08/03 a 02/04	-	15,135	-	-	-	-
Banco do Brasil	115% CDI	U	05/04	-	122	-	-	12,500	-
BRABESCO	110% CDI	U	03/04	-	1,136	-	-	8,700	-
BBVA	110% CDI	U	03/03	-	-	-	-	3,978	-
				1,171	163,638	212,059	2,787	93,258	270,353
Foreign Currency:									
BBA	16%	U	01/03	-	-	-	3,747	49,084	-
BNDES	UMBDES + 3,5%	M	09/01a 10/10	201	11,159	18,138	-	-	-
Senior Notes	10,0%	U	07/07	57,068	-	1,245,124	69,791	-	1,522,704
				57,269	11,159	1,263,262	73,538	49,084	1,522,704
TOTAL				58,440	174,797	1,475,321	76,325	142,342	1,793,057

CONSOLIDATED

DESCRIPTION	AVERAGE ANNUAL INTEREST RATE	AMORTIZATION		Interest and Other Charges	2003		2002		
		TYPE (*)	PERIOD MM/YY		Current	Long-Term	Interest and Other Charges	Current	Long-Term
Local Currency:									
ELETRORBRAS - ESCELSA	5,0% - 7,0%	M	05/99 a 08/07	-	2,142	4,421	-	2,096	6,076
ELETRORBRAS - ENERSUL	6,0% - 12,0%	M	12/97 a 05/22	248	13,452	38,455	253	11,394	48,041
BNDES - ESCELSA	TJLP + 3,8%	M	10/99 a 10/10	496	37,744	83,001	2,787	40,647	149,396
BNDES - MAGISTRA	TJLP + 4,0%	S	11/99 a 11/04	484	41,283	-	961	39,220	39,220
BNDES - ENERSUL	TJLP + 3,85%	M	09/01 a 02/08	240	13,717	43,437	264	13,032	54,298
BNDES - ENERSUL	TJLP + 4,00%	M	02/00 a 04/04	1	327	-	5	934	311
BNDES-Perdas Rac.	SELIC+1,0%	M	02/02 a 06/06	1,150	43,335	200,124	716	33,197	195,157
BNDES-CVA.	SELIC+1,0%	M	05/04 a 04/06	-	6,681	15,955	-	-	-
BNDES- ALFA	TJLP + 4,00%	M	10/01 a 09/07	83	1,609	17,703	-	-	-
BNDES- CESA	TJLP + 4,5%	M	07/04 a 07/12	142	1,992	29,879	126	-	-
BCO BRASIL	11,20%	M	11/04 a 11/13	572	278	29,722	573	-	30,000
BCO PACTUAL	CDI + 1,85%	M	12/03 a 12/04	-	75,409	-	-	-	-
BCO PACTUAL	110% CDI	U	08/03 a 02/04	-	15,135	-	-	-	-
BCO BRASIL	115% CDI	U	05/04	-	122	-	-	12,500	-
BRADESCO	110% CDI	U	03/04	-	1,136	-	-	8,700	-
BBVA	110% CDI	M	03/03	39	20,000	-	1,066	3,978	-
BANK LOAN	115% CDI	M	10/02 a 05/04	-	-	-	-	48,300	-
FUNDAÇÃO ENERSUL	10%	M	07/98 a 06/08	116	2,957	16,707	115	2,003	17,247
OTHER	1,35%	M	05/00 a 06/09	-	-	1,140	262	-	925
TOTAL				3,571	277,319	480,544	7,128	216,001	540,671
Foreign Currency:									
SENIOR NOTES	10,0%	U	07/07	57,068	-	1,245,124	69,791	-	1,522,704
BNDES	UMBNDDES+3,5%	M	09/01 a 10/10	201	11,158	18,138	-	-	-
BNDES- CESA	UMBNDDES	M	07/04 a 07/12	195	408	7,509	179	-	39,589
BNDES- ALFA	TJLP + 4,00%	M	11/04 a 10/07	121	281	4,779	-	-	-
BRADESCO (*)	6,50% - 6,90%	M	11/02 a 11/04	587	19,839	-	1,009	24,014	-
UNIBANCO (*)	10,85% - 11,40%	U	03/04	4,557	16,322	-	-	-	12,727
EUROPEAN INVEST BA	LIBORtri + 4,0% - 5,0%	S	12/02 a 03/09	152	8,510	30,416	259	9,636	47,603
STN-DMLP	LIBORsem + 4,5% - 8,2%	S	10/96 a 04/24	400	3,218	36,732	551	1,668	48,856
BBA FMO (*)	8,90%	S	03/02 a 09/07	331	5,383	8,124	535	4,410	11,568
ITAÚ (*)	27,30%	U	07/03	-	-	-	579	16,570	-
BBV (*)	11,55%	U	12/03 a 11/05	88	7,529	6,902	58	15,742	-
BBA (*)	16%	U	01/03	-	-	-	3,747	49,084	-
				63,700	72,648	1,357,724	76,708	121,124	1,683,047
				67,271	349,967	1,838,268	83,836	337,125	2,223,718

TYPE:

S = Single

M = Monthly

H = Half -Year

(*) Loans protected by Swap contracts against currency fluctuations

MATURITY OF SHORT AND LONG TERM DEBT:

Maturity	PARENT COMPANY	CONSOLIDATED
Tipo de moeda		

	<u>Local</u>	<u>Foreign</u>	<u>Total</u>	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
2004.....	163,639	11,158	174,797	277,319	72,648	349,967
2005.....	82,028	11,643	93,671	146,617	37,459	184,076
2006.....	64,679	4,268	68,947	121,067	20,046	141,113
2007.....	54,306	1,245,705	1,300,011	109,451	1,260,779	1,370,230
2008.....	3,993	581	4,574	46,220	8,507	54,727
2009.....	3,992	581	4,573	15,096	3,992	19,088
2010.....	3,060	485	3,545	14,098	3,387	17,485
2011.....	-	-	-	11,103	2,836	13,939
2012.....	-	-	-	8,056	1,936	9,992
2013.....	-	-	-	4,306	875	5,181
After 2013.....	-	-	-	4,530	17,907	22,437
TOTAL	375,697	1,274,421	1,650,118	757,863	1,430,372	2,188,235

BALANCE SHEETS

(In thousands of Brazilian reais)

LIABILITIES AND SHAREHOLDERS' EQUITY	PARENT COMPANY			CONSOLIDATED		
	Dec-03	Dec-02	Sep-03	Dec-03	Dec-02	MAR-03
	Reclassified	Reclassified	Reclassified	Reclassified	Reclassified	
CURRENT:						
Suppliers	91,449	104,740	98,535	152,435	155,615	154,940
Payroll	4,073	1,977	8,196	4,551	2,968	10,882
Accrued interest and fees	58,440	76,325	27,789	67,271	83,836	38,575
Loans and financing	174,797	142,342	178,601	349,967	337,125	346,340
Accrued taxes and social contributions	40,033	30,120	24,371	90,723	61,657	47,800
Dividends	42,041	21	21	42,053	30	33
Post retirement benefits	3,571	2,042	1,486	3,571	2,042	1,486
Accrued obligations	12,892	13,018	13,394	24,317	23,735	25,178
Regulatory charges	6,520	7,149	8,834	11,637	12,886	15,449
Provision for contingencies	-	39,382	-	-	39,382	-
Other accounts payable	27,163	11,432	18,831	38,044	17,520	27,914
	460,979	428,548	380,058	784,569	736,796	668,597
LONG - TERM:						
Suppliers	73,931	58,346	56,800	99,441	83,781	78,089
Interest on loans and financing	-	-	0	80	3,590	42
Income and social contribution taxes	38,986	28,559	44,040	38,986	45,487	
Loans and financing	1,475,321	1,793,057	1,486,829	1,838,268	2,223,718	1,867,247
Post retirement benefits	30,253	28,212	28,212	30,253	28,212	28,212
Deferred income taxes	46,975	7,642	-	61,779	7,642	3,526
Affiliates and subsidiaries	93	137	86	-	-	152
Provision for contingencies	142,148	127,069	133,921	196,661	166,367	187,834
Other accounts payable	32,000	20,661	65,831	34,063	25,782	115,463
	1,839,707	2,063,683	1,815,719	2,299,531	2,584,579	2,280,565
MINORITY INTEREST	-	-	-	163,423	157,692	156,389
SHAREHOLDERS' EQUITY:						
Capital stock	153,947	153,947	153,947	153,947	153,947	153,947
Capital reserves	65,687	65,687	65,688	65,687	65,687	65,688
Legal reserves	8,847	-	-	-	-	-
Income reserves	126,061	-	-	-	-	-
Loss	-	-	167,327	134,908	-	167,327
	354,542	219,634	386,961	354,542	219,634	386,962
Credits for capital increase	3,387	3,387	3,387	3,387	3,387	3,387
	357,929	223,021	390,349	357,929	223,021	390,349
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,658,615	2,715,252	2,586,125	3,605,452	3,702,088	3,495,900

BALANCE SHEETS

(In thousands of Brazilian reais)

LIABILITIES AND SHAREHOLDERS' EQUITY	PARENT COMPANY			CONSOLIDATED		
	Dec-03	Dec-02	Sep-03	Dec-03	Dec-02	MAR-03
	Reclassified	Reclassified	Reclassified	Reclassified	Reclassified	
CURRENT:						
Suppliers	91,449	104,740	98,535	152,435	155,615	154,940
Payroll	4,073	1,977	8,196	4,551	2,968	10,882
Accrued interest and fees	58,440	76,325	27,789	67,271	83,836	38,575
Loans and financing	174,797	142,342	178,601	349,967	337,125	346,340
Accrued taxes and social contributions	40,033	30,120	24,371	90,723	61,657	47,800
Dividends	42,041	21	21	42,053	30	33
Post retirement benefits	3,571	2,042	1,486	3,571	2,042	1,486
Accrued obligations	12,892	13,018	13,394	24,317	23,735	25,178
Regulatory charges	6,520	7,149	8,834	11,637	12,886	15,449
Provision for contingencies	-	39,382	-	-	39,382	-
Other accounts payable	27,163	11,432	18,831	38,044	17,520	27,914
	460,979	428,548	380,058	784,569	736,796	668,597
LONG - TERM:						
Suppliers	73,931	58,346	56,800	99,441	83,781	78,089
Interest on loans and financing	-	-	0	80	3,590	42
Income and social contribution taxes	38,986	28,559	44,040	38,986	45,487	
Loans and financing	1,475,321	1,793,057	1,486,829	1,838,268	2,223,718	1,867,247
Post retirement benefits	30,253	28,212	28,212	30,253	28,212	28,212
Deferred income taxes	46,975	7,642	-	61,779	7,642	3,526
Affiliates and subsidiaries	93	137	86	-	-	152
Provision for contingencies	142,148	127,069	133,921	196,661	166,367	187,834
Other accounts payable	32,000	20,661	65,831	34,063	25,782	115,463
	1,839,707	2,063,683	1,815,719	2,299,531	2,584,579	2,280,565
MINORITY INTEREST	-	-	-	163,423	157,692	156,389
SHAREHOLDERS' EQUITY:						
Capital stock	153,947	153,947	153,947	153,947	153,947	153,947
Capital reserves	65,687	65,687	65,688	65,687	65,687	65,688
Legal reserves	8,847	-	-	-	-	-
Income reserves	126,061	-	-	-	-	-
Loss	-	-	167,327	134,908	-	167,327
	354,542	219,634	386,961	354,542	219,634	386,962
Credits for capital increase	3,387	3,387	3,387	3,387	3,387	3,387
	357,929	223,021	390,349	357,929	223,021	390,349
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,658,615	2,715,252	2,586,125	3,605,452	3,702,088	3,495,900

STATEMENTS OF INCOME

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

	PARENT COMPANY			CONSOLIDATED		
	12 MONTHS	12 MONTHS	9 MONTHS	12 MONTHS	12 MONTHS	9 MONTHS
	2003	2002	2003	2003	2002	2003
OPERATING REVENUES:						
Electricity sales to final customers	1,207,507	1,077,120	859,051	1,919,531	1,635,340	1,365,896
Contingency fee	51,212	22,900	34,933	72,318	31,906	49,145
Electricity sales to distributors	26,264	54,050	19,464	30,501	40,357	22,172
Use of transmission and distribution system	51,709	17,021	31,762	54,259	17,082	33,588
Other revenues	19,825	11,921	17,850	36,300	30,499	32,744
	1,356,517	1,183,012	963,060	2,112,909	1,755,184	1,503,545
Deductions from operating revenues:						
State value-added taxes - ICMS	-291,488	-263,169	-208,318	-412,498	-358,175	-295,778
PIS and COFINS tax	-54,242	-44,147	-36,772	-84,990	-65,382	-57,892
Global reserve for reversion quota - RGR	-15,839	-15,493	-11,958	-28,609	-27,384	-21,096
Contingency fee	-51,212	-22,900	-34,933	-72,318	-31,906	-49,145
Tax on services (ISSQN)	-39	-55	-36	-491	-583	-464
	-412,820	-345,764	-292,017	-598,906	-483,430	-424,375
Net operating revenues	943,697	837,248	671,043	1,514,003	1,271,754	1,079,170
OPERATING EXPENSES:						
Electricity purchased for resale	-534,485	-499,840	-376,049	-791,271	-709,026	-558,122
Depreciation and amortization	-59,141	-57,081	-44,151	-128,911	-123,105	-86,983
Personnel	-71,145	-63,105	-51,428	-126,863	-111,354	-92,417
Material	-8,637	-6,849	-5,863	-20,543	-16,353	-14,735
Third-party services	-34,260	-31,949	-23,764	-66,741	-60,415	-47,549
Fuel usage quota - CCC	-43,275	-48,534	-32,582	-64,682	-74,061	-49,209
Provision for contingencies	-17,899	-16,161	-27,259	-30,960	-10,197	-22,748
Other	-54,686	-18,764	-24,393	-78,873	-52,911	-53,616
	-823,528	-742,283	-585,488	-1,308,844	-1,157,422	-925,379
INCOME FROM OPERATIONS	120,169	94,965	85,555	205,159	114,332	153,791
EQUITY IN SUBSIDIARIES	19,446	-65,298	13,327			
FINANCIAL REVENUES:						
Income from temporary cash investments	41,089	72,517	38,275	56,241	90,307	49,469
Increase in overdue collections	17,176	11,653	12,546	31,006	18,794	21,557
Hedge	-2,176	11,515	-2,176	-2,176	11,515	-2,176
Regulatory assets - SELIC	57,656	32,891	37,198	102,306	56,712	71,131
Variação monetária de tributos	7,465	9,196	0	0	7,251	0
Variação cambial UTE Campo Grande	0	0	0	0	1,982	0
Other	0	0	12,032	13,325	10,663	17,084
	121,210	137,772	97,875	200,702	197,224	157,065
FINANCIAL EXPENSES:						
Monetary variation - electricity purchase	-8,264	-9,026	-18,906	-8,578	-8,724	-19,220
Monetary and exchange variation on loans and financing	279,126	-544,369	265,299	289,052	-595,722	275,788
Interest on loans and financing	-205,819	-170,327	-146,063	-280,799	-236,101	-206,188
Other	-42,946	-20,197	-33,566	-63,011	-27,096	-47,841
	22,097	-743,919	66,764	-63,336	-867,643	2,539
FINANCIAL RESULTS	143,307	-606,147	164,639	137,366	-670,419	159,604
OPERATING PROFIT (LOSS)	282,922	-576,480	263,520	342,525	-556,087	313,395
NON-OPERATING REVENUES	633	579	540	2,838	981	708
NON-OPERATING EXPENSES	-2,794	-14,132	-3,651	-29,944	-71,839	-26,881
NON-OPERATING INCOME (LOSS), NET	-2,161	-13,553	-3,111	-27,106	-70,858	-26,173
INCOME (LOSS) BEFORE TAXES	280,761	-590,033	260,409	315,419	-626,945	287,222
Social contribution	-25,767	18,786	-23,488	-32,624	19,967	-30,454
Income tax	-78,066	61,995	-69,594	-98,935	66,038	-89,977
INCOME (LOSS) AFTER TAXES	-103,834	80,781	-93,082	-131,559	-540,940	-120,431
MINORITY SHARE IN PROFIT				-6,932	31,688	536
NET INCOME (LOSS) FOR THE PERIOD	176,928	-509,252	167,327	176,928	-509,252	167,327
Net Income(loss) per share - R\$	38.88	(111.90)	36.77			

STATEMENTS OF CASH FLOWS

(In thousands of Brazilian reais)

	PARENT COMPANY			CONSOLIDATED		
	12 MONTHS 2003	12 MONTHS 2002	9 MONTHS 2003	12 MONTHS 2003	12 MONTHS 2002	9 MONTHS 2003
Net Income(loss) for the period	176,928	-509,252	167,327	176,928	-509,252	167,327
Adjustments to reconcile income to cash provided by operating activities:						
Operating activities:						
Long term interest and monetary and exchange variation	-259,442	543,970	-265,962	-283,447	577,723	-285,862
Equity in subsidiaries	-19,446	65,298	-13326	-	-	-
Depreciation and amortization	59,141	57,081	44,151	128,911	123,105	86,904
Disposal of property, plant and equipment	2,252	4,506	1,624	8,200	9,629	6,558
Provision for losses - UTE Campo Grande	-	-	-	22,802	77,291	19794
Provision for contingencies	15,079	14,872	6,852	29,784	22,343	21,068
Regulatory assets	-	-6,845	-	-44,886	-28,074	-22,597
Post retirement benefits	3,570	-198	-	3,570	-198	-
Liabilities adjustments	11,187	8,755	9,104	11,187	8,755	9,104
Deferred income taxes	41,189	-76,945	36,593	48,734	-84,091	42,851
Remuneration on construction work in progress	-	-	-	5,856	-32,753	-1,348
	30,458	101,242	-13,637	107,639	164,478	43,799
Changes in current assets and liabilities:						
Accounts receivable	32,571	-71,480	17,106	12,569	-86,520	15,394
Other accounts receivable	23,891	17,073	439	27,038	13,668	1,066
Material and supplies	637	857	-	1,279	1,081	-43559
Other credits-UTE Campo Grande	-	0	45,666	-46,027	-25,891	42,204
Other credits	40,028	8,262	-58,637	36,828	8,444	-85,765
Prepaid expenses	-21,510	5,391	-6,205	-31,979	-5,866	-378
Suppliers	(13,291)	-31,547	-45,131	(2,699)	-23,378	-36,556
Accrued taxes and social contributions	-29,469	1,570	376	-10,334	311	1,923
Accrued obligations	(126)	661	1,685	(5)	1,388	2,563
Regulatory charges	(629)	-1,232	-556	(1,249)	-354	-
Other	18,258	566	28,116	24,670	4,634	37,182
	50,360	-69,879	-17,141	10,091	-112,483	-65,926
Change in non-current assets and liabilities:						
Accounts receivable	5,777	-12,074	5194	26,109	-12,074	13458
Escrow deposits	(24,251)	-11,080	-13,195	(34,641)	-17,944	-21,580
Tariff bonus and surcharges	-	16,461	28	3,901	24,234	3,929
Affiliates and subsidiaries	1,574	-4,321	2,636	4,208	-3,387	1,659
Prepaid expenses	(15,197)	-11,866	10,326	(29,671)	-27,281	9,616
Accrued taxes and social contributions	57,402	-	-	55,278	-	-
UTE-Campo Grande	-	-	-	-	2,477	-
Other credits - low income	13,034	-13,034	9675	18,718	-18,718	15359
Other	10,591	6,974	61,985	1,252	4,112	68,127
	48,930	-28,940	76,649	45,154	-48,581	90,568
Net cash provided (use in) operating activities	129,748	2,423	45,871	162,884	3,414	68,441
Investing activities:						
Additions to property, plant and equipment	(64,473)	-50,891	-36,358	(161,684)	-187,970	-103,757
Additions to investments	(137,538)	-115,444	-117,389	(718)	290	1
Obligations related to the concession	7,643	4,340	5,759	18,695	6,185	13,246
Net cash used in investing activities	-194,368	-161,995	-147,988	-143,707	-181,495	-90,510
Financing activities:						
Loans and financing	(25,839)	187,515	-4,007	(106,836)	224,566	-74,290
Accrued interest and fees	(17,116)	21,887	-47,959	(19,306)	26,012	-48,232
Dividends	-	-	-	(1,109)	-5,366	-536
Affiliates and subsidiaries	-	-	-51	-	-	-
Credits for capital increase	-	-	-	-	-	-
Net cash provided by (used in) financing activities	-42,955	209,402	-52,017	-127,251	245,212	-123,058
Net increase(decrease) in cash and cash equivalents	-107,575	49,830	-154,134	-108,074	67,131	-145,127
Cash and cash equivalents at the beginning of the period	307,595	257,765	307,595	326,628	259,497	326,628
Cash and cash equivalents at the end of the period	200,020	307,595	199,636	218,554	326,628	211,222

UNCONSOLIDATED STATEMENTS OF INCOME BY QUARTER

(in thousands of Brazilian reais)

	2 0 0 3					2 0 0 2				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
NET OPERATING REVENUES	237,708	205,146	228,189	272,654	943,697	208,163	163,182	218,287	247,616	837,248
OPERATING EXPENSES:	(184,664)	(199,590)	(201,234)	(238,040)	(823,528)	(176,949)	(169,496)	(194,567)	(201,271)	(742,283)
Electricity purchased for resale	(122,881)	(121,970)	(131,198)	(158,435)	(534,484)	(108,323)	(116,240)	(132,396)	(142,881)	(499,840)
Depreciation and amortization	(14,573)	(14,759)	(14,819)	(14,991)	(59,142)	(14,131)	(14,212)	(14,278)	(14,460)	(57,081)
Personnel	(15,817)	(17,426)	(18,185)	(19,717)	(71,145)	(14,225)	(15,474)	(17,527)	(15,879)	(63,105)
Material	(1,936)	(1,667)	(2,260)	(2,774)	(8,637)	(1,557)	(1,653)	(1,937)	(1,701)	(6,848)
Third-party services	(7,783)	(7,398)	(8,583)	(10,496)	(34,260)	(7,698)	(7,405)	(8,074)	(8,772)	(31,949)
Fuel usage quota - CCC	(10,522)	(10,548)	(11,512)	(10,694)	(43,276)	(12,907)	(13,557)	(11,631)	(10,439)	(48,534)
Provision for contingencies	(140)	(13,861)	121	9,360	(4,520)	-	(1,256)	(703)	(1,287)	(3,246)
Other	(11,012)	(11,961)	(14,798)	(30,293)	(68,064)	(18,108)	301	(8,021)	(5,852)	(31,680)
INCOME FROM OPERATIONS	53,044	5,556	26,955	34,614	120,169	31,214	(6,314)	23,720	46,345	94,965
EQUITY IN SUBSIDIARIES	3,327	460	9,539	6,119	19,446	8,268	(22,720)	(19,997)	(30,849)	(65,298)
FINANCIAL REVENUES	60,952	5,725	31,198	23,335	121,210	19,215	44,805	34,552	39,200	137,772
FINANCIAL EXPENSES:	8,591	150,522	(92,349)	(44,667)	22,097	(37,757)	(285,350)	(522,010)	101,198	(743,919)
Monetary variation - electricity purchase	(7,091)	(5,716)	(6,099)	10,642	(8,264)	(305)	(3,569)	(194)	(4,958)	(9,026)
Monetary and exchange variation on loans and financing	74,488	215,335	(24,524)	13,827	279,126	(2,821)	(232,751)	(466,210)	157,413	(544,369)
Interest on loans and financing	(50,486)	(45,403)	(50,174)	(59,756)	(205,819)	(32,037)	(42,005)	(50,456)	(45,829)	(170,327)
Other	(8,320)	(13,694)	(11,552)	(9,380)	(42,946)	(2,594)	(7,025)	(5,150)	(5,428)	(20,197)
FINANCIAL RESULTS	69,543	156,247	(61,151)	(21,332)	143,307	(18,542)	(240,545)	(487,458)	140,398	(606,147)
NON-OPERATING INCOME(LOSS), NET	(1,303)	(199)	(1,609)	950	(2,161)	(2,974)	(82)	(952)	(9,545)	(13,553)
INCOME(LOSS) BEFORE TAXES	124,611	162,064	(26,266)	20,352	280,761	17,966	(269,661)	(484,687)	146,349	(590,033)
Social contribution and income tax	(42,485)	(60,930)	10,333	(10,752)	(103,834)	(3,811)	81,138	616	2,838	80,781
NET INCOME(LOSS) FOR THE PERIOD	82,126	101,134	(15,933)	9,601	176,929	14,155	(188,523)	(484,071)	149,187	(509,252)
FINANCIAL RATIOS AND OTHER INFORMATION										
EBITDA	67,617	20,315	41,774	49,605	179,311	45,345	7,898	37,998	60,805	152,046
(+) Financial revenues	60,952	5,725	31,198	23,335	121,210	19,215	44,805	34,552	39,200	137,772
(+) Non-operating income (loss), net	-1,303	-199	-1,609	950	-2,161	-2,974	-82	-952	-9,545	-13,553
=Adjusted EBITDA	127,266	25,841	71,363	73,891	298,361	61,586	52,621	71,598	90,460	276,265
CAPITAL EXPENDITURE	12,327	11,022	14,173	26,951	64,473	13,101	11,470	14,196	21,398	60,165
TOTAL DEBT	1,907,669	1,707,814	1,693,221	1,708,558	1,708,558	1,264,556	1,537,026	2,117,467	2,011,724	2,011,724
INTERES ON LOANS AND FINANCING	50,486	45,403	50,174	59,756	205,819	32,037	42,005	50,456	45,829	170,327
EBITDA margin	28.45%	9.90%	18.31%	18.19%	19.00%	21.78%	4.84%	17.41%	24.56%	18.16%
EBITDA/Interest on loans and financing (x)	1.3	0.4	0.8	0.8	0.9	1.4	0.2	0.8	1.3	0.9
Adjusted EBITDA margin	53.54%	12.60%	31.27%	27.10%	31.62%	29.59%	32.25%	32.80%	36.53%	33.00%
Adjusted EBITDA/Interest on loans and financing	2.5	0.6	1.4	1.2	1.4	1.9	1.3	1.4	2.0	1.6