



QUARTERLY EARNINGS RELEASE – MARCH 2002 FOR IMMEDIATE RELEASE

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ESCELSA ANNOUNCES RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2002

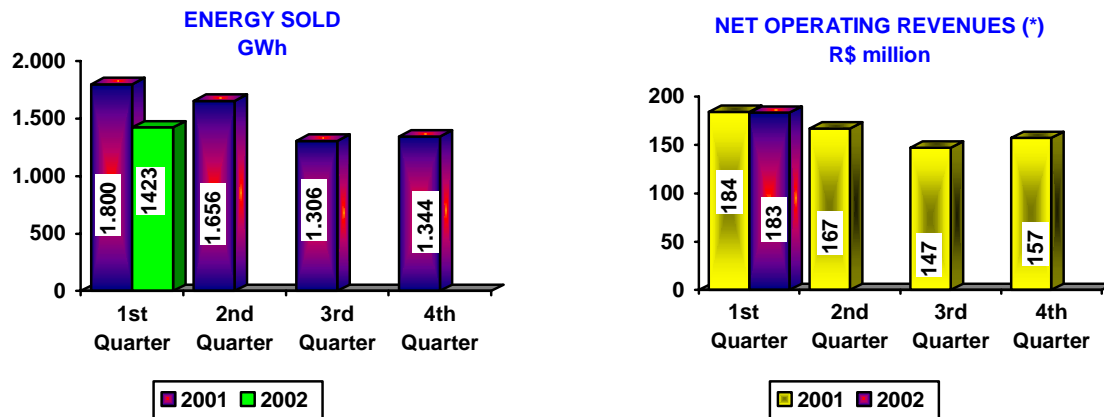
May 15, 2002, Espírito Santo, Brazil - ESCELSA (Espírito Santo Centrais Elétricas S.A.) today announced its financial results stated in corporate law in accordance with Brazilian GAAP for the first quarter ended March 31, 2002. All figures are in Brazilian Reals. Consolidated results include the incorporation of wholly-owned subsidiaries Magistra Participações, a 65.2% shareholder of ENERSUL, and TVIX, a cable TV provider in Vitória and Vila Velha, and ESCELSAPAR, a provider of Internet service and information technology.

FIRST QUARTER 2002 HIGHLIGHTS

On December 27, the Government approved Extraordinary tariff increases of 2.9% for residential customers (excluding low-income customers) and 7.9% for all other customers in compensation for the losses incurred as a result of Brazil's Emergency Program for Reducing Electricity Consumption.

Energy sold totaled 1,422,748 MWh in the first quarter of 2001, 21% lower than in the same period last year.

The lower sales volume was due to electric energy reduction measures adopted in June 2001, by the Energy Crisis Management Chamber – CGE as a result of the critical hydrological situation in the Southeast, Midwest, and Northeast regions of the country.



(*) Does not include revenue from the extraordinary tariff increase



ESCELSA'S NUMBERS								
	ESCELSA				CONSOLIDATED			
	UP TO	FISCAL	UP TO	% CHANGE	UP TO	FISCAL	UP TO	% CHANGE
	1Q01	YEAR 2001	1Q02	(D)=C/A	1Q01	YEAR 2001	1Q02	(H)=G/E
	(A)	(B)	(C)		(E)	(F)	(G)	
FINANCIAL INFORMATION (In thousands of reais)								
Net operating revenues	184,373	867,796	208,163	12.9	284,266	1,358,887	327,906	15.4
Income from operations	18,891	121,768	31,214	65.2	32,031	243,255	61,159	90.9
Net income (loss)	(41,288)	(26,136)	14,155	(134.3)	(41,288)	(26,136)	14,155	(134.3)
EBITDA (1)	32,455	177,267	45,345	39.7	58,279	349,059	90,383	55.1
Adjusted EBITDA (2)	72,582	284,850	61,586	(15.1)	105,278	486,041	118,421	12.5
Total Assets	2,223,988	2,566,612	2,611,966	17.4	3,055,713	3,537,976	3,620,730	18.5
Shareholders' equity	734,330	731,403	746,781	1.7	734,330	731,403	746,781	1.7
Shares outstanding(number)	4,550,833	4,550,833	4,550,833	-				
Share price (R\$)(4)	118.50	80.00	95.95	(19.0)				
Market value	539,274	364,067	436,652	(19.0)				
INDICATORS								
Operating margin (%)	10.25	14.03	14.99	46.2	11.27	17.90	18.65	65.5
EBITIDA margin (%)	17.60	20.43	21.78	23.8	20.50	25.69	27.56	34.4
Current ratio (Current assets/Current liabilities)	2.02	1.80	1.72	(14.9)	1.42	1.17	1.11	(21.8)
Personnel expenses plus third party services/net oper.revenues (%)	12.33	10.55	10.53	(14.6)	13.87	11.91	12.29	(11.4)
Energy losses (%) (3)	9.92	10.38	10.83	9.2				
DEC-Equivalent Outage Duration per Customer (hours) (3)	13.93	12.96	15.87	13.9				
FEC- Equivalent Outage Frenquency per Customer (number) (3)	11.76	11.04	12.14	3.2				
TMA-Average Service Response Time (minutes)(3)	105	110	111	5.7				
Number of customers per employee	587	654	668	13.8				
MARKET								
Energy Sales - MWh	1,799,929	6,111,549	1,422,748	(21.0)	2,570,641	8,783,912	2,074,479	(19.3)
Maximum demand - MWh/h	1,132.70	1,138.1	993.3	(12.3)				
Number of customers	873,798	922,579	938,029	7.4	1,418,978	1,494,902	1,519,799	7.1
Average tariff to final customers - R\$/MWh	109.98	115.11	137.57	25.1				
Average cost of electricity purchased - R\$/MWh	62.19	80.21	65.83	5.9				
HUMAN RESOURCES								
Number of employees	1,488	1,411	1,404	(5.6)	2,499	2,466	2,450	(2.0)
Number of trainees	67	83	83	23.9	86	109	109	26.7
Personnel expenses (thousands of reais)	15,988	62,324	14,225	(11.0)	27,443	108,271	25,716	(6.3)
Personnel expenses plus third party services (thousands of reais)	22,729	91,554	21,923	(3.5)	39,432	161,911	40,315	2.2
Note: (1) EBITDA=Income from operations plus depreciation and amortization (2) Adjusted EBITDA=EBITDA plus financial revenues plus non-operating revenues(expenses) (3) 12-month period (4) Share price= at close of each quarter								



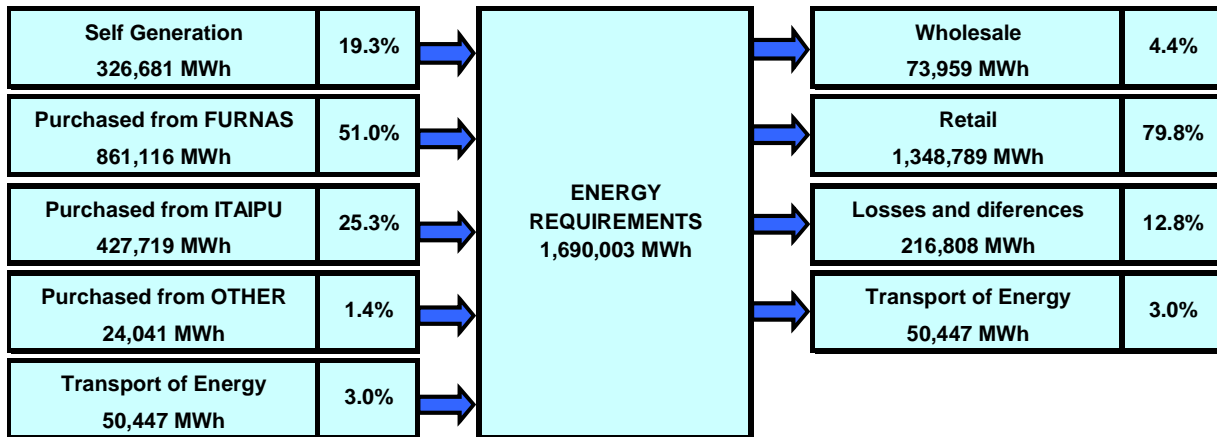
MARKET PERFORMANCE

ENERGY REQUIREMENTS

Energy requirements for the first quarter of 2002 totaled 1,690,003 MWh, representing a decrease of 16.2% when compared to 2,017,405 MWh in the same period last year.

In order to satisfy market demand, the Company generated 326,881 MWh internally and purchased 1,363,322 MWh from other companies. Also, 50,447 MWh, generated by self-producers was transported on ESCELSA's system.

The maximum demand during the first quarter of 2002 was 993,3 MW/h, compared to 1,132.7 MW/h in the same period last year, an increase of 12,3%.



ENERGY SOLD

ESCELSA sold 1,422,748 MWh during first quarter of 2002, 21% lower than the same period last year.

The reduction in sales is a result of the Energy Rationing Plan, implemented on June 4, 2001, which caused a reduction in sales to all consumer segments, particularly the residential segment.

Energy sales per consumer segment:

	MWh					
	ESCELSA			CONSOLIDATED		
	Up to March 31,		% Change	Up to March 31,		% Change
2002	2001	2002		2001		
Retail:						
Residential	279,031	401,597	(30.52)	486,670	673,417	(27.73)
Industrial	682,945	840,828	(18.78)	838,482	998,693	(16.04)
Commercial	211,310	246,427	(14.25)	338,470	402,997	(16.01)
Rural	68,621	97,299	(29.47)	133,174	163,838	(18.72)
Other	106,882	132,385	(19.26)	197,404	243,707	(19.00)
	1,348,789	1,718,536	(21.52)	1,994,200	2,482,652	(19.67)
Wholesale	73,959	81,393	(9.13)	80,279	87,989	(8.76)
TOTAL	1,422,748	1,799,929	(20.96)	2,074,479	2,570,641	(19.30)



CUSTOMER PROFILES

RESIDENTIAL

Sales to the residential segment, which accounted for 19.6% of total energy sold and 32.3% of sales revenue, were 30.5% lower in the first quarter of 2002 compared to the same period last year.

INDUSTRIAL

Sales to the industrial segment, which accounted for 48% of the total energy sold and 33.2% of sales revenue, decreased 18.8% in the first quarter of 2002, compared to the same period in 2001.

COMMERCIAL

Sales to the commercial segment, which accounted for 14.8% of energy sold and 18.4% of sales revenue, decreased 14.3% in the first quarter of 2002 compared to the same period in 2001.

RURAL

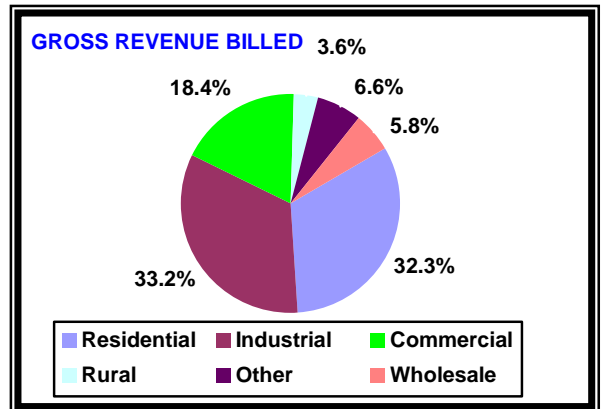
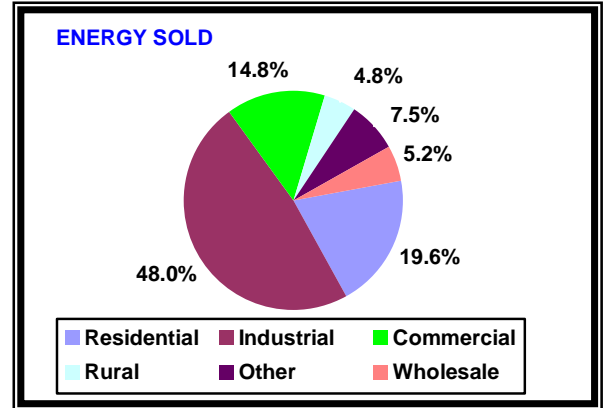
Rural segment sales, which represented 4.8% of total energy sold by ESCELSA and 3.6% of sales revenue, decreased 29.5% in the first quarter of 2002, compared to the same period in 2001.

OTHER

Sales volume to other segments, which represented 7.5% of total energy sold and 6.6% of sales revenue, decreased 19.3% in the first quarter of 2002, compared to the same period in 2001.

OTHER UTILITIES

Energy sold to other electric utilities, which represented 5.2% of sales volume and 5.8% of sales revenue, increased 9.1% in the first quarter of 2002, compared to the same period in 2001.



NUMBER OF CUSTOMERS

The number of customers on March 31, 2002 totaled 938,029, an increase of 7.4% compared to the same period last year.

During the three months of 2002, 15,450 customers were connected.

	ESCELSA			CONSOLIDATED		
	March 31,		% Change	March 31,		% Change
	2002	2001		2002	2001	
Residential	745,288	698,011	6.77	1,223,409	1,149,997	6.38
Industrial	11,207	10,556	6.17	15,900	15,293	3.97
Commercial	83,202	76,637	8.57	134,608	124,314	8.28
Rural	89,515	80,071	11.79	130,903	114,818	14.01
Other	8,815	8,521	3.45	14,974	14,551	2.91
Wholesale	938,027	873,796	7.35	1,519,794	1,418,973	7.11
	2	2	-	5	5	-
Total	938,029	873,798	7.35	1,519,799	1,418,978	7.11

AVERAGE TARIFF

The average tariff charged to final customers for electric energy service in March of 2002 was R\$134.28/MWh, while the wholesale rate to other electric utilities was R\$69.05/MWh.

The average tariffs per segment are as follows:

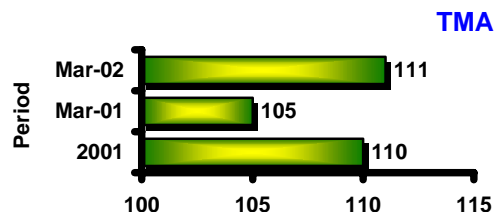
	ESCELSA						R\$/MWh
	MAR-2002	MAR-2001	% Change	UP TO MAR-2002	UP TO MAR-2001	% Change	
Retail:							
Residential	222.42	182.37	22.0	221.68	180.85	22.6	
Industrial	92.90	73.67	26.1	95.28	71.24	33.7	
Commercial	168.43	135.43	24.4	169.84	134.05	26.7	
Rural	128.27	103.59	23.8	128.98	103.17	25.0	
Other	130.97	104.89	24.9	129.57	101.25	28.0	
	134.28	112.08	19.8	137.57	109.98	25.1	
Wholesale	69.05	58.93	17.2	65.83	57.75	14.0	
Average Tariff	131.00	109.72	19.4	133.84	107.62	24.4	

QUALITY OF SERVICE RENDERED

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

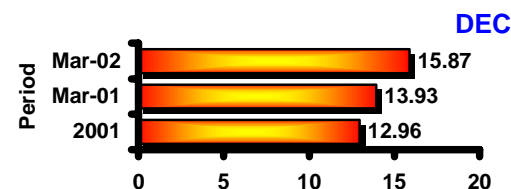
Average Service Response Time – TMA is an indicator that measures the average time between a complaint of interruption in energy and the re-establishment.

For the 12-month period ended March 31, 2002, TMA was 111 minutes compared to 105 minutes for the same period in the previous year, an increase of 5.7%.



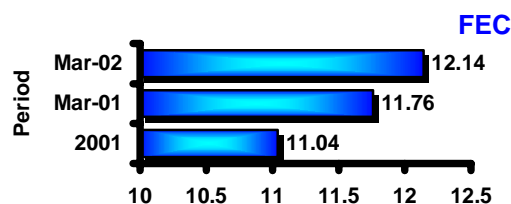
Equivalent Outage Duration per Customer – DEC measures the average number of hours that each customer remains without the supply of energy.

For the twelve-month period ended March 31, 2002, DEC was 15.87 hours, compared to 13.93 hours in the previous year, an improvement of 13.9%.



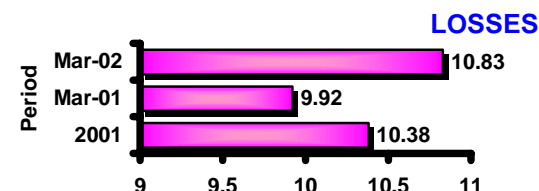
Equivalent Outage Frequency per Customer - FEC indicates the average number of interruptions in energy service per customer.

For the period ended March 31, 2002, FEC was 12.14 compared to 11.76 for the same period the previous year, an improvement of 3.2%.



ENERGY LOSSES

Energy losses increased from 9.92% in the twelve-month period ended March 31, 2002 to 10.83% in the same period this year. This increasing is due to the energy rationing, as the reduction in sales was not necessarily followed by a reduction in energy losses, especially commercial losses.



FINANCIAL PERFORMANCE

INCOME FROM OPERATIONS

Income from operations in the first quarter of 2002 totaled R\$ 31,214 thousand, 64.8% higher than the same period last year and resulted in an EBITDA of R\$ 45,345 thousand, equal to an EBITDA margin of 21.8%.

The items that make up service income showed the following performance:



OPERATING REVENUES

Gross operating revenues in the first quarter of 2002 totaled R\$ 281,008 thousand, an increase of 9.5% compared to the same period previous year. The revenue from the retail sector was R\$263,181 thousand, an increase of 5.1% compared to same period the previous year. This amount includes R\$ 25,921 thousand related to revenues from the extraordinary tariff adjustment.

Net operating revenues totaled R\$ 208,163 thousand in the first quarter of 2002, 12.9% higher than the same period last year.

	thousands of reais			
	ESCELSA		CONSOLIDATED	
	1st Quarter			
	2002	2001	2002	2001
Retail:				
Residential	80,543	96,272	128,894	151,001
Industrial	82,774	80,918	101,434	96,928
Commercial	45,963	44,193	72,263	71,222
Rural	9,052	10,516	16,997	17,660
Other	16,432	16,628	28,988	29,600
Unbilled revenues	2,496	1,985	3,348	3,597
Regulatory assets	25,921	-	53,893	-
	263,181	250,512	405,817	370,008
Wholesale:				
Other distributors	5,626	4,703	6,538	5,525
Short-term	8,773	(457)	10,269	4,741
	14,399	4,246	16,807	10,266
Other revenues	3,428	1,869	7,609	5,419
Gross operating revenues	281,008	256,627	430,233	385,693
Operating revenues deductions	(72,845)	(72,254)	(102,327)	(101,427)
Net operating revenues	208,163	184,373	327,906	284,266

OPERATING COSTS

Operating costs including operating expenses plus RGR quotas increased from R\$ 169,589 thousand in 1Q01 to R\$ 181,001 thousand in 1Q02.

Costs outside the Company's control such as energy purchased, electric power transport, CCC, and RGR quotas remained stable, increasing only 0.1% compared to the previous year.

Costs controlled by the Company, such as personnel, material, third party services and other expenses increased from R\$ 30,146 thousand in 1Q01 to R\$ 40,876 thousand in 1Q02, an increase of 35.6%. Depreciation increased 4.2%, from R\$ 13,564 thousand in 1Q01 to R\$ 14,131 thousand in 1Q02. The increase in controlled costs is due to the provision for an asset adjustment on 12/31/01, which was necessary because the tariff set by ANEEL on April 23, 2002 was lower than had been used as a reference to prepare the December 31, 2001 financial statements.

Costs in the amount of R\$ 5,997 thousand (not passed through to customers) resulting from "Parcel A" (costs outside the Company's control) were classified as "Prepaid Expenses" in Current Assets or Long-Term Liabilities

	thousands of reais		
	ESCELSA		
	1st Quarter		
	2002	2001	Change%
Company Controlled Costs			
Personnel	14,225	15,988	(11.0)
Material	1,557	1,786	(12.8)
Third party services	7,698	6,741	14.2
Provision for adjustment of regulatory assets	10,994	-	-
Other	6,402	5,631	13.7
	40,876	30,146	35.6
Depreciation	14,131	13,564	4.2
TOTAL COMPANY CONTROLLED COSTS	55,007	43,710	25.8
Outside Company Control			
Energy purchased	108,323	108,695	(0.3)
CCC	12,907	12,151	6.2
Financial compensation	423	510	(17.1)
ANEEL fiscal fee	289	416	(30.5)
RGR	4,052	4,107	(1.3)
TOTAL COSTS OUTSIDE COMPANY CONTROL	125,994	125,879	0.1
GRAND TOTAL	181,001	169,589	6.7



ENERGY PURCHASED EXPENSES

Energy purchased expenses totaled R\$ 108,323 thousand in the first quarter of 2002, approximately the same amount in the first quarter of 2001.

The following table details energy purchased expenses.

	ESCELSA		CONSOLIDATED	
	Up to March 31,			
	2002	2001	2002	2001
ELECTRICITY PURCHASED:				
From FURNAS and GERASUL				
Expenses - thousands of reais	58,647	55,163	79,397	77,265
Volume - MWh	749,177	1,234,463	508,282	1,823,871
Average cost - R\$/MWh	78.28	44.69	156.21	42.36
WHEELING From ITAIPU				
Expenses - thousands of reais	1,455	1,322	1,982	1,860
Average cost - R\$/MWh	3.40	3.16	11.38	3.16
WHEELING-OTHER				
Expenses - thousands of reais	13,538	13,443	21,679	21,502
Average cost - R\$/MWh	18.07	10.89	42.65	11.79
From ITAIPU				
Expenses - thousands of reais	35,534	31,431	48,245	44,183
Volume - MWh	427,719	417,832	174,215	588,525
Average cost - R\$/MWh	83.08	75.22	276.93	75.07
From OTHER				
Expenses - thousands of reais	776	7,336	4,674	10,797
Volume - MWh	135,981	95,632	21,791	155,958
Average cost - R\$/MWh	5.71	76.71	214.49	69.23
ELECTRIC SECTOR AGREEMENT AND PARCEL 'A'				
Expenses - thousands of reais	(1,627)	-	(1,627)	-
TOTAL				
Expenses - thousands of reais	108,323	108,695	154,350	155,607
Volume - MWh	1,312,877	1,747,927	704,288	2,568,354
Average cost - R\$/MWh	82.51	62.19	219.16	60.59

NET FINANCIAL INCOME (EXPENSE)

Net financial expense in the first quarter of 2002 was R\$ 18,542 thousand compared to a net financial expense of R\$ 77.866 thousand in the same period in 2001. This improvement was due to the stability of the exchange rate during the period. The exchange rate on March 31, 2002 was R\$ 2.3236/US\$1.00 compared to R\$2.3204US\$1.00 on December 31, 2001.

NET INCOME FOR THE PERIOD

The factors that contributed to the income of R\$ 14,1551 thousand in the first quarter of 2002, were the stability of the U.S dollar against the Real and the accounting of losses related to rationing in the amount of R\$25,921 thousand.

CASH AND EQUIVALENTS

ESCELSA has funds deposited in banks or invested in financial instruments in the amount of R\$ 215,732 thousand for the Company and R\$ 218,413 thousand on a consolidated basis as shown below:

	ESCELSA		CONSOLIDATED	
	March 31, 2002			
	thousands of reais	US\$ thousand	thousands of reais	US\$ thousand
Investments in Reais:				
Cash and bank	8,060	-	10,482	-
Banking Certificates of Deposits	204,051	-	10	-
Other	3,621	-	3,870	-
Total real denominated investments	215,732	-	14,362	-
Investments in Dollars:				
Currency Exchange Securities-NTN's and NBC's	204,051	87,817	204,051	87,817
Total Dollar denominated investments	204,051	87,817	204,051	87,817
Total cash and equivalents	419,783	87,817	218,413	87,817
US dollar = 2,3236 Real				



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- d) The BNDES financing obtained by ESCELSA is being used for the transmission and distribution programs. The loan's interest rate is based on the Long-term Interest Rate (TJLP), plus a 3.8% spread, with a 12-month grace period and 84 monthly amortization payments beginning November 15, 1999.
- e) The BNDES financing obtained by ENERSUL is being used to finance the 1998-2000 Investment Program. The loan's interest rate is based on the Long-term Interest Rate (TJLP), plus a 3.85% spread, with a 24-month grace period and 78 monthly amortization payments beginning September 2001. The BNDES financing used for the construction of the Imbiruçu Substation has an interest rate of TJLP plus a 4.0% spread, with 51 monthly amortization payments beginning in February 2000.
- f) The Banco do Brasil financing obtained by ENERSUL, with funds from the Midwest Constitutional Financing Fund (FCO), is being used for the 2001 Investment Program. The interest rate is 11.20% per annum with 108 monthly amortization payments starting in December 2004 and extending through November 2013.
- g) Financing from Banco BBA-EIB for ENERSUL's Distribution Program carries an interest rate linked to quarterly LIBOR plus 4% to 5% per annum, with a grace period of 36 months and 11 semi-annual amortization payments starting in June 2003 and ending in March 2009. BBA secured an external line of credit with Netherlands Development Company – FMO, supported by Resolution 2770 from BACEN. The line carries an interest rate of 8.9% and is exchange rate indexed with amortization payments scheduled to begin in March 2002, ending in September 2007. The BBA-FMO financing is hedged against currency fluctuations by way of swap contracts.
- h) Financing from Bradesco for ENERSUL was secured to cover payments to suppliers at an interest rate of 7.3% to 8.4% per annum, indexed to the exchange rate, with liquidation in May and June of 2002. The financing is hedged against currency fluctuations by way of swap contracts.
- i) Long-term financing from Unibanco for ENERSUL was secured mainly to cover payments to suppliers at an interest rate of 10.85% to 11.40% per annum, indexed to the exchange rate, with a single amortization payment in March 2004. Short-term financing from Unibanco was secured in November 2001 at an interest rate of 3.30%, indexed to the exchange rate, with a single amortization payment in May 2002. The financing is hedged against currency fluctuations by way of swap contracts.
- j) Financing from ITAU was secured mainly to cover payments to suppliers at an interest rate of 1.50% per annum, indexed to the exchange rate, with a single amortization payment in October 2002. The financing is hedged against currency fluctuations by way of swap contracts.
- k) Financing from STN-DMLP was secured for the Distribution Lines and Substation Investment Program at an interest rate of 5.2% to 8.2% per annum, indexed to the exchange rate.
- l) Obligations linked to ELETROBRAS financing for the construction of the Costa Rica Hydroelectric Plant, in the amount of R\$5,487, are being presented as a reduction to long and short-term debt at ESCELSA, with the transfer of the obligation to Costa Rica Energética Ltda.
- m) Financing from BBVA, Banco do Brasil, Banco Alfa, HSBC and Citibank was secured to amortize mutual obligations with MAGISTRA and for investments in the Campo Grande Hydroelectric Plant, at a rate of 102.5% to 106.5% of CDI.
- n) ESCELSA and ENERSUL obligations to ELETROBRAS, BNDES and FCO are guaranteed by escrow accounts linked to the companies' receivables. Financing for ENERSUL from the National Treasury (STN) is guaranteed by a direct withdrawal agreement, escrow account, the Mato Grosso do Sul Government, and a portion collateralized with cash. The remaining obligations are guaranteed by promissory notes. The Magistra obligation with the BNDES is collateralized with ENERSUL equity.
- o) Maturity of short and long-term installments are due as follows:

Maturity	ESCELSA			CONSOLIDATED		
	Currency			Local	Foreign	Total
	Local	Foreign	Total	Local	Foreign	Total
Current						
2002.....	57,871	-	57,871	235,299	55,811	291,110
2003.....	13,100	-	13,100	23,442	2,164	25,606
	70,971	-	70,971	258,741	57,975	316,716
Long-Term						
2003.....	32,467	-	32,467	93,667	9,007	102,674
2004.....	44,815	-	44,815	105,579	24,113	129,692
2005.....	47,225	-	47,225	68,207	12,578	80,785
2006.....	29,133	-	29,133	50,824	9,760	60,584
2007.....	4,617	1,001,374	1,005,991	27,145	1,010,796	1,037,941
2008.....	4,133	-	4,133	14,582	5,585	20,167
2009.....	4,133	-	4,133	9,638	1,955	11,593
2010.....	3,135	-	3,135	8,640	1,491	10,131
2011.....	-	-	-	5,505	1,491	6,996
After 2011.....	-	-	-	11,877	16,202	28,079
	169,658	1,001,374	1,171,032	395,664	1,092,978	1,488,642
TOTAL	240,629	1,001,374	1,242,003	654,405	1,150,953	1,805,358



QUARTERLY EARNINGS RELEASE – MARCH 2002

n) In accordance with General Instruction no. 36 of the Accounting Standards for Public Electric Utilities and CVM Instruction no. 193, of July 11, 1996, the following amounts were incorporated into Property, Plant and Equipment:

	ESCELSA		Generation	CONSOLIDATED	
	Distribution	Total		Distribution	Total
Interest on loans and financing.....	32,649	32,649	2,541	47,799	50,340
(-) Capitalized.....	(612)	(612)	(2,430)	(2,183)	(4,613)
Net	32,037	32,037	111	45,616	45,727
Monetary and exchange variation	3,004	3,004	79	6,960	7,039
(-) Capitalized.....	(183)	(183)	(74)	(219)	(293)
Net	2,821	2,821	5	6,741	6,746

BALANCE SHEETS						
(in thousands of Brazilian reais)						
ASSETS	ESCELSA			CONSOLIDATED		
	MAR-2001	DEC-2001	MAR-2002	MAR-2001	DEC-2001	MAR-2002
CURRENT ASSETS	546,458	569,109	542,754	651,983	731,597	723,419
Cash and bank	649	969	8,060	3,415	2,637	10,482
Accounts receivable	147,393	202,173	233,685	219,964	342,030	384,981
Other accounts receivable	36,516	15,072	11,517	54,335	23,030	21,115
Allowance for doubtful accounts	(6,094)	(17,585)	(19,086)	(9,688)	(28,778)	(29,921)
Tax credits	-	54,155	42,550	-	67,209	56,255
Marketable securities	306,665	256,796	207,672	308,646	256,859	207,931
Other credits	17,252	7,544	8,531	22,621	13,363	14,365
Materials and supplies	3,731	4,478	4,031	6,609	7,255	6,989
Escrow deposits	39,382	39,382	39,382	39,382	39,382	39,382
Prepaid expenses	964	6,125	6,412	6,699	8,610	11,840
LONG-TERM ASSETS	169,003	437,712	484,169	405,965	745,290	823,192
Other accounts receivable	15,169	189,983	210,452	48,392	258,462	303,762
Escrow deposits	49,763	61,095	63,651	65,384	80,429	84,361
Emergency program for energy reduction	-	30,500	46,596	-	47,664	71,778
Funding costs	4,043	3,426	3,235	4,043	3,426	3,235
Tax credits	83,789	95,651	97,356	222,674	205,033	197,630
Affiliates and subsidiaries	1,197	2,253	901	47,994	52,849	55,479
Prepaid expenses	-	52,609	58,606	-	86,002	94,592
Other	15,042	2,195	3,372	17,478	11,425	12,355
PERMANENT ASSETS	1,508,527	1,559,791	1,585,043	1,997,765	2,061,089	2,074,119
Investments	656,171	697,682	724,639	391,137	385,257	382,230
Property, plant and equipment						
In Service	1,215,961	1,239,381	1,243,025	2,209,760	2,308,097	2,326,590
(-)Accumulated depreciation and amortization	(431,367)	(465,747)	(477,816)	(785,027)	(849,953)	(873,775)
	784,594	773,634	765,209	1,424,733	1,458,144	1,452,815
Under construction	67,762	88,475	95,195	181,816	217,609	238,995
	852,356	862,109	860,404	1,606,549	1,675,753	1,691,810
Deferred charges	-	-	-	79	79	79
TOTAL ASSETS	2,223,988	2,566,612	2,611,966	3,055,713	3,537,976	3,620,730

BALANCE SHEETS						
(in thousands of Brazilian reais)						
LIABILITIES AND SHAREHOLDERS' EQUITY	ESCELSA			CONSOLIDATED		
	MAR-2001	DEC-2001	MAR-2002	MAR-2001	DEC-2001	MAR-2002
CURRENT LIABILITIES	270,891	316,797	315,293	459,948	622,971	648,928
Suppliers	95,037	136,287	119,824	129,264	178,976	165,268
Accrued interest and fees	19,907	47,101	22,553	30,629	52,787	32,199
Accrued taxes and social contribution	36,872	28,550	32,859	50,760	48,235	49,081
Dividends	13,260	21	21	14,224	4,083	4,048
Loans and financing	34,040	29,228	70,971	148,202	246,815	316,716
Provision for contingencies	39,382	39,382	39,382	39,382	39,382	39,382
Accrued obligations	5,113	12,357	6,549	9,037	22,016	13,138
Regulatory charges payable	10,160	8,381	6,818	16,581	13,240	10,609
Postretirement benefits	-	2,420	2,420	-	2,420	2,420
Other	17,120	13,070	13,896	21,869	15,017	16,067
LONG-TERM LIABILITIES	1,218,767	1,518,412	1,549,892	1,683,702	1,993,441	2,028,550
Suppliers	-	61,239	61,239	-	84,600	84,600
Deferred income tax	11,963	10,108	9,491	11,963	10,108	9,491
Emergency program for energy reduction	-	7,796	26,560	-	13,148	40,548
Loans and financing	1,036,025	1,174,686	1,171,032	1,393,927	1,498,063	1,488,642
Provision for contingencies	56,226	112,200	114,148	80,654	139,811	142,612
Postretirement benefits	-	28,032	28,032	-	28,032	28,032
Other	11,461	31,951	46,406	13,885	36,982	51,296
	1,115,675	1,426,012	1,456,908	1,500,429	1,810,744	1,845,221
Obligations related to concessions	103,092	92,400	92,984	183,273	182,697	183,329
MINORITY INTEREST	-	-	-	177,733	190,161	196,471
SHAREHOLDERS' EQUITY	734,330	731,403	746,781	734,330	731,403	746,781
Capital stock	153,947	153,947	153,947	153,947	153,947	153,947
Capital reserves	608,526	577,456	578,679	608,526	577,456	578,679
Income reserves	13,145	-	-	13,145	-	-
Retained earnings	(41,288)	-	14,155	(41,288)	-	14,155
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,223,988	2,566,612	2,611,966	3,055,713	3,537,976	3,620,730

STATEMENTS OF INCOME						
(in thousands of Brazilian reais, except per share amounts)						
	ESCELSA			CONSOLIDATED		
	UP TO 1Q01	FISCAL YEAR 2001	UP TO 1Q02	UP TO 1Q01	FISCAL YEAR 2001	UP TO 1Q02
GROSS OPERATING REVENUES	256,627	1,129,225	281,008	385,693	1,730,782	430,233
Electricity sales to final customers	250,512	1,086,168	263,181	370,008	1,617,617	405,818
Electricity sales to distributors	4,246	33,737	14,399	10,266	83,519	16,807
Other revenues	1,869	9,320	3,428	5,419	29,646	7,608
DEDUCTIONS FROM OPERATING REVENUES	(72,254)	(261,429)	(72,845)	(101,427)	(371,895)	(102,327)
Global reserve for reversion quota - RGR	(4,107)	(16,435)	(4,052)	(6,907)	(26,598)	(7,056)
I.C.M.S.	(58,779)	(206,006)	(58,017)	(80,345)	(284,722)	(78,880)
PIS and COFINS	(9,367)	(38,981)	(10,772)	(14,091)	(60,143)	(16,260)
Other	(1)	(7)	(4)	(84)	(432)	(131)
Net operating revenues	184,373	867,796	208,163	284,266	1,358,887	327,906
OPERATING EXPENSES	(165,482)	(746,028)	(176,949)	(252,235)	(1,115,632)	(266,747)
Electricity purchased for resale	(108,695)	(480,699)	(108,323)	(155,607)	(675,189)	(154,350)
Depreciation and amortization	(13,564)	(55,499)	(14,131)	(26,248)	(105,804)	(29,224)
Personnel	(15,988)	(62,324)	(14,225)	(27,443)	(108,271)	(25,716)
Material	(1,786)	(7,980)	(1,557)	(3,818)	(20,964)	(3,612)
Third party services	(6,741)	(29,230)	(7,698)	(11,989)	(53,640)	(14,599)
Fuel usage quota - CCC	(12,151)	(48,548)	(12,907)	(17,376)	(66,680)	(17,887)
Provision for contingencies	-	(29,924)	-	-	(29,931)	-
Other expenses	(6,557)	(31,824)	(18,108)	(9,754)	(55,153)	(21,359)
Income from operations	18,891	121,768	31,214	32,031	243,255	61,159
EQUITY IN SUBSIDIARIES	(942)	21,355	8,268	-	-	-
FINANCIAL REVENUES	41,079	111,627	19,215	49,436	144,413	30,987
Short-term investments	37,674	99,969	6,266	37,751	105,676	9,092
Increase on overdue collections	1,937	7,828	2,470	3,068	12,116	3,616
Other	1,468	3,830	10,479	8,617	26,621	18,279
FINANCIAL EXPENSES	(118,945)	(298,092)	(37,757)	(138,619)	(380,244)	(56,074)
Monetary variation-electricity purchased	(1,562)	(4,091)	(305)	(2,160)	(4,091)	(685)
Monetary and exchange variation on loans and financing	(89,789)	(158,083)	(2,821)	(99,371)	(188,507)	(6,746)
Interest on loans and financing	(24,720)	(115,396)	(32,037)	(33,247)	(161,450)	(45,727)
Other	(2,874)	(20,522)	(2,594)	(3,841)	(26,196)	(2,916)
Financial Results	(77,866)	(186,465)	(18,542)	(89,183)	(235,831)	(25,087)
Operating profit (loss)	(59,917)	(43,342)	20,940	(57,152)	7,424	36,072
NON-OPERATING REVENUES	256	3,110	156	416	4,327	335
NON-OPERATING EXPENSES	(1,208)	(7,154)	(3,130)	(2,853)	(11,758)	(3,284)
Non-operating expenses(loss), net	(952)	(4,044)	(2,974)	(2,437)	(7,431)	(2,949)
INCOME(LOSS) BEFORE TAXES	(60,869)	(47,386)	17,966	(59,589)	(7)	33,123
Social contribution and income tax	19,581	21,250	(3,811)	19,236	(8,756)	(12,825)
MINORITY INTEREST	-	-	-	(935)	(17,373)	(6,143)
NET INCOME(LOSS) FOR THE PERIOD	(41,288)	(26,136)	14,155	(41,288)	(26,136)	14,155
Net income (loss) per share - R\$	(9.07)	(5.74)	3.11			

STATEMENTS OF CASH FLOWS						
(in thousands of Brazilian reais)						
	ESCELSA			CONSOLIDATED		
	UP TO 1Q01	FISCAL YEAR 2001	UP TO 1Q02	UP TO 1Q01	FISCAL YEAR 2001	UP TO 1Q02
Net income (loss)	(41,288)	(26,136)	14,155	(41,288)	(26,136)	14,155
Adjustments to reconcile net income (loss) to net cash provided by:						
operating activities:	97,534	150,277	(16,573)	118,718	244,936	(2,561)
Long-term monetary and exchange variation	89,789	158,083	2,821	97,009	176,462	5,183
Equity in subsidiaries	942	(21,355)	(8,268)	-	-	-
Depreciation and amortization	13,564	55,499	14,131	26,248	105,804	29,224
Disposal of property, plant and equipment	727	4,326	1,038	1,703	8,313	2,523
Provision for contingencies	12,095	29,924	1,948	12,095	29,931	2,074
Other expenses	-	38,145	-	-	38,138	0
Deferred income tax	(19,583)	(33,300)	(2,322)	(19,272)	(3,486)	6,786
Minority share in profit	-	-	-	935	17,373	6,143
Regulatory assets	-	(93,473)	(25,921)	-	(138,591)	(53,894)
Remuneration on construction work in progress and other	-	12,428	-	-	10,992	(600)
	56,246	124,141	(2,418)	77,430	218,800	11,594
changes in current assets and liabilities:	3,709	(36,270)	(34,377)	(4,012)	(90,552)	(53,270)
Accounts receivable	(10,919)	(51,426)	(30,011)	(20,194)	(112,014)	(48,016)
Other accounts receivable	(5,109)	(37,820)	15,160	(3,188)	(55,668)	12,869
Other credits	1,202	(1,572)	(987)	3,828	4,711	8,283
Suppliers	20,527	61,777	(16,463)	22,300	71,773	(13,881)
Accrued taxes and social contribution	7,033	(1,289)	4,309	7,735	5,167	845
Accrued obligations	(801)	(1,605)	(5,808)	(1,191)	(1,611)	(6,070)
Regulatory charges	(1,425)	(3,204)	(1,563)	(1,861)	(5,202)	(2,631)
Other	(6,799)	(1,131)	986	(11,441)	2,292	(4,669)
changes in non-current assets and liabilities:	(838)	(64,086)	14,587	(6,890)	(87,196)	(5,045)
Accounts receivable	-	(71,608)	5,452	-	(94,969)	5,452
Escrow deposits	(3,151)	(14,483)	(2,556)	(4,657)	(19,203)	(3,782)
Affiliates and subsidiaries	1,943.00	-	1,352	1,943	-	(14,467)
Other	370	22,005	10,339	(4,176)	26,976	7,752
Net cash provided by operating activities	59,117	23,785	(22,208)	66,528	41,052	(46,721)
Investing activities:	(11,343)	(86,169)	(30,736)	(36,828)	(162,117)	(42,350)
Capital expenditures	(12,568)	(65,530)	(12,241)	(38,167)	(181,065)	(42,982)
Investments	(810)	(25,182)	(19,079)	(810)	4,175	0
Consumers' contributions and donations	2,035	4,543	584	2,149	14,773	632
Net cash used in investing activities	(11,343)	(86,169)	(30,736)	(36,828)	(162,117)	(42,350)
Financing activities:	(13,230)	47,379	10,911	4,570	102,770	47,987
Loans and financing	5,853	71,408	35,268	19,568	139,556	56,216
Accrued interest and fees	(19,083)	8,728	(24,357)	(13,177)	10,887	(20,219)
Dividends	-	(13,241)	-	(400)	(17,779)	(182)
Credits for capital increase	-	-	-	264	8,877	-
Prior years adjustments	-	(20,403)	-	-	(20,403)	-
Affiliates and subsidiaries	-	887	-	(1,685)	(18,368)	12,172
Net cash provided by (used in) financing activities	(13,230)	47,379	10,911	4,570	102,770	47,987
Net increase(decrease)in cash and cash equivalents	34,544	(15,005)	(42,033)	34,270	(18,295)	(41,084)
Cash and cash equivalents, beginning of period	272,770	272,770	257,765	277,791	277,791	259,497
Cash and cash equivalents, end of period	307,314	257,765	215,732	312,061	259,496	218,413
	34,544	(15,005)	(42,033)	34,270	(18,295)	(41,084)

STATEMENTS OF INCOME BY QUARTER - UNCONSOLIDATED

(in thousands of Brazilian Reais)

ESCELSA

	2002		2001				LTM ended March-02
	1st Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	
NET OPERATING REVENUES	208,163	184,373	167,209	147,146	369,068	867,796	891,586
OPERATING EXPENSES	(176,949)	(165,482)	(175,336)	(166,696)	(238,514)	(746,028)	(757,495)
Electricity purchased for resale	(108,323)	(108,695)	(117,248)	(104,772)	(149,984)	(480,699)	(480,327)
Depreciation and amortization	(14,131)	(13,564)	(13,924)	(13,992)	(14,019)	(55,499)	(56,066)
Personnel	(14,225)	(15,988)	(15,607)	(14,807)	(15,922)	(62,324)	(60,561)
Material	(1,557)	(1,786)	(1,982)	(2,054)	(2,158)	(7,980)	(7,751)
Third party services	(7,698)	(6,741)	(7,309)	(7,134)	(8,046)	(29,230)	(30,187)
Fuel usage quota - CCC	(12,907)	(12,151)	(14,436)	(15,019)	(6,942)	(48,548)	(49,304)
Provision for contingencies	-	-	-	-	(29,924)	(29,924)	(29,924)
Other expenses	(18,108)	(6,557)	(4,830)	(8,918)	(11,519)	(31,824)	(43,375)
Income from operations	31,214	18,891	(8,127)	(19,550)	130,554	121,768	134,091
EQUITY IN SUBSIDIARIES	8,268	(942)	(4,745)	(18,313)	45,355	21,355	30,565
FINANCIAL REVENUES	19,215	41,079	49,484	48,105	(27,041)	111,627	89,763
FINANCIAL EXPENSES	(37,757)	(118,945)	(110,727)	(189,077)	120,657	(298,092)	(216,904)
Monetary variation-electricity purchased	(305)	(1,562)	(1,545)	(3,732)	2,748	(4,091)	(2,834)
Monetary and exchange variation on loans and financing	(2,821)	(89,789)	(62,655)	(159,790)	154,151	(158,083)	(71,115)
Interest on loans and financing	(32,037)	(24,720)	(27,869)	(36,331)	(26,476)	(115,396)	(122,713)
Other	(2,594)	(2,874)	(18,658)	10,776	(9,766)	(20,522)	(20,242)
Financial results	(18,542)	(77,866)	(61,243)	(140,972)	93,616	(186,465)	(127,141)
NON-OPERATING REVENUES(EXPENSES), net	(2,974)	(952)	592	(754)	(2,930)	(4,044)	(6,066)
INCOME(LOSS) BEFORE TAXES	17,966	(60,869)	(73,523)	(179,589)	266,595	(47,386)	31,449
Social contribution and income tax	(3,811)	19,581	22,586	52,929	(73,846)	21,250	(2,142)
NET INCOME(LOSS) FOR THE PERIOD	14,155	(41,288)	(50,937)	(126,660)	192,749	(26,136)	29,307

FINANCIAL RATIOS AND OTHER INFORMATION

EBITDA	45,345	32,455	5,797	(5,558)	144,573	177,267	190,157
(+)Financial revenues	19,215	41,079	49,484	48,105	(27,041)	111,627	89,763
(+)Non-operating revenues(expenses), net	(2,974)	(952)	592	(754)	(2,930)	(4,044)	(6,066)
=Adjusted EBITDA	61,586	72,582	55,873	41,793	114,602	284,850	273,854
CAPEX	12,568	12,410	22,138	19,842	22,359	76,749	76,907
TOTAL DEBT	1,242,003	930,883	944,563	951,737	974,423	974,423	1,242,003
INTEREST ON LOANS AND FINANCING	32,037	24,720	27,869	36,331	26,476	115,396	122,713
EBITDA margin	21.8%	17.6%	3.5%	-3.8%	39.2%	20.4%	21.3%
EBITDA/Interest on loans and financing	1.4x	1.3x	0.2x	-0.2x	2.9x	1.8x	1.5x
Adjusted EBITDA margin	29.6%	39.4%	33.4%	28.4%	31.1%	32.8%	30.7%
Adjusted EBITDA/Interest on loans and financing	1.9x	2.9x	2.0x	1.2x	4.3x	2.7x	2.2x