



For Further Information, contact:

Paulo Roberto Zibetti Jorge
 Investors Relations Coordination
 Phone: 55-27-3321-9135
 Fax: 55-27-3321-9350
 e-mail: zibetti@escelsa.com.br

Curtis Smith
 Thomson Financial
 Phone: 55-11-3848-0887 ext. 215
 e-mail: curtis.smith@thomsonir.com.br

ESCELSA ANNOUNCES FOURTH QUARTER AND FULL YEAR 2002 RESULTS

March 28, 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 fourth quarter and year ended December 31, 2002. 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

ESCELSA'S NUMBERS

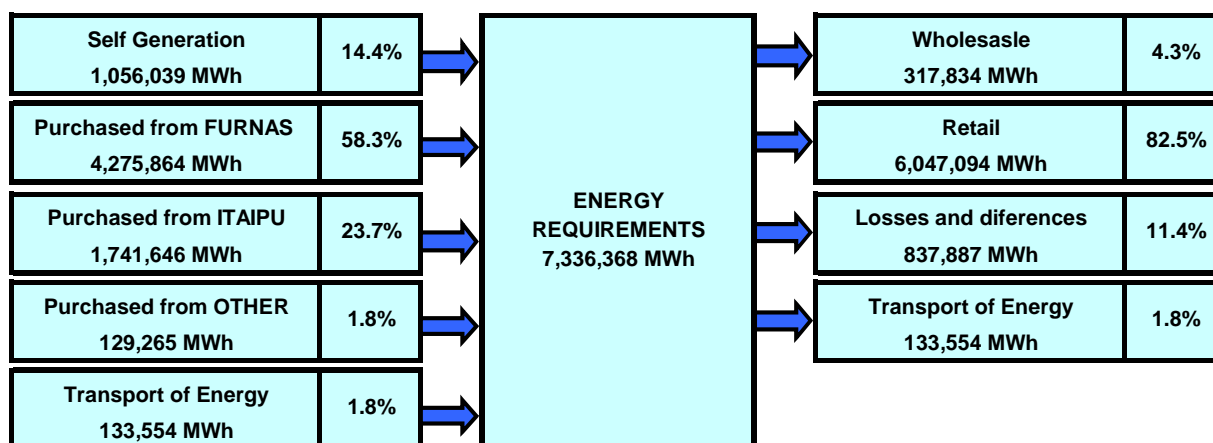
	PARENT COMPANY			CONSOLIDATED		
	12 MONTHS OF 2002	12 MONTHS OF 2001	9 MONTHS OF 2002	12 MONTHS OF 2002	12 MONTHS OF 2001	9 MONTHS OF 2002
FINANCIAL INFORMATION (In thousands of reais)						
Gross operating revenues	1,183,012	1,129,225	830,811	1,755,184	1,730,782	1,240,423
Net operating revenues	837,248	867,796	589,632	1,271,754	1,358,887	902,687
Income from operations	94,965	121,768	48,620	114,332	243,255	59,521
Loss for the period	(509,252)	(26,136)	(658,439)	(509,252)	(26,136)	(658,439)
EBITDA(1)	152,046	177,267	91,241	237,437	349,059	150,732
Total Assets	2,750,065	2,474,212	2,786,901	3,714,230	3,355,279	3,734,893
Shareholders' equity	223,021	731,403	76,483	223,021	731,403	76,483
Shares outstanding(number)	4,550,833	4,550,833	4,550,833	-	-	-
Book value per share (Reais)	49.01	160.72	16.81	-	-	-
Common stock price per share (Reais)	40.00	80.00	64.00	-	-	-
Market capitalization	182,033	364,067	291,253	-	-	-
INDICATORS						
Operating margin (%)	11.34	14.03	8.25	8.99	17.90	6.59
EBITDA margin (%)	18.16	20.43	15.47	18.67	25.69	16.70
Personnel expenses plus third party services/net oper.revenues (%)	11.35	10.55	11.94	13.51	11.91	14.47
Energy losses (%)	11.42	10.49	11.64	-	-	-
DEC-Equivalent Outage Duration per Customer (hours)	14.51	12.96	14.73	-	-	-
FEC- Equivalent Outage Frequency per Customer (number)	10.95	11.04	11.34	-	-	-
TMA-Average Service Response Time (minutes)	112	110	109	-	-	-
Number of customers per employee	705	654	696	659	606	646
MARKET						
Energy Sales - MWh	1,127.3	1,138.0	1,077.6	-	-	-
Maximum demand - MWh/h	6,364,928	6,103,766	4,661,858	9,119,161	8,783,912	6,677,359
Number of customers	954,381	922,579	945,132	1,550,950	1,494,902	1,534,006
Average tariff to final customers - R\$/MWh	137.89	115.11	134.81	-	-	-
Average cost of electricity purchased - R\$/MWh	81.32	80.21	79.84	-	-	-
HUMAN RESOURCES						
Number of employees	1,353	1,411	1,357	2,354	2,466	2,375
Number of trainees	86	83	91	138	109	131
Personnel expenses (thousands of reais)	63,105	62,324	47,226	111,354	108,271	84,712
Personnel expenses plus third party services (thousands of reais)	95,054	91,554	70,403	171,769	161,911	130,620
(1)EBITDA=Income from operations plus depreciation and amortization						

MARKET PERFORMANCE
ENERGY REQUIREMENTS

Energy requirements for the twelve months of 2002 totaled 7,366,368 MWh 5.9% higher when compared to 6,925,504 MWh in the same period last year.

In order to satisfy market demand, the company generated 1,056,039 MWh and purchased 6,280,329 MWh, being 4,275,864 MWh from Furnas, 1,741,646 MWh from Itaipu and 129,265 MWh from other companies. In addition, 133,554 MWh, generated by independent producers was transported on ESCELSA's system.

The maximum demand during 2002 was 1,127.3 MWh/h, a decrease of 1.0% compared to the previous year

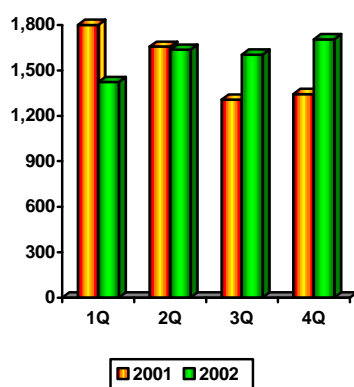

ENERGY SOLD

Energy sold totaled 6,364,928 MWh in full-year 2002, representing an increase of 4.3% when compared to last year.

Sales volume to the residential segment, which accounts for 17.8% of total energy consumption, was 4.4% lower than in 2001. This reduction was due to new consumption habits adopted by this segment as well as by the usage of more energy efficient electric appliances, which has meant that consumption recovery has been more gradual than previously expected.

Sales volume to the rural segment was 5.2% lower, due to a decrease in energy usage for irrigation activity.

Energy consumption among the remaining consumer segments was higher in 2002 compared to 2001, as per the table below:



	MWh					
	PARENT COMPANY			CONSOLIDATED		
	Twelve months		% Change	Twelve months		% Change
2002	2001	2002		2001		
Retail:						
Residential	1,133,546	1,185,805	(4.4)	1,996,023	2,054,604	(2.9)
Industrial	3,289,738	3,051,215	7.8	3,960,959	3,668,957	8.0
Commercial	839,335	779,698	7.6	1,366,711	1,302,469	4.9
Rural	315,396	332,838	(5.2)	591,644	583,486	1.4
Other	469,079	440,258	6.5	860,257	827,822	3.9
	6,047,094	5,789,814	4.4	8,775,594	8,437,338	4.0
Wholesale	317,834	313,952	1.2	343,567	338,791	1.4
TOTAL	6,364,928	6,103,766	4.3	9,119,161	8,776,129	3.9

CUSTOMER PROFILES

	PARENT COMPANY			
	2002		2001	
	As a % of Sales Volume	As a % of Revenues	As a % of Sales Volume	As a % of Revenues
Retail:				
Residential	17.81	30.77	21.89	33.45
Industrial	51.69	37.88	43.44	36.62
Commercial	13.19	18.03	14.99	16.75
Rural	4.96	4.12	6.49	4.32
Other	7.37	7.24	9.43	6.75
	95.01	98.05	96.23	97.89
Wholesale	4.99	1.95	3.77	2.11
TOTAL	100.00	100.00	100.00	100.00

NUMBER OF CUSTOMERS

The number of customers on December 31, 2002 totaled 954,381, an increase of 3.47% compared to December last year. During the twelve months of 2002, 31,802 customers were connected.

	PARENT COMPANY			CONSOLIDATED		
	December 31,		% Change	December 31,		% Change
	2002	2001		2002	2001	
Retail:						
Residential	756.409	725.908	4.2	1.245.620	1.195.801	4.2
Industrial	11.069	11.192	(1.1)	15.755	15.923	(1.1)
Commercial	84.460	88.637	(4.7)	136.814	140.290	(2.5)
Rural	93.372	88.156	5.9	137.254	128.125	7.1
Other	9.069	8.684	4.4	15.502	14.758	5.0
	954.379	922.577	3.4	1.550.945	1.494.897	3.7
Wholesale	2	2	-	5	5	-
Retail:	954,381	922,579	3.4	1,550,950	1,494,902	3.7

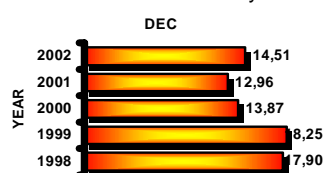
AVERAGE TARIFF

The average tariff charged to retail customers in December 2002 was R\$ 146.87/MWh, while the wholesale rate to other distributors was R\$ 69.42/MWh, resulting in an overall average tariff of R\$ 143.22/MWh, an increase of 17.5%, compared to the same month last year. The average tariffs per segment are as follows:

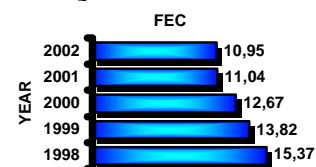
	R\$/MWh					
	PARENT COMPANY					
	DEC-2002	DEC-2001	% Change	12M2002	12M2001	% Change
Retail:						
Residential	240.02	216.02	11.1	225.85	190.84	18.3
Industrial	100.33	86.74	15.7	96.60	79.75	21.1
Commercial	196.00	159.65	22.8	181.13	143.83	25.9
Rural	145.65	127.29	14.4	136.42	110.47	23.5
Other	149.97	122.75	22.2	138.59	108.83	27.3
	146.87	124.88	17.6	137.89	115.11	19.8
Wholesale	69.42	71.61	(3.1)	67.00	65.38	2.5
Retail:	143.22	121.93	17.5	134.35	112.55	19.4

QUALITY OF SERVICE RENDERED

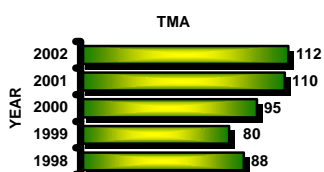
The main indicators used by the energy sector to measure the quality of service rendered showed the following performance:



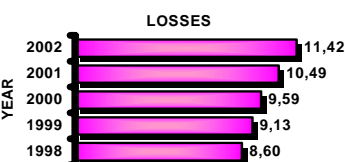
Equivalent Outage Duration per Customer-DEC was higher than in 2001; however still lower than the standards set by the regulating agency. The increase is related to external factors such as the blackout that occurred on the grid in January 2002. DEC increased from 12.96 hours per customer/year in 2001 to 14.51 hours per customer in 2002. Without the effects of the blackout, DEC would have been 11.96 hours, lower than in 2001. 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 0.8% from 11.04 to 10.95 interruptions per customer/year, despite the impact of the blackout that occurred on the grid in January 2002. Without this effect, FEC would have been 9.95 interruptions in the period. 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, was only 1.2% higher, with averaging 112 minutes in 2002 compared to 110 minutes in 2001.



LOSSES

Energy losses were greater in 2002 compared to the previous year, increasing from 10.49% to 11.42%. Greater losses are a result of the effects of energy rationing and higher commercial losses. The program has actively developed programs aimed at reducing the level of losses.



FINANCIAL PERFORMANCE

INCOME FROM OPERATIONS

Income from operations in the twelve months of 2002 totaled R\$ 94,965 thousand, 22.0% lower than the same period last year, resulting in an EBITDA of R\$ 152,046 thousand, equal to an EBITDA margin of 18.2%. The main items of income from operations were:

OPERATING REVENUES

Gross operating revenues in the twelve months of 2002 totaled R\$ 1,183,012 thousand, 4.8% higher compared to 2001. The revenue from the retail sector was R\$ 1,077,120, 0.8% lower than to the same period in 2001.

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.

The increase in other revenues is due to the new breakdown in revenues as per the new sector model, as well as to the growth in the utilization of the distribution system by customers.

Net operating revenues in the twelve months of 2002 totaled R\$ 837,248 thousand, 3.5% higher than the same period in 2001.

	thousands of reais			
	PARENT COMPANY		CONSOLIDATED	
	Twelve months			
	2002	2001	2002	2001
Retail:				
Residential	329,317	299,310	541,232	489,655
Industrial	405,458	327,688	495,885	399,578
Commercial	193,024	149,895	311,053	250,407
Rural	44,116	38,637	81,197	68,622
Other	77,523	60,394	136,423	111,095
Unbilled revenues	7,803	604	15,422	(273)
Unbilled revenues – low income	13,034	-	18,718	-
Capacity charge	22,900	-	31,906	-
Regulatory assets	6,845	209,640	35,410	298,533
	1,100,020	1,086,168	1,667,246	1,617,617
Wholesale:				
Other distributors	20,839	18,861	24,723	22,398
Short-term	33,211	14,876	15,634	61,121
	54,050	33,737	40,357	83,519
Other operating revenues	28,942	9,320	47,581	29,646
Gross operating revenues	1,183,012	1,129,225	1,755,184	1,730,782
(-) Operating revenues deductions	(345,764)	(261,429)	(483,430)	(371,895)
Net operating revenues	837,248	867,796	1,271,754	1,358,887

OPERATING COSTS

Operating costs including operating expenses plus RGR quotas decreased from R\$ 762,463 thousand to R\$ 757,776 thousand, a decrease of 0.6%.

Operating costs outside Company control such as energy purchased, electric power transport, CCC, and RGR quotas increased from R\$ 548,512 thousand to R\$ 568,084 thousand, an increase of .3.6%.

Costs managed by the Company such as personnel, material, third party services and other expenses decreased from R\$ 158,452 thousand in the twelve months of 2001 to R\$ 132,611 thousand in the same period of 2002, or 16.3%. Depreciation increased 2.9%, from R\$ 55,499 thousand to R\$ 57,081 thousand.

The reduction in costs managed by the Company was due to the fact that in 2002 civil and fiscal operating contingencies were not necessary.

The increase in costs outside Company control is a result of the impact of the tariff increase in August 2002 on energy purchased from FURNAS.

	PARENT COMPANY				
	2002		2001		% Change
	R\$ 1000	%	R\$ 1000	%	
Controlled Costs:					
Personnel	63,105	8.33	62,324	8.17	1.3
Material	6,848	0.90	7,980	1.05	(14.2)
Third party services	31,949	4.22	29,230	3.83	9.3
Provision for contingencies	3,246	0.43	29,924	3.92	(89.2)
Other	27,463	3.62	28,994	3.80	(5.3)
	132,611	17.50	158,452	20.78	(16.3)
Depreciation	57,081	7.53	55,499	7.28	2.9
TOTAL CONTROLLED COSTS	189,692	25.03	213,951	28.06	(11.3)
Non-controlled costs:					
Energy purchased	499,840	65.96	480,699	63.05	4.0
CCC	48,534	6.40	48,548	6.37	(0.0)
Financial compensation	2,396	0.32	1,166	0.15	105.5
ANEEL regulation charge	1,821	0.24	1,664	0.22	9.4
RGR	15,493	2.04	16,435	2.16	(5.7)
TOTAL NON-CONTROLLED COSTS	568,084	74.97	548,512	71.94	3.6
GRAND TOTAL	757,776	100.00	762,463	100.00	(0.6)



ENERGY PURCHASED EXPENSES:

Expense of energy purchased in 2002 was R\$ 499,840 thousand, with the following breakdown:

	PARENT COMPANY		CONSOLIDATED	
	Twelve months			
	2002	2001	2002	2001
FURNAS/TRACTEBEL				
Expenses – thousands of reais	267,892	208,890	366,862	294,545
Volume- MWh	4,275,864	4,067,510	6,472,292	5,972,705
Average Cost - R\$/MWh	62.65	51.36	56.68	49.32
TRANSPORT FROM ITAIPU				
Expenses – thousands of reais	6,088	5,594	8,569	7,869
Average Cost - R\$/MWh	3.50	3.21	3.50	3.21
TRANSPORT FROM OTHER				
Expenses – thousands of reais	63,551	51,680	103,283	85,475
Average Cost - R\$/MWh	14.86	12.71	15.96	14.31
ITAIPU				
Expenses – thousands of reais	176,183	143,465	247,971	201,768
Volume- MWh	1,741,646	1,741,440	2,451,200	2,454,209
Average Cost - R\$/MWh	101.16	82.38	101.16	82.21
OTHER				
Expenses – thousands of reais	9,132	17,085	15,524	22,836
Volume- MWh	129,265	184,147	261,120	300,334
Average Cost - R\$/MWh	70.65	92.78	59.45	76.04
SECTOR AGREEMENT AND PARCEL 'A'				
Expenses – thousands of reais	(23,006)	53,985	(33,183)	62,696
TOTAL				
Expenses – thousands of reais	499,840	480,699	709,026	675,189
Volume- MWh	6,146,775	5,993,097	9,184,612	8,727,248
Average Cost - R\$/MWh	81.32	80.21	77.20	77.37

FINANCIAL RESULTS

The net financial result in the twelve months of 2002 was negative R\$ 606,147 thousand, while in the same period last year was negative R\$ 186,465 thousand.

This result was mainly due to the impact of the exchange rate on the foreign currency debt obligations, as the exchange rate on December 31, 2002 was R\$ 3.5333/US\$1.00 compared to R\$ 2.3204/US\$ 1.00 on December 31, 2001, as well as the provision for the mark-to-market adjustment on U.S. dollar indexed cash investments – NBC-E, a practice that the company has maintained since June 2002, and for which the reduction to financial income during the year was R\$74,818 thousand.

LOSS FOR THE YEAR

The factors mentioned above, together with the equity loss recorded in the period, contributed to the net loss of R\$ 509,252 thousand for fiscal year 2002.

CASH AND EQUIVALENTS

ESCELSA has funds deposited in banks or invested in financial instruments in the amount of R\$ 307,595 thousand as shown below:

	PARENT COMPANY		CONSOLIDATED	
	December 31, 2002			
	Thousands of reais	US\$ thousand	Thousands of reais	US\$ thousand
Investments in Reais:				
Cash and banks	11,097		20,008	
Other	169		10,291	
Total real denominated investments	11,266	-	30,299	-
Investments in Dollars:				
Currency Exchange Securities-NBC-E	296,329	83,867	296,329	83,867
Total Dollar denominated investments	296,329	83,867	296,329	83,867
Total cash and equivalents	307,595		326,628	
US dollar = 3,5333 Real				



LOANS AND FINANCING

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

	PARENT COMPANY		CONSOLIDATED		
	Distribution	Total	Generation	Distribution	Total
Interest on loans and financing	175,997	175,997	9,939	244,209	254,148
(-) Transfer to property, plant and equipment	(5,670)	(5,670)	(9,538)	(8,509)	(18,047)
Net	170,327	170,327	401	235,700	236,101
Monetary Exchange variation	545,561	545,561	4,933	597,007	601,940
(-) Transfer to property, plant and equipment	(1,192)	(1,192)	(4,713)	(1,505)	(6,218)
Net	544,369	544,369	220	595,502	595,722

DETAIL OF LOANS AND FINANCING

LOANS AND FINANCING						
PARENT COMPANY						
	AVERAGE ANNUAL INTEREST RATE	MATURITY		DECEMBER-2002		
		TYPE	PERIOD	Charges	Current	Long-Term
Local Currency:						
ELETROBRAS	5.0% - 7.0%	M	May/99 to Aug/07	-	2.096	6.076
BNDES	TJLP + 3.8%	M	Nov/99 to Oct/10	2.787	40.647	149.396
BNDES-Rationing losses	SELIC plus 1,0%	M	Mar/02 to Jan/06	-	25.337	114.881
Bank loan	107% of CDI	M	March/03	-	25.178	-
				2.787	93.258	270.353
Foreign Currency:						
Senior Notes	10.0%	S	July/07	73.538	-	1.522.704
BBA (*)	16.0%	S	January/03	-	49.084	-
				73.538	49.084	1.522.704
TOTAL				76.325	142.342	1.793.057

CONSOLIDATED						
	AVERAGE ANNUAL INTEREST RATE	MATURITY		DECEMBER-2002		
		TYPE	PERIOD	Charges	Currency	Long-Term
Local Currency:						
ELETROBRAS - ESCELSA	5.0% - 7.0%	M	May/99 to Jul/04	-	2,096	6,076
ELETROBRAS - ENERSUL	6.0% - 12.0%	M	Dec/97 to May/22	253	11,394	48,041
BNDES - ESCELSA	TJLP plus 3.8%	M	Oct/99 to Oct/10	2,787	40,647	149,396
BNDES - MAGISTRA	TJLP plus 4.0%	H	Nov/99 to Nov/04	961	39,220	39,220
BNDES - ENERSUL	TJLP plus 3.85%	M	Sep/01 to Feb/08	264	13,032	54,298
BNDES - ENERSUL	TJLP plus 4.0%	M	Feb/00 to Apr/04	5	934	311
BNDES-Rationing losses	SELIC plus 1.0%	M	Feb/02 to Jun/06	716	33,197	195,157
BNDES - CESA	TJLP plus 4.5%	M	Jul/04 to Jul/12	305	-	39,589
BCO BRASIL - FCO	11.20%	M	Nov/04 to Nov/13	573	-	30,000
CITIBANK	104% - 108% of CDI	M	Oct/02 to Nov/02	-	-	-
Bank Loan	103%-111.5% of CDI	M	Oct/02 to May/03	1,066	73,478	-
FUNDAÇÃO ENERSUL	10%	M	Jul/98 to Nov/13	115	2,003	17,247
OTHER	1.35%	M	May/00 to Jun/09	262	-	925
TOTAL				7,307	216,001	580,260



ESPÍRITO SANTO CENTRAIS ELÉTRICAS S.A.

Foreign Currency:						
SENIOR NOTES	10%	S	July/07	73,538	-	1,522,704
BRADESCO (*)	4.90% - 22.10%	S	Nov/02 to Mar/03	1,009	24,014	-
UNIBANCO (*)	10.85% - 11.40%	S	Mar/04	-	-	12,727
EUROPEAN INVEST BANK	LIBOR plus 4.0% - 5.0%	H	Dec/02 to Mar/09	259	9,636	47,603
STN-DMLP	LIBOR plus 4.5% - 8.2%	H	Oct/96 to Apr/24	551	1,668	48,856
BBA FMO (*)	8.90%	H	Mar/02 to Sep/07	535	4,410	11,568
ITAU (*)	27.3%	S	Jul/03	579	16,570	-
BBV(*)	1.5% - 3.5%	S	Mar/03	58	15,742	-
BBA (*)	16.0%	S	Jan/03	-	49,084	-
				76.529	121.124	1.643.458
TOTAL				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		
	Currency					
	Local	Foreign	Total	Local	Foreign	Total
2003.....	93,258	49,084	142,342	216,001	121,124	337,125
2004.....	76,587	-	76,587	157,447	31,396	188,843
2005.....	79,330	-	79,330	123,501	18,669	142,170
2006.....	57,744	-	57,744	103,428	15,284	118,712
2007.....	44,309	1,522,704	1,567,013	94,102	1,537,472	1,631,574
2008.....	4,482	-	4,482	41,513	8,493	50,006
2009.....	4,482	-	4,482	16,317	2,972	19,289
2010.....	3,419	-	3,419	15,254	2,268	17,522
2011.....	-	-	-	11,835	2,268	14,103
2012.....	-	-	-	8,427	1,669	10,096
After 2012.....	-	-	-	8,436	22,967	31,403
TOTAL	363,611	1,571,788	1,935,399	796,261	1,764,582	2,560,843



BALANCE SHEETS

(In thousands of Brazilian reais)

ASSETS	PARENT COMPANY			CONSOLIDATED		
	DEC-2002	DEC-2001	SEP-2002	DEC-2002	DEC-2001	SEP-2002
CURRENT ASSETS:						
Cash and banks	11,097	969	3,912	20,008	2,637	6,299
Accounts receivable	272,326	197,504	262,805	426,860	337,361	415,296
Other accounts receivable	9,406	9,414	14,102	8,028	9,033	29,915
Recoverable taxes	42,926	59,813	40,766	68,543	81,206	57,316
Allowance for doubtful accounts	(25,348)	(17,585)	(21,687)	(37,760)	(28,778)	(32,546)
Material and supplies	3,621	4,478	2,704	6,174	7,255	5,652
Marketable securities	296,498	256,796	285,721	306,620	256,859	288,903
Escrow deposits	39,382	39,382	39,382	39,382	39,382	39,382
Services in progress	4,970	6,095	7,263	7,250	7,541	10,261
Accounts receivable - UTE Campo Grande	-	-	-	25,891	-	-
Other credits	11,475	6,118	13,677	14,871	10,491	17,789
Prepaid expenses	5,779	6,125	3,990	24,476	8,610	12,593
	672,132	569,109	652,635	910,343	731,597	850,860
LONG - TERM ASSETS:						
Accounts receivable	190,840	174,814	183,552	297,544	250,730	278,301
Emergency program for the energy reduction	5,833	30,500	46,611	9,718	47,664	71,828
Affiliates and subsidiaries	6,711	2,253	6,473	65,505	52,849	63,031
Escrow deposits	72,175	61,095	69,413	94,553	76,816	90,758
Deposits	-	-	-	5,956	3,613	7,250
Debt issuance costs	2,690	3,426	2,851	2,690	3,426	2,851
Deferred income taxes	170,130	95,651	170,130	286,657	205,033	286,748
Other credits - low income	13,034	-	-	18,718	-	-
Other credits	19,761	17,364	19,290	23,897	19,157	31,517
Prepaid expenses	93,565	52,609	83,278	142,373	86,002	133,670
	574,739	437,712	581,598	947,611	745,290	965,954
PERMANENT ASSETS:						
Investments	747,650	697,682	762,238	374,391	385,257	377,018
Property, plant and equipment	755,544	769,709	790,430	1,481,806	1,493,056	1,540,982
Deferred charges	-	-	-	79	79	79
	1,503,194	1,467,391	1,552,668	1,856,276	1,878,392	1,918,079
TOTAL ASSETS	2,750,065	2,474,212	2,786,901	3,714,230	3,355,279	3,734,893



BALANCE SHEETS

(In thousands of Brazilian reais)

LIABILITIES AND SHAREHOLDERS' EQUITY	PARENT COMPANY			CONSOLIDATED		
	DEC-2002	DEC-2001	SEP-2002	DEC-2001	DEC-2002	SEP-2001
CURRENT LIABILITIES:						
Suppliers	104,740	136,287	116,034	155,615	178,976	164,747
Payroll	1,977	1,769	1,803	2,968	2,389	2,714
Accrued interest and fees	76,325	47,101	38,756	83,836	52,787	47,937
Loans and financing	142,342	29,228	139,538	337,125	246,815	337,931
Accrued taxes and social contributions	30,120	28,550	37,653	48,482	48,235	52,729
Dividends	21	21	21	30	4,083	30
Postretirement benefits	2,042	2,420	2,420	2,042	2,420	2,420
Accrued obligations	13,018	12,357	12,369	23,735	22,016	23,467
Regulatory charges	7,149	8,956	5,593	12,886	13,815	10,022
Provision for contingencies	39,382	39,382	39,382	39,382	39,382	39,382
Variation of Parcel A items	5,271	226	3,322	10,226	226	4,844
Other accounts payable	11,432	10,500	16,420	17,520	11,827	22,548
	433,819	316,797	413,311	733,847	622,971	708,771
LONG - TERM LIABILITIES:						
Suppliers	58,346	61,239	66,972	83,781	84,600	97,669
Accrued interest and fees	-	-	-	3,590	1,289	3,406
Loans and financing	1,793,057	1,174,686	1,939,173	2,223,718	1,498,063	2,351,527
Postretirement benefits	28,212	28,032	28,032	28,212	28,032	28,032
Deferred income taxes	7,642	10,108	8,259	7,642	10,108	8,259
Affiliates and subsidiaries	137	-	104	-	-	-
Provision for contingencies	127,069	112,200	121,353	166,367	139,811	156,437
Parcel "A" items variation	29,542	452	22,502	32,019	452	25,746
Other accounts payable	49,220	39,295	80,712	54,341	48,389	103,304
	2,093,225	1,426,012	2,267,107	2,599,670	1,810,744	2,774,380
MINORITY INTEREST	-	-	-	157,692	190,161	175,259
SHAREHOLDERS' EQUITY:						
Capital stock	153,947	153,947	153,947	153,947	153,947	153,947
Capital reserves	65,687	574,069	577,588	65,687	574,069	577,588
Accumulated losses	-	-	(658,439)	-	-	(658,439)
	219,634	728,016	73,096	219,634	728,016	73,096
Credits for capital increase	3,387	3,387	3,387	3,387	3,387	3,387
	223,021	731,403	76,483	223,021	731,403	76,483
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,750,065	2,474,212	2,756,901	3,714,230	3,355,279	3,734,893

STATEMENTS OF INCOME

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

	PARENT COMPANY			CONSOLIDATED		
	12 MONTHS 2002	12 MONTHS 2001	9 MONTHS 2002	12 MONTHS 2002	12 MONTHS 2001	9 MONTHS 2002
OPERATING REVENUES:						
Electricity sales to final customers	1,077,120	1,086,168	759,635	1,635,340	1,617,617	1,164,964
Contingency fee	22,900	-	11,271	31,906	-	15,539
Electricity sales to distributors	54,050	33,737	42,078	40,357	83,519	28,357
Use of transmission and distribution system	17,020	1,877	11,632	17,082	1,877	11,632
Other revenues	11,922	7,443	6,195	30,499	27,769	19,931
	1,183,012	1,129,225	830,811	1,755,184	1,730,782	1,240,423
Deductions from operating revenues:						
State value-added taxes - ICMS	(263,169)	(206,006)	(188,697)	(358,175)	(284,722)	(257,142)
PIS and COFINS tax	(44,147)	(38,981)	(29,644)	(65,382)	(60,143)	(44,525)
Global reserve for reversion quota - RGR	(15,493)	(16,435)	(11,520)	(27,384)	(26,598)	(20,083)
Contingency fee	(22,900)	-	(11,271)	(31,906)	-	(15,539)
Service tax (ISSQN)	(55)	(7)	(47)	(583)	(432)	(447)
	(345,764)	(261,429)	(241,179)	(483,430)	(371,895)	(337,736)
Net operating revenues	837,248	867,796	589,632	1,271,754	1,358,887	902,687
OPERATING EXPENSES:						
Electricity purchased for resale	(499,840)	(480,699)	(356,959)	(709,026)	(675,189)	(509,291)
Depreciation and amortization	(57,081)	(55,499)	(42,621)	(123,105)	(105,804)	(91,211)
Personnel	(63,105)	(62,324)	(47,226)	(111,354)	(108,271)	(84,712)
Material	(6,848)	(7,980)	(5,147)	(16,353)	(20,964)	(10,503)
Third-party services	(31,949)	(29,230)	(23,177)	(60,415)	(53,640)	(45,908)
Fuel usage quota - CCC	(48,534)	(48,548)	(38,095)	(74,061)	(66,680)	(56,696)
Provision for contingencies	(3,246)	(29,924)	-	(10,197)	(29,931)	(5,290)
Other	(31,680)	(31,824)	(27,787)	(52,911)	(55,153)	(39,555)
	(742,283)	(746,028)	(541,012)	(1,157,422)	(1,115,632)	(843,166)
INCOME FROM OPERATIONS	94,965	121,768	48,620	114,332	243,255	59,521
EQUITY IN SUBSIDIARIES	(65,298)	21,355	(34,449)	-	-	-
FINANCIAL REVENUES:						
Income from temporary cash investments	72,517	99,969	44,989	90,307	105,676	56,182
Increase in overdue collections	11,653	7,828	7,929	18,794	12,882	12,115
Hedge	11,515	1,059	15,326	11,515	1,059	15,326
Regulatory assets - SELIC	32,891	-	23,187	56,712	2,489	40,136
Monetary variation on tax	7,251	-	5,998	7,251	-	5,998
Monetary variation - UTE Campo Grande	-	-	-	1,982	13,098	3,276
Other	1,945	2,771	1,143	10,663	9,209	7,309
	137,772	111,627	98,572	197,224	144,413	140,342
FINANCIAL EXPENSES:						
Monetary variation - electricity purchase	(9,026)	(4,091)	(4,068)	(8,724)	(4,091)	(6,058)
Monetary and exchange variation on loans and financing	(544,369)	(158,083)	(701,782)	(595,722)	(188,507)	(757,555)
Interest on loans and financing	(170,327)	(115,396)	(124,498)	(236,101)	(161,450)	(166,798)
Other	(20,197)	(20,522)	(14,769)	(27,096)	(26,196)	(19,712)
	(743,919)	(298,092)	(845,117)	(867,643)	(380,244)	(950,123)
FINANCIAL RESULTS	(606,147)	(186,465)	(746,545)	(670,419)	(235,831)	(809,781)
OPERATING PROFIT (LOSS)	(576,480)	(43,342)	(732,374)	(556,087)	7,424	(750,260)
Non-operating revenues	579	3,110	400	981	4,327	747
Non-operating expenses	(14,132)	(7,154)	(4,408)	(71,839)	(11,758)	(7,814)
NON-OPERATING LOSS, NET	(13,553)	(4,044)	(4,008)	(70,858)	(7,431)	(7,067)
LOSS BEFORE TAXES AND MINORITY INTEREST	(590,033)	(47,386)	(736,382)	(626,945)	(7)	(757,327)
Social contribution	18,786	5,298	59,157	19,967	(2,669)	64,412
Income tax	61,995	15,952	18,786	66,038	(6,087)	19,955
	(509,252)	(26,136)	(658,439)	(540,940)	(8,763)	(672,960)
MINORITY SHARE IN PROFIT	-	-	-	31,688	(17,373)	14,521
LOSS FOR THE YEAR	(509,252)	(26,136)	(658,439)	(509,252)	(26,136)	(658,439)
Loss per share - R\$	(111.90)	(5.74)	(144.68)	-	-	-

STATEMENTS OF CASH FLOWS

(In thousands of Brazilian reais)

	PARENT COMPANY			CONSOLIDATED		
	12 MONTHS 2002	12 MONTHS 2001	9 MONTHS 2002	12 MONTHS 2002	12 MONTHS 2001	9 MONTHS 2002
Loss for the year	(509,252)	(26,136)	(658,439)	(509,252)	(26,136)	(658,439)
Adjustments to reconcile loss to cash provided by operating activities:						
Operating activities:						
Long term interest and monetary and exchange variation	543,970	158,083	701,914	577,723	176,462	751,937
Equity in subsidiaries	65,298	(21,355)	34,449	-	-	-
Depreciation and amortization	57,081	55,499	42,621	123,105	105,804	91,211
Disposal of property, plant and equipment	4,506	4,326	3,507	9,629	8,313	7,188
Disposal of UTE Campo Grande	-	-	-	77,291	-	-
Provision for contingencies	14,872	29,924	9,153	22,343	29,931	12,880
Regulatory assets	(6,845)	(148,401)	9,339	(28,074)	(215,076)	(11,890)
Liabilities adjustments	8,755	12,428	5,829	8,755	12,428	5,829
Other expenses	-	38,145	(11,884)	-	38,138	(11,884)
Deferred income taxes	(76,945)	(33,300)	(76,328)	(84,091)	(3,486)	(83,564)
Remuneration on const. work in progress and minority share in profit	-	-	-	(32,753)	15,937	(15,430)
	101,440	69,213	60,161	164,676	142,315	87,838
Changes in current assets and liabilities:						
Accounts receivable	(71,480)	3,502	(65,869)	(86,520)	(35,529)	(75,421)
Other accounts receivable	17,073	(37,820)	14,359	13,668	(55,668)	3,008
Material and supplies	857	(1,582)	1,774	1,081	(1,519)	1,603
Other credits-UTE Campo Grande	-	-	-	(25,891)	-	-
Other credits	8,262	(1,572)	(1,512)	8,444	4,711	(2,767)
Prepaid expenses	346	(5,320)	2,135	(15,866)	(7,801)	(3,983)
Supplies	(31,547)	61,777	(20,353)	(23,378)	71,773	(14,253)
Accrued taxes and social contributions	1,570	(1,289)	9,103	311	5,167	4,556
Accrued obligations	661	(1,605)	12	1,388	(1,611)	1,585
Regulatory charges	(1,232)	(3,204)	(2,788)	(354)	(5,202)	(3,218)
Postretirement benefits	(378)	2,420	-	(378)	2,420	-
Variation of Parcel A items	5,045	226	3,082	10,000	226	4,604
Other	566	3,125	5,393	4,634	8,966	8,939
	(70,257)	18,658	(54,664)	(112,861)	(14,067)	(75,347)
Change in non-current assets and liabilities:						
Accounts receivable	(12,074)	(10,369)	-	(12,074)	(10,369)	-
Escrow deposits	(11,080)	(14,483)	(8,318)	(17,944)	(19,203)	(13,798)
Special tariff situation	16,461	(22,704)	11,321	24,234	(34,516)	16,613
Affiliates and subsidiaries	(4,321)	-	(4,116)	(49,374)	-	(3,528)
Prepaid expenses	(40,956)	(52,609)	(8,621)	(56,371)	(86,002)	(25,620)
Postretirement benefits	180	28,032	-	180	28,032	-
Variation of Parcel A items	29,090	452	4,896	29,090	452	7,940
UTE-Campo Grande	-	-	-	2,477	30,054	-
Other credits - low income	(13,034)	-	-	(18,718)	-	-
Other	6,974	7,595	(1,279)	4,112	4,356	(1,624)
	(28,760)	(64,086)	(6,117)	(94,388)	(87,196)	(20,017)
Net cash provided (use in) operating activities	2,423	23,785	(620)	(42,573)	41,052	(7,526)
Investing activities:						
Additions to property, plant and equipment	(50,891)	(65,530)	(36,353)	(187,970)	(181,065)	(133,571)
Additions to investments	(115,444)	(25,182)	(99,395)	290	4,175	(105)
Obligations related to the concession	4,340	4,543	3,023	6,185	14,773	4,418
Net cash used in investing activities	(161,995)	(86,169)	(132,725)	(181,495)	(162,117)	(129,258)
Financing activities:						
Loans and financing	187,515	71,408	172,883	224,566	139,556	189,019
Accrued interest and fees	21,887	8,728	(7,770)	26,012	10,887	(2,158)
Dividends	-	(13,241)	-	(5,366)	(17,779)	(4,053)
Affiliates and subsidiaries	-	887	-	45,987	(18,368)	(10,319)
Prior year adjustments - postretirement benefits	-	(20,403)	-	-	(20,403)	-
Credits for capital increase	-	-	-	-	8,877	-
Net cash provided by (used in) financing activities	209,402	47,379	165,113	291,199	102,770	172,489
Net increase(decrease) in cash and cash equivalents	49,830	(15,005)	31,768	67,131	(18,295)	35,705
Cash and cash equivalents at the beginning of the year	257,765	272,770	257,765	259,496	277,791	259,497
Cash and cash equivalents at the end of the year	307,595	257,765	289,633	326,627	259,496	295,202



ESPIRITO SANTO CENTRAIS ELÉTRICAS S.A.

STATEMENTS OF INCOME BY QUARTER - UNCONSOLIDATED

(in thousands of Brazilian Reais)

	2 0 0 2					2 0 0 1				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
NET OPERATING REVENUES	208,163	163,182	218,287	247,616	837,248	184,373	167,209	147,146	369,068	867,796
OPERATING EXPENSES	(176,949)	(169,496)	(194,567)	(201,271)	(742,283)	(165,482)	(175,336)	(166,696)	(238,514)	(746,028)
Electricity purchased for resale	(108,323)	(116,240)	(132,396)	(142,881)	(499,840)	(108,695)	(117,248)	(104,772)	(149,984)	(480,699)
Depreciation and amortization	(14,131)	(14,212)	(14,278)	(14,460)	(57,081)	(13,564)	(13,924)	(13,992)	(14,019)	(55,499)
Personnel	(14,225)	(15,474)	(17,527)	(15,879)	(63,105)	(15,988)	(15,607)	(14,807)	(15,922)	(62,324)
Material	(1,557)	(1,653)	(1,937)	(1,701)	(6,848)	(1,786)	(1,982)	(2,054)	(2,158)	(7,980)
Third party services	(7,698)	(7,405)	(8,074)	(8,772)	(31,949)	(6,741)	(7,309)	(7,134)	(8,046)	(29,230)
Fuel usage quota - CCC	(12,907)	(13,557)	(11,631)	(10,439)	(48,534)	(12,151)	(14,436)	(15,019)	(6,942)	(48,548)
Provision for contingencies	-	(1,256)	1,256	(3,246)	(3,246)	0	0	-	(29,924)	(29,924)
Other expenses	(18,108)	301	(9,980)	(3,893)	(31,680)	(6,557)	(4,830)	(8,918)	(11,519)	(31,824)
Income from operations	31,214	(6,314)	23,720	46,345	94,965	18,891	(8,127)	(19,550)	130,554	121,768
EQUITY IN SUBSIDIARIES	8,268	(22,720)	(19,997)	(30,849)	(65,298)	(942)	(4,745)	(18,313)	45,355	21,355
FINANCIAL REVENUES	19,215	44,805	34,552	39,200	137,772	41,079	49,484	48,105	(27,041)	111,627
FINANCIAL EXPENSES	(37,757)	(285,350)	(522,010)	101,198	(743,919)	(118,945)	(110,727)	(189,077)	120,657	(298,092)
Monetary variation-electricity purchased	(305)	(3,569)	(194)	(4,958)	(9,026)	(1,562)	(1,545)	(3,732)	2,748	(4,091)
Monetary and exchange variation on loans and financing	(2,821)	(232,751)	(466,210)	157,413	(544,369)	(89,789)	(62,655)	(159,790)	154,151	(158,083)
Interest on loans and financing	(32,037)	(42,005)	(50,456)	(45,829)	(170,327)	(24,720)	(27,869)	(36,331)	(26,476)	(115,396)
Other	(2,594)	(7,025)	(5,150)	(5,428)	(20,197)	(2,874)	(18,658)	10,776	(9,766)	(20,522)
Financial results	(18,542)	(240,545)	(487,458)	140,398	(606,147)	(77,866)	(61,243)	(140,972)	93,616	(186,465)
NON-OPERATING REVENUES(EXPENSES), net	(2,974)	(82)	(952)	(9,545)	(13,553)	(952)	592	(754)	(2,930)	(4,044)
INCOME(LOSS) BEFORE TAXES	17,966	(269,661)	(484,687)	146,349	(590,033)	(60,869)	(73,523)	(179,589)	266,595	(47,386)
Social contribution and income tax	(3,811)	81,138	616	2,838	80,781	19,581	22,586	52,929	(73,846)	21,250
NET INCOME(LOSS) FOR THE PERIOD	14,155	(188,523)	(484,071)	149,187	(509,252)	(41,288)	(50,937)	(126,660)	192,749	(26,136)

FINANCIAL RATIOS AND OTHER INFORMATION

EBITDA	45,345	7,898	37,998	60,805	152,046	32,455	5,797	(5,558)	144,573	177,267
(+)Financial revenues	19,215	44,805	34,552	39,200	137,772	41,079	49,484	48,105	(27,041)	111,627
(+)Non-operating revenues(expenses), net	(2,974)	(82)	(952)	(9,545)	(13,553)	(952)	592	(754)	(2,930)	(4,044)
=Adjusted EBITDA	61,586	52,621	71,598	90,460	276,265	72,582	55,873	41,793	114,602	284,850
CAPEX	12,241	10,587	13,525	41,418	77,771	12,568	15,226	15,655	22,081	65,530
TOTAL DEBT	1,242,033	1,479,253	2,078,711	1,935,399	1,935,399	1,070,065	1,115,652	1,314,094	1,203,914	1,203,914
INTEREST ON LOANS AND FINANCING	32,037	42,005	50,456	45,829	170,327	24,720	27,869	36,331	26,476	115,396
EBITDA margin	21.8%	4.8%	17.4%	24.6%	18.2%	17.6%	3.5%	-3.8%	39.2%	20.4%
EBITDA/Interest on loans and financing	1.4x	0.2x	0.8x	1.3x	0.9x	1.3x	0.2x	-0.2x	5.5x	1.5x
Adjusted EBITDA margin	29.6%	32.2%	32.8%	36.5%	33.0%	39.4%	33.4%	28.4%	31.1%	32.8%
Adjusted EBITDA/Interest on loans and financing	1.9x	1.3x	1.4x	2.0x	1.6x	2.9x	2.0x	1.2x	4.3x	2.5x