

Escelsa Announces First Quarter Results of 2004

Vitória, April 29, 2004 – Espírito Santo Centrais Elétricas S.A. (ESCELSA), announces the results for the first quarter ended March 31, 2004. The consolidated results include Magistra Participações S.A., TV a Cabo Vitória S.A. (TVIX) and Escelsa Participações S.A. (ESCELSAPAR).

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Brazil, April 2004

Introduction

ESCELSA is a publicly held corporation controlled by the EDP Group (Eletricidade de Portugal S.A.), through IVEN S.A.

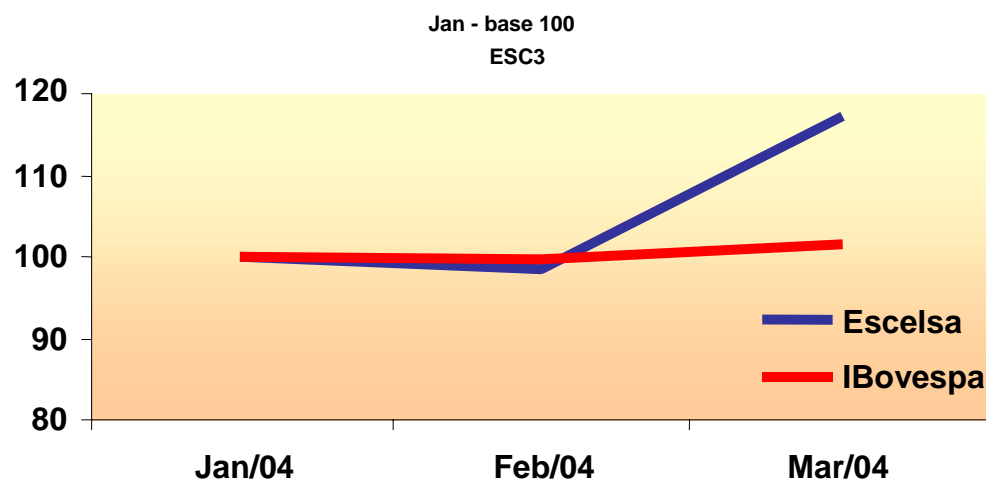
ESCELSA's corporate purpose is the production, transmission, distribution and marketing of electrical energy, through a federal concession. The Company's activities are regulated by ANEEL (the National Electrical Energy Agency), connected to the Ministry of Mining and Energy.

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

ESCELSA is also the majority stakeholder in the following companies:

- a) MAGISTRA PARTICIPAÇÕES S.A, which has majority control of EMPRESA ENERGÉTICA DE MATO GROSSO DO SUL S.A. - ENERSUL (the company granted a concession to provide electric generation, transmission and distribution services in the state of Mato Grosso do Sul) and holds 100% of CASTELO ENERGÉTICA S.A. - CESA, (a company which engages in activities related to hydroelectric resources, thermal generation and the exploration of transmission lines).
- b) TV A CABO VITÓRIA S.A. - TVIX, which engages in activities related to pay-TV and related services for residential communities in the municipalities of Vitória and Vila Velha, in the state of Espírito Santo.
- c) ESCELSA PARTICIPAÇÕES S.A. – ESCELSAPAR, a company that provides various information technology services.

Share Performance



	PARENT COMPANY			CONSOLIDATED		
	First Quarter 2004	First Quarter 2003	Fourth Quarter 2003	First Quarter 2004	First Quarter 2003	Fourth Quarter 2003
FINANCIAL INFORMATION (In thousands of reais)						
Gross operating revenues	374,270	333,961	393,457	604,221	484,020	609,365
Net operating revenues	248,470	237,708	272,655	419,139	348,485	434,834
Income from operations	38,997	53,044	34,615	81,168	63,414	51,368
Loss for the period	12,057	82,126	9,601	12,057	82,126	9,601
EBITDA(1)	54,091	67,617	49,605	114,081	92,743	93,296
Total Assets (*)	2,690,651	2,661,073	2,658,615	3,654,659	3,605,227	3,605,452
Shareholders' equity	369,986	305,148	357,929	369,986	305,148	357,929
Shares outstanding(number)	4,550,833	4,550,833	4,550,833	-	-	-
Book value per share (Reais)	81.30	67.05	78.65	-	-	-
Common stock price per share (Reais)	70.00	40.00	70.00	-	-	-
Market capitalization	318,558	182,033	318,558	-	-	-
INDICATORS						
Operating margin (%)	15.70	22.31	12.70	19.37	18.20	11.81
EBITDA margin (%)	21.77	28.45	18.19	27.22	26.61	21.46
Personnel expenses plus third party services/net oper.revenues (%)	11.14	9.93	11.08	11.88	12.50	12.34
Energy losses (%) (**)	12.21	11.25	0.12	-	-	-
DEC-Equivalent Outage Duration per Customer (hours) (**)	11.73	11.18	10.73	-	-	-
FEC- Equivalent Outage Frequency per Customer (number) (**)	10.23	9.34	8.80	-	-	-
TMA-Average Service Response Time (minutes) (**)	131	115	118	-	-	-
Number of customers per employee (**)	753	710	742	704	664	705
MARKET (**)						
Energy Sales - MWh	1,136	1,199	1,166	-	-	-
Maximum demand - MWh/h	1,428,143	1,514,138	1,487,427	2,153,735	2,234,949	2,215,651
Number of customers	979,260	966,268	968,165	1,598,026	1,568,356	1,582,002
HUMAN RESOURCES						
Number of employees (**)	1,301	1,360	1,305	2,271	2,361	2,245
Number of trainees (**)	33	36	36	57	77	52
Personnel expenses (thousands of reais)	18,244	15,816	19,717	32,810	28,629	34,446
Personnel expenses plus third party services (thousands of reais)	27,688	23,599	30,213	49,799	43,556	53,638

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

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

(**) Unaudited

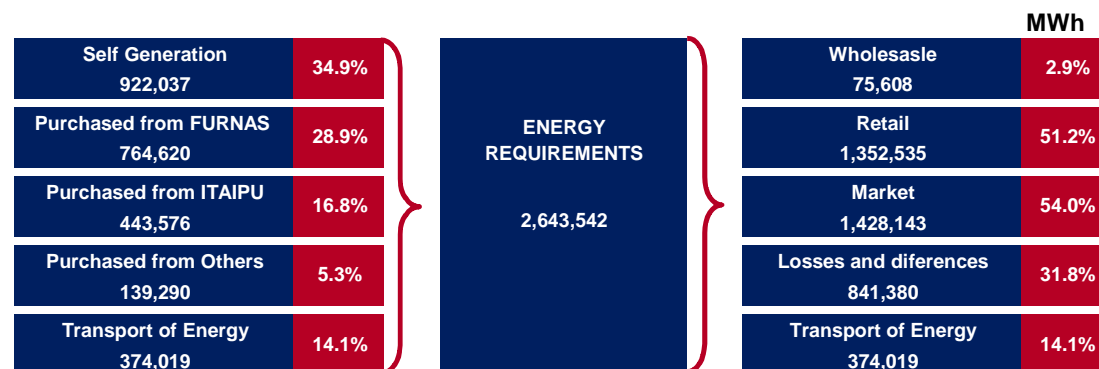
(***) Reclassified

Market

Energy Requirements

The energy requirements of the ESCELSA system in 2004 were 2,049,212 MWh -- down 1.74% from the 2,085,440 MWh required during the same period in the previous year. These figures do not include the values of losses from the Basic Grid and embedded generation.

Maximum system demand in 2004 was 1,135.9 MWh/h, representing a 5.28% reduction compared to the previous year.



Energy Sold

	MWh					
	PARENT COMPANY			CONSOLIDATED		
	1st QUARTER		% Change	1st QUARTER		% Change
2004	2003	2004		2003		
Retail:						
Residential	322,974	1,195,443	(73.0)	561,863	1,433,190	(60.8)
Industrial	615,300	2,744,836	(77.6)	751,672	2,899,506	(74.1)
Commercial	206,336	753,856	(72.6)	355,365	898,629	(60.5)
Rural	79,118	384,819	(79.4)	163,184	455,482	(64.2)
Other	128,807	503,103	(74.4)	240,076	610,247	(60.7)
	1,352,535	5,582,057	(75.8)	2,072,160	6,297,052	(67.1)
Wholesale	75,608	318,272	(76.2)	81,575	324,087	(74.8)
TOTAL	1,428,143	5,900,329	(75.8)	2,153,735	6,621,140	(67.5)

Energy sales in the first quarter of 2004 totaled 1,428,143 MWh, while sales during the same period the previous year reached 1,514,138 MWh, thus representing a 5.7% decrease.

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

In the industrial sector, this decrease was due to some consumers' seeking energy on the open market. In the absence of these customers in 2003, the market grew 1.34% in the industrial sector. It should be noted that drops in consumption reduce revenues from supply and expenses related to purchasing energy, and are offset by an increase in revenues from the use of the distribution system.

Profile of Customers

Customer shares in sales and revenues for the 1st quarter of 2004 changed in the industrial sector, compared to the same period in 2003, primarily due to the fact that some customers opted for other electrical energy suppliers.

	PARENT COMPANY			
	1st QUARTER			
	2004		2003	
	As a % of Sales Volume	As a % of Revenues	As a % of Sales Volume	As a % of Revenues
Retail:				
Residential	22.61	34.91	20.26	37.96
Industrial	43.08	29.70	46.52	25.37
Commercial	14.45	19.02	12.78	19.71
Rural	5.54	5.36	6.52	5.80
Other	9.02	8.26	8.53	8.32
	94.70	97.25	94.60	97.16
Wholesale	5.30	2.75	5.40	2.84
TOTAL	100.00	100.00	100.00	100.00

Number of Customers

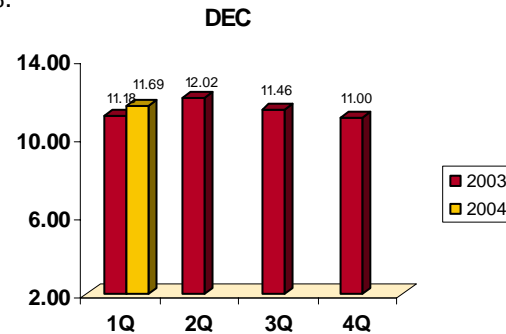
At the end of March 2004, the number of customers was 979,260, representing a 1.34% increase over the previous year.

	PARENT COMPANY			CONSOLIDATED		
	1st QUARTER		% Change	1st QUARTER		% Change
	2004	2003		2004	2003	
Retail:						
Residential	773,482	764,264	1.21	1,281,476	1,258,237	1.85
Industrial	10,724	10,633	0.86	15,179	15,305	(0.82)
Commercial	86,269	85,465	0.94	139,601	137,938	1.21
Rural	99,862	98,947	0.92	146,073	143,414	1.85
Other	8,921	8,854	0.76	15,692	15,354	2.20
	979,258	968,163	1.15	1,598,021	1,570,248	1.77
Wholesale	2	2	-	5	5	-
Retail:	979,260	968,165	1.15	1,598,026	1,570,253	1.77

Performance Indicators

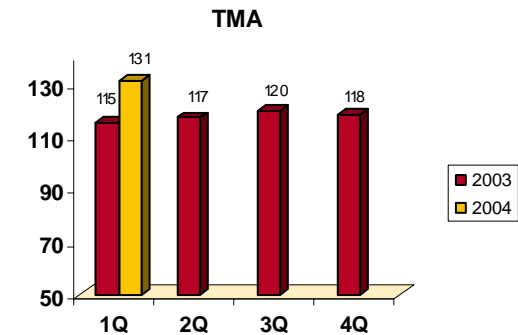
DEC – Equivalent Outage Duration per Customer

Indicator measuring the average time that each customer remains without the supply of electrical energy.
 For the period ended March 31, 2004, the DEC was 11.69 hours, while the DEC for the same period the previous year was 11.18 hours – worsening by decline of 4.56%.



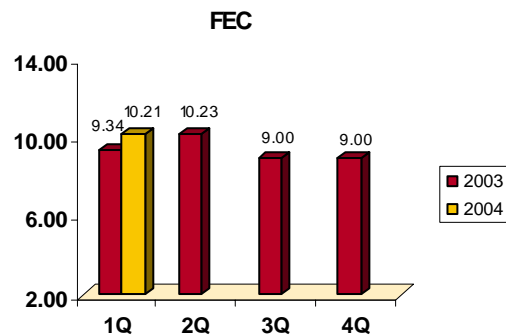
TMA – Average Service Response Time

Indicator measuring the average time elapsed between the receipt of complaints regarding the interruption of service and its reestablishment.
 On March 31, 2004, the TMA was 131 minutes, while the TMA for the previous year was 115 minutes.



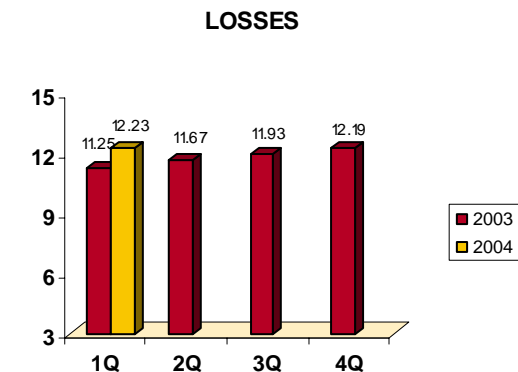
FEC - Equivalent Outage Frequency per Customer

Indicator measuring the average number, per customer, of interruptions in the supply of electrical energy.
 For the quarter ended on March 31, 2004, the FEC was 10.21, while the FEC during the same period the previous year was 9.34 – worsening by 9.31%.



Energy Losses

Energy losses increased 6.13% in the last twelve months, from 11.25%, on March 31, 2003, to 11.94% on March 31, 2004. The Company has been developing works to reduce losses, most notably those of a commercial origin.



Economic-Financial Aspects

Service Result

At the end of the first quarter of 2004, results related to electrical energy services reached R\$ 38,997 thousand, compared to R\$ 53,044 thousand during the same period last year. This result led to an EBITDA of R\$ 54,091 thousand, equivalent to an EBITDA margin of 21.77%. The principal components of the service result were the following:

thousands of reais

	PARENT COMPANY			CONSOLIDATED		
	1st QUARTER			1st QUARTER		
	2004	2003	Variação%	2004	2003	Variação%
Receita operacional bruta	374,270	333,961	12.07	604,221	484,020	24.83
Deduções a receita operacional	(125,800)	(96,253)	30.70	(185,082)	(135,535)	36.56
Receita operacional líquida	248,470	237,708	4.53	419,139	348,485	20.27
Despesas operacionais	(209,473)	(184,664)	13.43	(337,971)	(285,071)	18.56
Resultado do Serviço	38,997	53,044	(26.48)	81,168	63,414	28.00
Margem operacional - %	16	22	(29.67)	19	18	6.42
LAJIDA (EBITDA)	54,091	67,617	(20.00)	114,081	92,743	23.01
Margem LAJIDA (EBITDA)-%	21.77%	28.45%	(23.47)	27.22%	26.61%	2.27

Operating Revenue

Gross operating revenue in the first quarter of 2004 was R\$ 374,270 thousand, representing a 12.07% increase compared to the same period the previous year. The following factors contributed to this: i) an increase in supply revenues and the supply of electrical energy, which reached R\$ 31,171 thousand – 9.16% higher than the previous year, despite negative market growth of 5.7%, due to a tariff adjustment in August 2003; ii) an increase in the emergency capacity charge; iii) an increase in the tariff related to the use of the transmission and distribution system and the number of free customers, whose tariff was readjusted in August 2003, contributing to the maintenance of margins.

Net operating revenue in the first quarter of 2004 totaled R\$ 248,470 thousand – 4.53% higher than the same period in 2003. The breakdown of customers, per class, is the following:

thousands of reais

	PARENT COMPANY		CONSOLIDATED	
	1st QUARTER			
	2004	2003	2004	2003
Retail:				
Residential	116,476	107,201	195,692	167,496
Industrial	100,423	73,075	127,210	94,351
Commercial	64,342	56,645	109,542	90,370
Rural	13,927	12,825	28,873	23,097
Other	26,717	22,919	49,264	37,110
Unbilled revenues	2,205	24,638	29,443	24,149
	324,089	297,303	540,025	436,573
Wholesale:				
Other distributors	6,871	6,024	6,871	6,031
Short-term	211	62	1,390	920
	7,082	6,086	8,261	6,951
Capacity charge	19,785	10,770	28,131	15,452
Other operating revenues	1,780	12,423	4,941	17,291
Gross operating revenues	374,270	333,961	604,221	484,020
(-) Operating revenues deductions	-125,800	-96,253	-185,082	-135,535
Net operating revenues	248,470	237,709	419,139	348,485

Purchased Energy

	PARENT COMPANY		CONSOLIDATED	
	1st QUARTER			
	2004	2003	2004	2003
FURNAS/TRACTEBEL	48,560	56,545	66,822	76,080
ITAIPU	39,935	47,354	56,201	66,683
OTHER SUPPLIERS	21,360	1,082	42,841	8,222
TRANSPORT FROM FURNAS	2,126	1,635	2,126	2,301
CONEXON COST AND GRID	21,786	16,504	35,747	25,961
GENERAL AGREEMENT OF ENERGY SECTOR AND CVA	183	-473	-355	-7,580
OTHER	6	234	6	303
TOTAL	133,956	122,881	203,388	171,970

Operating Costs

Operating costs, which include operating expenses plus RGR quotas (global reserve for reversion quotas), reached R\$ 213,520 thousand in the first quarter of 2004, compared to R\$ 188,734 thousand in the same period the previous year, representing an increase of 13.13%.

The Company 's controlled costs increased 12.93%, from R\$ 50,174 thousand on March 31, 2003, to R\$ 56,663 thousand on March 31, 2004. Depreciation increased 3.58%.

Operating costs that are beyond the Company's control, such as those related to purchased energy, transmission costs, RGR quotas, the Fuel Usage Quota (CCC), Financial Compensation for the Use of Water Resources, and the Energy Development Fund (CDE), increased 13.2%.

This rise in non-controlled costs was primarily due to the increase in expenses related to purchased energy, the cost of connection to the Basic Grid, in addition to contributions to the Energy Development Fund (CDE).

Regarding controlled operating costs, the following factors contributed to the increase:

- Personnel – cost increase due to the repercussions from the adjustment made in August 2003, the Company compensation policy, and the collective bargaining agreement of November 2003, comparing amount of transference of cost to investments;
- Materials – increase in the use of materials for the renovation of transformers;
- Third-party services – increase in costs related to cuts, consumer unit inspections, reconnections, call center services, reading and delivery of billing statements and maintenance of transmission lines and distribution network;
- Provision for Contingencies – R\$ 2,269 thousand was set aside for potential judgments related to labor and tax litigation;

- e) Others – the reduction in this account is due to smaller provisions for doubtful accounts, a reduction in the amount of the energy conservation program, service rendered and rental of software, offset by an increase in the account related to the rationing program, the costs of which were included in the tariff.

	PARENT COMPANY				
	1st QUARTER				
	2004		2003		% Change
Thousand	%	Thousand	%		
Controlled Costs:					
Personnel	18,244	8.54	15,816	8.38	15.35
Material	2,189	1.03	1,936	1.03	13.09
Third party services	9,444	4.42	7,783	4.12	21.35
Provision for contingencies	2,270	1.06	140	0.07	1,521.89
Other	9,422	4.41	9,926	5.26	(5.08)
	41,569	19.47	35,601	18.86	16.76
Depreciation	15,094	7.07	14,573	7.72	3.58
TOTAL CONTROLLED COSTS	56,663	26.54	50,174	26.58	12.93
Non-controlled costs:					
Energy purchased	133,957	62.74	122,881	65.11	9.01
CCC	10,693	5.01	10,522	5.57	1.62
Financial compensation	855	0.40	767	0.41	11.38
ANEEL regulation charge	433	0.20	320	0.17	35.25
RGR	4,047	1.90	4,070	2.16	(0.57)
Conta de Desenvolvimento Energético	6,872	3.22	0	-	-
	156,857	73.46	138,560	73.42	13.21
TOTAL NON-CONTROLLED COSTS	213,520	100.00	188,734	100.00	13.13
GRAND TOTAL	213,520	100.00	188,734	100.00	13.13

Financial Result

The financial result for the first quarter of 2004 was negative R\$ 43,927 thousand, compared to a positive figure of R\$ 69,543 thousand for the same period in 2003. The negative result from this quarter was based on the reduction of financial revenue, due to lower levels of investment, and the devaluation of the Brazilian Real in relation to the U.S. dollar. In the first quarter of last year, the appreciation of the Real was a significant factor in such a positive result.

1Q04 Result

Profit in the amount of R\$ 12,057 thousand in the first quarter of 2004 was the highlight of the year – the result of its stake in MAGISTRA in the amount of R\$ 17,442 thousand, and the absence of provisions for the IRPJ and CSSL taxes, since there were negative bases for both of these taxes.

Available Resources

ESCELSA had available resources, on March 31, 2004, on deposit with banking institutions or invested in the financial market, in the amount of R\$ 208,861 thousand and the consolidated figure of R\$ 230,149 thousand, as shown below:

	PARENT COMPANY		CONSOLIDATED	
	1st QUARTER			
	R\$ thousand	US\$ thousand	R\$ thousand	US\$ thousand
Investments in Reais:				
Cash and banks	8,361	-	11,472	-
Certificates of deposit	2,491	-	3,608	-
Investment funds	2,839	-	12,235	-
Others	135	-	7,799	-
Total investments in Reais	13,826	-	35,114	-
Investments in U.S. dollars:				
Dollar-indexed bonds - NBC's	195,035	67,055	195,035	67,055
Total investments in U.S. dollars	195,035	67,055	195,035	67,055
Total available resources	208,861	71.81	230,149	67,055

U.S. dollar = 2.9086 Reais

Loans and Financing

PARENT COMPANY						
	AVERAGE ANNUAL INTEREST RATE	AMORTIZATION		mar/04		
		TYPE (*)	PERIOD MM/YY	Interest and Other Charges	Current	Long-Term
Local Currency:						
ELETRONBRAS	5.0% - 7.0%	M	05/99 a 08/07	-	2.017	4.017
BNDES	TJLP + 3.8%	M	10/99 a 10/10	462	39.108	73.438
BNDES-Perdas Racionamento	SELIC+1.0%	M	03/02 a 01/06	618	39.541	127.971
Conta Garantida e Operações Compromissadas	CDI+1.75%, CDI+1.85%, 110% E 115% do CDI	M	11/02 a 03/05	-	137.246	-
Total Local Currency:				1.080	217.912	205.426
Foreign Currency:				0	0	0
Senior Notes	10,0%+V.CAMBIAL	U	7/jul	26.114	-	1.253.485
BNDES	3,5%+UMBNDES	M	09/01 a 10/10	183	11.438	15.407
Total Foreign Currency:				26.297	11.438	1.268.892
TOTAL				27.377	229.350	1.474.318

Loans and Financing

CONSOLIDATED						
	AVERAGE ANNUAL INTEREST RATE	AMORTIZATION		1st QUARTER		
		TYPE (*)	PERIOD MM/YY	Interest and Other Charges	Current	Long-Term
Local Currency:						
ELETROBRAS - ESCELSA	5,0% - 7,0%	M	05/99 a 08/07 12/97 a	-	2,017	4,017
ELETROBRAS - ENERSUL	6,0% - 12,0%	M	05/22	315	13,621	35,109
BNDES - ESCELSA	TJLP + 3,8%	M	10/10	462	39,108	73,438
BNDES - MAGISTRA	TJLP + 4,0%	S	11/99 a 11/04	1516	41,672	-
BNDES - ENERSUL	TJLP + 3,85%	M	02/08	157	13,846	40,386
BNDES - ENERSUL	TJLP + 4,0%	M	04/04	-	83	-
BNDES-Perdas Racionamento	SELIC+1,0%	M	12/08	1027	40,782	175,070
BNDES - CESA	TJLP + 4,5%	M	07/12	143	3,016	29,156
BCO BRASIL - FCO	0.112 CDI+1,75%, CDI+1,85%, 110%	M	11/13 11/02 a	569	1,111	28,889
CONTA GARANTIDA	E 115% do CDI	M	12/03	52	157,246	-
FUNDAÇÃO ENERSUL	10%+INPC	M	11/13 05/00 a	116	3,206	16,187
OTHER	0.0135	M	06/09	-	-	1,183
Total Local Currency:				4,456	342,733	466,409
Foreign Currency:						
SENIOR NOTES	10,0%+V.CAMBIAL	U	38175	26,114	-	1,253,485
BRABESCO (*)	6,50% a 6,9%	M	11/04	482	10620	-
UNIBANCO (*)	2,40% - 5,00% LIBOR + 4,0% -	U	38141 12/02 a	12	7283	7,238
EUROPEAN INVEST BANK	5,0% LIBOR + 4,5% -	S	03/09 10/96 a	667	8568	30,302
STN-DMLP	8,2%	S	04/24 03/02 a	869	3238	36,979
BBA FMO (*)	0.089	S	09/07 03/01 a	67	5455	5,829
BNDES - ESCELSA	3,5%+UMBNDDES	M	10/10 04/03 a	183	11438	15,407
BNDES - ENERSUL	4%+UMBNDDES	M	10/07 01/04 a	128	822	5,096
BNDES - CESA	4,5%+UMBNDDES	M	07/12	189	662	7,281
ITAÚ-BBA (*)	0.04	U	3/May	25	14088	-
BBV - BRADESCO (*)	0.1155	M	11/05	306	7662	5,108
Total Foreign Currency:				29,042	69,836	1,366,725
TOTAL				33,498	412,569	1,833,134

TYPE:
S = Single
M= Monthly

H = Half -Year

(*) Loans protected by swap contracts against currency fluctuations

Debt Maturity Schedule

MATURITY	PARENT COMPANY			CONSOLIDATED		
	TYPE					
	Local	Foreign	Total	Local	Foreign	Total
Current						
2004	140,032	8,492	148,524	246,509	45,280	291,789
2005	77,880	2,946	80,826	96,224	24,556	120,780
Sub-total	217,912	11,438	229,350	342,733	69,836	412,569
Long-Term						
2005	0	0	0	0	0	0
2006	81,097	8,835	89,932	132,401	35,502	167,903
2007	59,425	4,318	63,743	118,594	22,197	140,791
2008	53,820	1,254,073	1,307,893	110,293	1,269,357	1,379,650
2009	4,030	588	4,618	47,704	8,574	56,278
2010	4,030	588	4,618	15,176	4,027	19,203
2011	3,023	490	3,513	14,169	3,349	17,518
2012	0	0	0	11,146	2,859	14,005
2013	0	0	0	8,077	1,954	10,031
2013	0	0	0	4,310	880	5,190
Após 2013	0	0	0	4,539	18,026	22,565
Sub-total	205,425	1,268,892	1,474,317	466,409	1,366,725	1,833,134
TOTAL	423,337	1,280,330	1,703,667	809,142	1,436,561	2,245,703

Balance

(In thousands of Brazilian reais)

ASSETS	PARENT COMPANY			CONSOLIDATED		
	Mar-04	Mar-03	Dec-03	Mar-04	Mar-03	Dec-03
CURRENT:						
Cash and banks	8,361	6,337	8,597	11,472	9,118	15,465
Accounts receivable	254,744	267,427	236,374	471,261	420,623	450,709
Other accounts receivable	10,159	11,027	7,798	14,027	9,571	11,182
Recoverable taxes	13,265	6,811	20,465	31,789	28,869	38,925
Taxes credits	-	-	-	7,608	-	7,608
Allowance for doubtful accounts	(22,641)	(27,227)	(21,967)	(42,173)	(40,983)	(40,192)
Material and supplies	2,593	3,585	2,984	4,365	5,741	4,896
Marketable securities	200,500	285,544	191,423	218,677	294,448	203,089
Escrow deposits	33	39,382	2,629	33	39,382	2,629
Other credits - UTE Campo Grande	-	-	-	49,446	39,485	49,116
Other credits	14,775	9,512	13,348	24,775	16,204	22,224
Prepaid expenses	25,843	(3,181)	22,018	56,882	20,589	46,230
	507,632	599,217	483,669	848,162	843,047	811,881
LONG-TERM:						
Accounts receivable	181,504	190,212	200,648	299,627	299,772	295,244
Recoverable taxes	-	149,846	-	-	266,337	3,933
Affiliates and subsidiaries	2,649	21,220	5,093	77,713	68,766	76,172
Escrow deposits	106,656	78,090	96,426	148,059	102,459	135,497
Debt issuance costs	1,729	2,498	1,921	1,729	2,498	1,921
Deferred income and social contribution taxes	121,299	-	121,299	250,105	-	252,776
Other credits - low income consumers	-	18,818	-	-	26,669	-
Other credits	10,324	4,808	15,155	20,834	15,641	25,122
Prepaid expenses	89,640	75,003	79,220	152,576	128,867	140,025
	513,801	540,495	519,762	950,643	911,009	930,690
PERMANENT:						
Investments	924,272	771,265	904,634	358,389	374,332	362,003
Property, plant and equipment, net	744,946	750,097	750,550	1,497,465	1,476,761	1,500,878
Deferred	-	-	-	-	79	-
	1,669,218	1,521,362	1,655,184	1,855,854	1,851,172	1,862,881
TOTAL	2,690,651	2,661,073	2,658,615	3,654,659	3,605,227	3,605,452

Balance Sheet

(In thousands of Brazilian reais)

LIABILITIES AND SHAREHOLDERS' EQUITY	PARENT COMPANY			CONSOLIDATED		
	Mar-04	Mar-03	Dec-03	Mar-04	Mar-03	Dec-03
CURRENT:						
Suppliers	99,776	90,986	91,449	160,621	135,172	152,435
Payroll	4,726	1,940	4,073	5,348	3,602	4,551
Accrued interest and fees	27,377	37,654	58,440	33,498	50,456	67,271
Loans and financing	229,350	161,374	174,797	412,569	357,885	349,967
Accrued taxes and social contributions	38,066	21,873	40,033	60,599	43,187	57,339
Dividends	42,041	21	42,041	42,053	30	42,053
Post retirement benefits	3,459	1,886	3,571	3,459	1,886	3,571
Accrued obligations	8,035	7,322	12,892	16,402	14,916	24,485
Regulatory charges	10,884	9,129	6,520	18,604	16,302	11,637
Provision for contingencies	-	39,382	-	-	39,382	-
Other accounts payable	25,354	17,522	27,163	73,913	21,749	71,260
	489,068	389,089	460,979	827,066	684,567	784,569
LONG - TERM:						
Suppliers	55,362	60,640	73,931	78,553	86,868	99,441
Interest on loans and financing	-	-	-	217	-	80
Income and social contribution taxes	42,282	-	38,986	42,282	-	38,986
Loans and financing	1,474,318	1,708,642	1,475,321	1,833,134	2,117,842	1,838,268
Post retirement benefits	30,253	28,212	30,253	30,253	28,212	30,253
Deferred income taxes	45,873	-	46,975	60,677	-	61,779
Affiliates and subsidiaries	50	150	93	-	86	-
Provision for contingencies	149,454	114,510	142,148	206,086	156,811	196,661
Other accounts payable	34,005	54,682	32,000	36,064	69,976	34,063
	1,831,597	1,966,836	1,839,707	2,287,266	2,459,795	2,299,531
MINORITY INTEREST	-	-	-	170,341	155,718	163,423
SHAREHOLDERS' EQUITY:						
Capital stock	153,947	153,947	153,947	153,947	153,947	153,947
Capital reserves	65,687	65,688	65,687	65,687	65,688	65,687
Legal reserves	-	-	-	-	-	-
Income reserves	134,908	-	134,908	134,908	-	134,908
Loss	12,057	82,126	-	12,057	82,126	-
	366,599	301,761	354,542	366,599	301,761	354,542
Credits for capital increase	3,387	3,387	3,387	3,387	3,387	3,387
	369,986	305,148	357,929	369,986	305,148	357,929
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,690,651	2,661,073	2,658,615	3,654,659	3,605,227	3,605,452

Statements of income

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

	PARENT COMPANY			CONSOLIDATED		
	1st Quarter 2004	1st Quarter 2003	4th Quarter 2003	1st Quarter 2004	1st Quarter 2003	4th Quarter 2003
OPERATING REVENUES:						
Electricity sales to final customers	324,089	297,303	348,456	540,024	436,573	553,635
Contingency fee	19,785	10,770	16,279	28,131	15,452	23,173
Electricity sales to distributors	7,082	6,086	6,800	8,262	6,951	8,329
Use of transmission and distribution system	21,534	7,379	19,947	22,863	7,753	20,672
Other revenues	1,780	12,423	1,975	4,941	17,291	3,556
	374,270	333,961	393,457	604,221	484,020	609,365
Deductions from operating revenues:						
State value-added taxes - ICMS	(84,645)	(68,372)	(83,170)	(120,030)	(94,428)	(116,720)
PIS and COFINS tax	(17,320)	(13,018)	(17,470)	(29,212)	(19,324)	(27,098)
Global reserve for reversion quota - RGR	(4,047)	(4,070)	(3,881)	(7,679)	(6,176)	(7,513)
Contingency fee	(19,785)	(10,770)	(16,279)	(28,131)	(15,452)	(23,173)
Tax on services (ISSQN)	(2)	(23)	(2)	(30)	(155)	(27)
	(125,800)	(96,253)	(120,802)	(185,082)	(135,535)	(174,531)
Net operating revenues	248,470	237,708	272,655	419,139	348,485	434,834
OPERATING EXPENSES:						
Electricity purchased for resale	(133,957)	(122,881)	(158,435)	(203,388)	(171,990)	(233,149)
Depreciation and amortization	(15,094)	(14,573)	(14,991)	(32,913)	(29,329)	(41,928)
Personnel	(18,244)	(15,816)	(19,717)	(32,810)	(28,629)	(34,446)
Material	(2,189)	(1,936)	(2,774)	(5,288)	(5,262)	(5,808)
Third-party services	(9,444)	(7,783)	(10,496)	(16,989)	(14,927)	(19,192)
Fuel usage quota - CCC	(10,693)	(10,522)	(10,694)	(15,474)	(17,440)	(15,473)
Provision for contingencies	(2,270)	(140)	9,360	(2,270)	(1,688)	(8,212)
Other	(17,582)	(11,014)	(30,293)	(28,839)	(15,806)	(25,258)
	(209,473)	(184,664)	(238,040)	(337,971)	(285,071)	(383,466)
INCOME FROM OPERATIONS	38,997	53,044	34,615	81,168	63,414	51,368
EQUITY IN SUBSIDIARIES	16,869	3,327	6,119	-	-	-
FINANCIAL REVENUES:						
Income from temporary cash investments	(15,423)	(12,578)	2,814	9,025	52,436	6,772
Increase in overdue collections	(43,926)	69,543	4,630	8,106	7,117	9,449
Hedge	23,376	60,952	0	-	(2,176)	-
Regulatory assets - SELIC	6,320	44,180	20,458	20,813	21,691	31,175
Variação monetária de tributos	-	-	7,465	-	-	-
Variação cambial UTE Campo Grande	-	-	-	-	-	-
Other	53,029	(101,145)	(12,032)	2,030	5,577	(3,759)
	23,376	60,952	23,335	39,974	84,645	43,637
FINANCIAL EXPENSES:						
Monetary variation - electricity purchase	11,876	11,561	10,642	(24)	(6,685)	10,642
Monetary and exchange variation on loans and	(67,302)	8,591	13,827	(10,231)	75,196	13,264
Interest on loans and financing	261	3,247	(59,756)	(63,330)	(77,286)	(74,611)
Other	(12,137)	(14,808)	(9,380)	(13,155)	(11,541)	(15,170)
	(67,302)	8,591	(44,667)	(86,740)	(20,316)	(65,875)
FINANCIAL RESULTS	(43,926)	69,543	(21,331)	(46,766)	64,329	(22,238)
OPERATING PROFIT (LOSS)	11,940	125,914	19,403	34,402	127,743	29,130
NON-OPERATING REVENUES	257	148	93	731	1,692	2,130
NON-OPERATING EXPENSES	(141)	(1,452)	858	(1,193)	(3,777)	(3,063)
NON-OPERATING INCOME(LOSS), NET	117	(1,303)	950	(462)	(2,085)	(933)
INCOME(LOSS) BEFORE TAXES	12,057	124,611	20,353	33,940	125,658	28,197
Social contribution	-	(10,779)	(2,279)	(3,856)	(11,376)	(2,170)
Income tax	-	(31,706)	(8,472)	(10,669)	(33,336)	(8,958)
INCOME(LOSS) AFTER TAXES	-	(42,485)	(10,752)	(14,525)	(44,712)	(11,128)
MINORITY SHARE IN PROFIT	-	-	-	(7,358)	1,180	(7,468)
NET INCOME(LOSS) FOR THE PERIOD	12,057	82,126	9,601	12,057	82,126	9,601
Net Income(loss) per share - R\$	2.65	18.05	2.11	-	-	-

Cash Flow

(In thousands of Brazilian reais)

	PARENT COMPANY			CONSOLIDATED		
	1st Quarter 2004	1st Quarter 2003	4th Quarter 2003	1st Quarter 2004	1st Quarter 2003	4th Quarter 2003
Net Income(loss) for the period	12,057	82,126	9,601	12,057	82,126	9,601
Adjustments to reconcile income to cash provided by operating activities:						
Operating activities:						
Long term interest and monetary and exchange variation	5,630	-77,659	6,520	-3,661	-71,723	2,415
Equity in subsidiaries	(16,869)	(3,327)	-6120	-	-	-
Depreciation and amortization	15,094	14,573	14,990	32,913	29,329	42,007
Disposal of property, plant and equipment	1,451	1,046	628	2,345	1,530	1,642
Sale of UTE Campo Grande	0	-	-	888	-	3,008
Provision for contingencies	7,306	-12,559	8,227	9,425	-9,687	8,716
Regulatory assets	0	0	0	0	0	-22,289
Tariff readjustment	0	0	0	-21,155	0	0
Bonus foreign funding	192	0	0	192	0	0
Post retirement benefits	-112	-156	4,126	-112	-156	3,570
Liabilities adjustments	1,998	2,598	2,083	1,998	2,598	2,083
Deferred income taxes	0	12,642	4,596	2,671	12,678	5,883
Remuneration on construction work in progress	0	0	-	7,358	-1,487	7,204
	26,747	19,284	44,651	44,919	45,208	63,840
Changes in current assets and liabilities:						
Accounts receivable	-17,696	6,778	-13,604	-25,511	9,434	-17,152
Other accounts receivable	4,839	34,316	6,785	4,475	37,953	11,644
Material and supplies	391	0	637	391	0	1,279
Other credits-UTE Campo Grande	0	-	-	-1,218	(13,594)	-2,468
Other credits	1,169	8,102	-5,638	248	7,570	-5,376
Prepaid expenses	-3,825	2,698	22,629	-10,653	-13,131	33,895
Suppliers	8,327	-13,754	-7,086	9,107	-20,444	-3,077
Accrued taxes and social contributions	(1,967)	-8,247	15,662	7,320	-5,295	26,222
Accrued obligations	-4,857	-5,696	-502	-5,433	-6,402	-1,928
Regulatory charges	4,364	1,980	-2,314	6,967	3,416	(2,568)
Other	-1,156	6,089	3,770	-3,387	8,993	5,825
	-10,411	32,266	20,339	-17,694	8,500	46,296
Change in non-current assets and liabilities:						
Accounts receivable	3,870	23,924	583	9,564	23,924	12,651
Escrow deposits	(10,230)	-5,915	-11,056	(13,511)	-7,905	(13,061)
Affiliates and subsidiaries	2,444	-14,509	-1,018	550	-42,292	2,549
Prepaid expenses	(10,420)	-10,980	-25,523	(9,218)	-6,932	(39,287)
Accrued taxes and social contributions	(1,101)	0	13362	(1,101)	0	7,712
Other credits - low income	-	-5,784	3359	-	-7,951	3,359
Other	4,838	2,649	-7,382	4,372	2,700	(19,337)
	-10,599	-10,615	-27,675	-9,344	-38,456	-45,414
Net cash provided (use in) operating activities	5,737	40,935	37,315	17,881	15,252	64,722
Investing activities:						
Additions to property, plant and equipment	(12,340)	-11,586	-27,684	(32,087)	-27,044	(57,927)
Additions to investments	(2,769)	-20,288	-20,149	-	1	(719)
Additions to the Deferred account	-	0	0	-	0	(79)
Obligations related to the concession	1,399	1,415	1,884	3,985	1,782	5,528
Net cash used in investing activities	-13,710	-30,459	-45,949	-28,102	-25,261	-53,197
Financing activities:						
Loans and financing	47,920	12,276	-21,832	50,576	-9,714	(32,546)
Accrued interest and fees	(31,063)	-38,479	30,843	(33,636)	-36,778	28,926
Dividends	-	0	-	(441)	-294	(573)
Affiliates and subsidiaries	(43)	13	7	5,316	33,733	-
Net cash provided by (used in) financing activities	16,814	-26,190	9,018	21,815	-13,053	-4,193
Net increase(decrease) in cash and cash equivalents	8,841	-15,714	384	11,594	-23,062	7,332
Cash and cash equivalents at the beginning of the period	200,020	307,595	0	218,554	326,628	0
Cash and cash equivalents at the end of the period	208,861	291,881	384	230,148	303,566	7,332

Unconsolidated Statements of Income by Quarter

(in thousands of Brazilian reais)

	2 0 0 4					2 0 0 3				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
NET OPERATING REVENUES	248,470	-	-	-	248,470	237,708	205,146	228,189	272,654	943,697
OPERATING EXPENSES:	(209,473)	-	-	-	(209,473)	(184,664)	(199,590)	(201,234)	(238,040)	(823,528)
Electricity purchased for resale	(133,957)	-	-	-	(133,957)	(122,881)	(121,970)	(131,198)	(158,435)	(534,484)
Depreciation and amortization	(15,094)	-	-	-	(15,094)	(14,573)	(14,759)	(14,819)	(14,991)	(59,142)
Personnel	(18,244)	-	-	-	(18,244)	(15,817)	(17,426)	(18,185)	(19,717)	(71,145)
Material	(2,189)	-	-	-	(2,189)	(1,936)	(1,667)	(2,260)	(2,774)	(8,637)
Third-party services	(9,444)	-	-	-	(9,444)	(7,783)	(7,398)	(8,583)	(10,496)	(34,260)
Fuel usage quota - CCC	(10,693)	-	-	-	(10,693)	(10,522)	(10,548)	(11,512)	(10,694)	(43,276)
Provision for contingencies	(2,270)	-	-	-	(2,270)	(140)	(13,861)	121	9,360	(4,520)
Other	(17,582)	-	-	-	(17,582)	(11,012)	(11,961)	(14,798)	(30,293)	(68,064)
INCOME FROM OPERATIONS	38,997	-	-	-	38,997	53,044	5,556	26,955	34,614	120,169
EQUITY IN SUBSIDIARIES	16,869	-	-	-	16,869	3,327	460	9,539	6,119	19,445
FINANCIAL REVENUES	23,376	-	-	-	23,376	60,952	5,725	31,198	23,335	121,210
FINANCIAL EXPENSES:	(67,302)	-	-	-	(67,302)	8,591	150,522	(92,349)	(44,667)	22,097
Monetary variation - electricity purchase	11,876	-	-	-	11,876	(7,091)	(5,716)	(6,099)	10,642	(8,264)
Monetary and exchange variation on loans and financing	(67,302)	-	-	-	(67,302)	74,488	215,335	(24,524)	13,827	279,126
Interest on loans and financing	261	-	-	-	261	(50,486)	(45,403)	(50,174)	(59,756)	(205,819)
Other	(12,137)	-	-	-	(12,137)	(8,320)	(13,694)	(11,552)	(9,380)	(42,946)
FINANCIAL RESULTS	(43,926)	-	-	-	(43,926)	69,543	156,247	(61,151)	(21,332)	143,307
NON-OPERATING INCOME(LOSS), NET	117	-	-	-	117	(1,303)	(199)	(1,609)	950	(2,161)
INCOME(LOSS) BEFORE TAXES	12,057	-	-	-	12,057	124,611	162,064	(26,266)	20,352	280,761
Social contribution and income tax	-	-	-	-	-	(42,485)	(60,930)	10,333	(10,752)	(103,834)
NET INCOME(LOSS) FOR THE PERIOD	12,057	-	-	-	12,057	82,126	101,134	(15,933)	9,601	176,929
FINANCIAL RATIOS AND OTHER INFORMATION										
EBITDA	54,091	-	-	-	54,091	67,617	20,315	41,774	49,605	179,311
(+)Financial revenues	23,376	-	-	-	23,376	60,952	5,725	31,198	23,335	121,210
(+)Non-operating income (loss), net	117	-	-	-	117	-1,303	-199	-1,609	950	-2,161
=Adjusted EBITDA	77,584	-	-	-	77,584	127,266	25,841	71,363	73,890	298,360
CAPITAL EXPENDITURE	11,776	-	-	-	11,776	12,327	11,022	14,173	26,951	64,473
TOTAL DEBT	1,731,045	-	-	-	0	1,907,669	1,707,814	1,693,221	1,708,557	1,708,557
INTERES ON LOANS AND FINANCING	-261	-	-	-	-261	50,486	45,403	50,174	59,756	205,819
EBITDA margin	21.77%	-	-	-	21.77%	28.45%	9.90%	18.31%	18.19%	19.00%
EBITDA/Interest on loans and financing (x)	-207.2	-	-	-	-207.2	1.3	0.4	0.8	0.8	0.9
Adjusted EBITDA margin	31.22%	-	-	-	31.22%	53.54%	12.60%	31.27%	27.10%	31.62%
Adjusted EBITDA/Interest on loans and financing	-297.3	-	-	-	-297.3	2.5	0.6	1.4	1.2	1.4