

Brazil's Eletrobrás Makes US\$ 507 Million, a 261% Rise

Contributed by Sabrina Craide
Saturday, 17 May 2008

Brazil's state-owned Eletrobrás Group, which operates in the field of power generation and supply, ended the first three months of 2008 with net profit of 841.5 million reais (US\$ 506.8 million), a result 261% greater than the 233.1 million reais (US\$ 140.4 million) in net profit posted in the first quarter of last year. The result is the equivalent of 0.75 reais (US\$ 0.45) in net profit per share of the Group.

Data from the company's report indicate that the positive result was a consequence of the performance by companies in the holding, which totaled 617,5 million reais (US\$ 371.9 million) from January to March, 2008," a significant improvement over 2007, when earnings totaled 393.6 million reais (US\$ 237 million)," according to the press office at Eletrobrás.

Also according to the group's press office, Eletrobrás incurred losses of 159.6 million reais (US\$ 96.1 million) during the first quarter of the current year, as a consequence of exchange rate fluctuations, as a significant share of the holding's receivables are pegged to the United States currency. The losses, however, were significantly smaller than recorded in the same period last year, of 755.8 million reais (US\$ 455.2 million).

According to the Eletrobrás website, between 2003 and 2006, the Brazilian electric power system added approximately 14,600 MW to its installed capacity, and 13,500 km new circuits to its basic transmission network. Several public and private companies contributed to the expansion of the installed capacity during this period.

Within the Eletrobrás group, Eletronorte was responsible for the largest investments in generation by putting eleven units of the second stage of Tucuruí's hydroelectric use into operation, Furnas ranking next by expanding the Santa Cruz thermoelectric plant and taking part in the construction of the Peixe Angical (TO) hydroelectric plant in partnership with Energias de Portugal (EDP).

Among other undertakings, the Norte Fluminense, TermoRio and TermoPernambuco thermoelectric plants, as well as the Barra Grande, Itapebi, Irapé, Aimorés, Capim Branco I, Itapebi hydroelectric plants and, at the beginning of 2007, Campos Novos and Capim Branco II deserve a highlight.

Aiming at diversifying the Brazilian energy matrix, Eletrobrás contracted in 2004 more than 3,000 MW related to projects of wind energy sources, small hydroelectric plants, and biomass included in the Proinfa program.

In March 2007, technicians at the Itaipu Binacional finalized the tests on two additional units which raised the capacity of the Brazilian-Paraguayan plant to 14,000 MW. According to Aneel, the Brazilian electrical system now has a 98,230 MW installed capacity.

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