

**FIRST QUARTER 2003**

<i>(unaudited – millions of dollars, except return on equity and operating statistics)</i>	Three months ended March 31	
	2003	2002
Total revenue	\$ 331.8	\$ 274.3
Operating expenses	281.8	216.3
Earnings before interest and income tax	50.0	58.0
Interest	3.5	4.3
Income tax	11.6	12.2
Net earnings	\$ 34.9	\$ 41.5
Return on equity (annualized)	14%	19%
Payments to shareholder:		
Dividends	12.5	12.5
Municipal consent and access fees ¹	17.9	17.0
Operating statistics:		
Energy sold (gigawatt hours)	2,489	2,502
Energy delivered (gigawatt hours) ²	1,988	1,953

1. Fees ENMAX pays in lieu of property and education taxes for the use of The City's rights-of-way that are included in regulated distribution rates charged to retailers.

2. In the third quarter of 2002, ENMAX began reporting energy delivered volumes based on amounts recorded at customers' meters. Prior periods have been restated using this methodology.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis should be read in conjunction with the accompanying unaudited consolidated financial statements of ENMAX Corporation (ENMAX or the corporation) for the three months ended March 31, 2003 and 2002, as well as the 2002 Annual Report. Amounts are stated in Canadian dollars unless otherwise indicated.

RESULTS OF OPERATIONS**Consolidated**

In the first quarter of 2003, ENMAX continued to deliver substantial earnings, withstanding most of the price volatility through carefully constructed supply and retail portfolios to deliver a 14% return on equity. In the first three months of 2003, net earnings were \$34.9 million compared to \$41.5 million in the first three months of 2002. During the first quarter of 2003, an increase in total revenue of \$57.5 million was more than offset by reduced commodity margins, driven by a 57% increase in electric costs compared to the first quarter of 2002.

Total revenue rose 21%, from \$274.3 million in the first quarter of 2002 to \$331.8 million in the first quarter of 2003. This increase was primarily due to Power Pool of Alberta (Power Pool) prices more than doubling in the first quarter of 2003 compared to the first quarter of 2002. As a result of rising Power Pool prices, retail customers on the Default Supply rate (a flow-through price structure) paid more for energy supply. Revenue from retail customers on the Regulated Rate Option (RRO) was also higher because a portion of electricity supply was purchased during periods of higher prices, creating a deferral account receivable from customers.

Components of total revenue in the first quarter of 2003 included \$231.1 million from sales of electricity; \$70.5 million from distributing electricity and leasing transmission facilities; \$20.3 million from contractual services and other revenue; and \$9.9 million from sales of natural gas. Sales of electricity includes energy trading revenue, which was \$10.0 million during the first three months of 2003 compared to \$5.8 million in the first quarter of 2002. The increase in energy trading revenue was due to higher market prices in 2003, despite lower trading volumes.

Cost of services provided was \$257.0 million for the first three months of 2003 compared to \$190.5 million in the same period in 2002. The variance was primarily due to ENMAX Energy's purchase of electricity supply at higher-than-expected Power Pool prices during the first quarter of 2003.

General and administrative expenses decreased 30%, from \$14.9 million in the first quarter of 2002 to \$10.5 million in first quarter of 2003. Most of this reduction was attributable to lower staffing and consulting costs, as well as higher capital overhead recoveries in ENMAX Power.

Lower debt balances resulted in interest expense declining from \$4.3 million in the first quarter of 2002 to \$3.5 million in the first quarter of 2003. Income tax expense also decreased slightly to \$11.6 million in the first quarter of 2003 compared to \$12.2 million in the first quarter of 2002.

For 2003, ENMAX has declared dividends of \$50.0 million based on an approved dividend policy and 2002 annual net earnings of \$166.6 million. In the first quarter of 2003, ENMAX paid a dividend installment to The City of Calgary of \$12.5 million, the same as was paid in the first quarter of 2002. The 2002 dividend included a special dividend payment of \$5.0 million in the first quarter of 2002.

LIQUIDITY AND CAPITAL RESOURCES

Capitalization

<i>(millions of dollars, unaudited)</i>	March 31, 2003	December 31, 2002
Cash and short-term investments	\$ 5.3	\$ 3.3
Commercial paper	9.5	-
Long-term debt ⁽¹⁾	179.0	183.8
Total debt	188.5	183.8
Shareholder's equity		
Share capital	280.1	280.1
Retained earnings	751.3	728.9
Total shareholder's equity	1,031.4	1,009.0
Total capitalization	\$ 1,219.9	\$ 1,192.8

(1) Includes current portion of \$23.7 million (December 31, 2002 - \$23.2 million). Maturity dates range from July 2003 to October 2015.

Coverage Ratios

	For the Three Months Ended March 31, 2003	For the Year Ended December 31, 2002
Debt to total capitalization (as at period end)	15.4%	15.4%
Interest coverage ratio ⁽¹⁾	14.3X	15.4X

(1) Interest coverage on long-term debt is equal to earnings before interest and taxes divided by interest expense.

Cash Provided by Operating Activities

Cash provided by operating activities was \$49.2 million for the first three months of 2003, consistent with the same period in 2002. Funds for ongoing cash requirements will come from cash flow from operations, available lines of credit and a commercial paper program. ENMAX continues to generate adequate amounts of cash and cash equivalents to meet short-term requirements.

Investing Activities

ENMAX spent \$51.5 million on capital projects in the first three months of 2003, primarily for expansion of the distribution system, investment in the wind farm project and development of new office space. In 2003, capital expenditures are budgeted to be about \$941 million, with nearly 90% allocated to strategic growth.

Financing Activities

During the first quarter of 2003, ENMAX repaid \$4.8 million of long-term debt and issued \$9.5 million in commercial paper.

SEGMENTED INFORMATION

ENMAX's business segments have been revised to reflect internal organizational changes. The new operating segments are: ENMAX Energy, which now includes the billing and customer care function of ENMAX Encompass Inc. which was previously reported as a separate segment; and, ENMAX Power, which includes the regulated transmission and distribution business, and the unregulated power services business previously managed by ENMAX Energy. In addition, corporate costs are now included within the operating segments results instead of being presented with the eliminations. Comparative periods have been restated to reflect these changes.

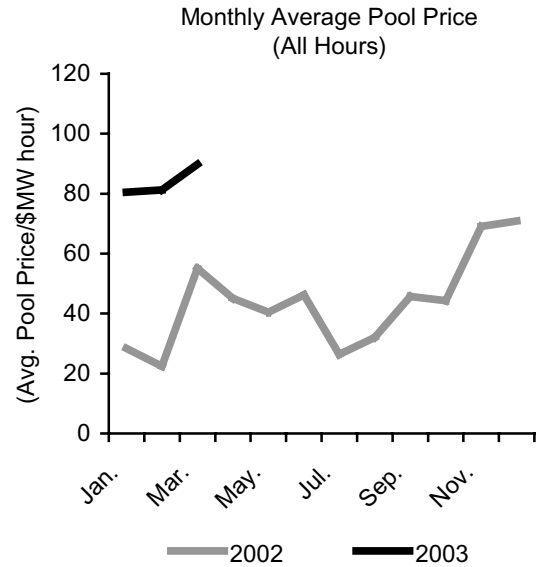
BUSINESS SEGMENT RESULTS**ENMAX Energy**

During the first quarter of 2003, net earnings for ENMAX Energy were \$19.2 million compared to \$33.9 million in the same period in 2002. The decline in net earnings was due to tighter retail margins. With consumer demand higher than expected during periods of peak prices and average Power Pool prices higher than forecasted, ENMAX Energy needed to purchase additional volumes of electricity supply at higher Power Pool prices. Effective in April 2003, ENMAX Energy purchased a contract securing additional electricity supply at a fixed price, thus reducing its exposure to higher Power Pool prices.

ENMAX Energy had total revenue of \$302.5 million in the first quarter of 2003. This compares to total revenue of \$251.0 million in the first quarter of 2002. The rise in Power Pool prices increased the rate paid by customers on the Default Supply rate. ENMAX Energy locked in supply for approximately 80% of forecasted demand for customers on the 2003 interim RRO. Due to high Power Pool prices in the first quarter of 2003, the remaining exposure created a deferral account receivable of approximately \$9 million. This scenario resulted in an interim RRO rate of 5.985 cents per kilowatt-hour (kWh) plus a deferral account rate of 1.235 cents per kWh in Calgary relating to the first quarter of 2003. ENMAX Energy recorded revenue of \$9.9 million from natural gas sales in the first quarter of 2003 compared to \$8.6 million in the same period in 2002.

The average Power Pool price was \$84 per megawatt-hour (MWh) in the first quarter of 2003 compared to \$36 per MWh in the first quarter of 2002 and \$61 per MWh in the fourth quarter of 2002. The main factor pushing electricity prices up in the first quarter of 2003 was rising natural gas prices. Natural gas prices averaged nearly \$8 per gigajoule (GJ) in the first quarter of 2003 compared to about \$5 per GJ in the prior quarter and about \$3 per GJ in the first quarter of 2002.

ENMAX Energy sold 2,489 gigawatt hours (GWh) of electricity in the first quarter of 2003 compared to 2,502 GWh in the first quarter of 2002. Energy sales declined due to lower trading volumes in the first quarter of 2003. Volumes sold to customers increased marginally compared to the first quarter of 2002.



During the first quarter of 2003, ENMAX Energy launched a bundled electricity and natural gas offer for residential and small commercial customers in Alberta. The three-year and five-year fixed-price contracts include incentives for free energy, as well as support of wind generated electricity.

Canada's largest wind farm, being built in a joint venture with Vision Quest Windelectric Inc., began delivering electricity to Alberta's grid in the first quarter of 2003.

ENMAX Power

ENMAX Power recorded net earnings of \$14.8 million in the first quarter of 2003 compared to \$6.7 million in the first quarter of 2002. First quarter 2003 net earnings rose in comparison to the first quarter of 2002 primarily because of lower grid charges (the cost to use Alberta's transmission system).

For the first three months of 2003, ENMAX Power had total revenue of \$83.8 million compared to \$79.5 million in the same period in 2002. Total revenue from the ENMAX Power Services business increased by \$3.8 million due to higher levels of residential construction in Calgary during the first quarter of 2003 and additional revenue from services provided to extend the Light Rail Transit system in northwest Calgary.

Electricity volumes delivered were 1,988 GWh in the first quarter of 2003 compared to 1,953 GWh in the first quarter of 2002. The increase in delivered volumes was due to growth in the number of residential and large business customers served.

In the first quarter of 2003, ENMAX Power's grid charges decreased by \$4.2 million compared to the same quarter in 2002. Higher grid charges in 2002 reflected a working capital deficiency rider charged by the Transmission Administrator. Increased electricity prices in the first quarter of 2003 put upward pressure on grid charges which was offset by rate rider credits received during the period.

Municipal consent and access fees rose slightly in the first quarter of 2003 compared to the same period in 2002. Fees are based on a percentage of the Distribution Access Tariff (DAT) charged to retailers and a percentage of the RRO rate multiplied by delivered electricity volumes.

General and administrative costs in ENMAX Power were \$5.1 million lower in the first quarter of 2003 compared to the first quarter of 2002. ENMAX Power allocates a portion of its overhead to capital costs. As ENMAX Power's capital expenditures were higher in the first quarter of 2003 compared to the same period in 2002, there was a higher allocation of administrative costs to capital. This factor, combined with lower staffing and consulting costs in the first quarter of 2003, resulted in declining general and administrative costs.

ENMAX Power measures reliability performance based on frequency of system interruptions and total duration of interruptions over a 12-month period. On average, customers experienced 1.52 interruptions, which totaled 48 minutes of interruption time for the 12 months ended March 31, 2003. This compares to an average of 0.99 interruptions, which totaled 29 minutes of interruption time during the previous 12-month period. The increase in interruptions was due to storms and downtown fires in 2002. Early in 2003, ENMAX Power implemented a computer-aided dispatch program, which along with other programs provides more information on the nature and location of outages so crews can investigate and restore power outages in a more timely fashion.

During the first quarter of 2003, ENMAX participated in a regulatory review by the Electrical Utility Regulation Committee of its 2003 RRO application. A decision on the final rate is expected in the summer of 2003. Meanwhile, RRO customers are charged an interim rate plus a quarterly deferral account rate.

The Government of Alberta amended the Electric Utilities Act guiding Alberta's electricity market in the spring of 2003. In 2004, regulatory oversight of ENMAX Power's DAT and RRO will be under the jurisdiction of the Alberta Energy and Utilities Board (EUB). It is expected transmission revenue requirement will also receive regulatory scrutiny by the EUB in 2006.

RISK MANAGEMENT AND UNCERTAINTIES

ENMAX has an integrated approach to risk management across all ENMAX companies. The Risk Management Committee, consisting of ENMAX senior executives, oversees risk management and reports risk exposures to the board of directors. Financial and business risks reported in the 2002 Annual Report remain substantially unchanged during the first three months of 2003. For further information on risks, refer to Management's Discussion and Analysis in the 2002 Annual Report, available on the ENMAX website at enmax.com.

OUTLOOK

Although Power Pool prices were high during the first quarter of 2003, ENMAX Energy anticipates prices will decline to a forecasted range of between \$65 to \$70 per MWh in 2003. Natural gas prices are expected to average about \$7 per GJ in 2003. ENMAX expects net earnings in the second quarter of 2003 will be slightly stronger than the first quarter of 2003. This is due to an expectation electric costs will decrease leading to stronger margins in the retail business.

COMMUNITY AND ENVIRONMENT

In the first quarter of 2003, ENMAX invested nearly \$600,000 into community programs. Contributions were allocated in the following categories: 46% community development, 40% sports and recreation, 10% youth and education, and 4% arts and culture. ENMAX had no reportable, preventable releases to the environment during the first three months of 2003.

FORWARD-LOOKING INFORMATION

Certain information in this quarterly report is forward-looking information and related, among other things, to anticipated financial performance, business prospects and strategies. Forward-looking information typically contains statements with words such as “anticipate”, “believe”, “expect”, “plan”, “target” or similar words suggesting future outcomes. By their nature, such statements are subject to various risks and uncertainties, which could cause ENMAX’s actual results and experience to differ materially from the anticipated results. Such risks and uncertainties include, but are not limited to, competitive factors and pricing pressures, regulatory decisions and the impact of deregulation on the industry.

CONTACT INFORMATION

ENMAX is an energy distribution, transmission and retail supply and services company, wholly owned by The City of Calgary. The business is led by ENMAX Corporation and carried out through subsidiary companies. ENMAX Energy Corporation ensures a balanced energy supply portfolio and competes against other retailers in Alberta to provide customers with electricity and natural gas. The ENMAX Energy business segment includes the subsidiary ENMAX Encompass Inc. which provides billing, customer care and other customer services for ENMAX and a number of municipalities. ENMAX Power Corporation owns, operates and maintains the regulated distribution and transmission system transmitting electricity to customers in the Calgary area, and provides power services through an unregulated subsidiary.

ENMAX welcomes questions from stakeholders.

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Visit the ENMAX website at enmax.com

CONSOLIDATED BALANCE SHEETS

(millions of dollars)	March 31, 2003 (unaudited)	December 31, 2002 (audited)
ASSETS		
Cash and cash equivalents	\$ 5.3	\$ 3.3
Accounts receivable	195.9	180.7
Inventories	11.5	10.1
Current portion of 2000 deficiency rider receivable	49.4	48.9
Other current assets	4.8	26.7
	266.9	269.7
Capital assets	670.4	633.2
Power purchase arrangements	177.2	179.7
2000 deficiency rider receivable	37.0	49.0
Future income tax asset	221.3	231.8
TOTAL ASSETS	\$ 1,372.8	\$ 1,363.4
LIABILITIES		
Accounts payable and accrued liabilities	\$ 128.6	\$ 146.9
Commercial paper issued	9.5	-
Customer guarantee deposits	13.9	13.9
Current portion of long-term debt	23.7	23.2
	175.7	184.0
Long-term debt	155.3	160.6
Other long-term liabilities	10.4	9.8
TOTAL LIABILITIES	341.4	354.4
SHAREHOLDER'S EQUITY		
Share capital	280.1	280.1
Retained earnings	751.3	728.9
TOTAL SHAREHOLDER'S EQUITY	1,031.4	1,009.0
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	\$ 1,372.8	\$ 1,363.4

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS

Three months ended March 31 (unaudited)
(millions of dollars)

	2003	2002
REVENUE		
Sales of electricity	\$ 231.1	\$ 184.4
Sales of natural gas	9.9	8.6
Transmission and distribution revenue	70.5	68.8
Contractual services	15.7	10.8
Other revenue	4.6	1.7
TOTAL REVENUE	331.8	274.3
COST OF SERVICES PROVIDED		
Electric costs	155.0	98.5
Natural gas costs	9.7	8.2
Grid charges	39.9	39.3
Municipal consent and access fees	17.9	17.0
Operations and maintenance	16.5	14.4
Billing and collection	9.0	8.1
Cost of providing contractual services	9.0	5.0
TOTAL COST OF SERVICES PROVIDED	257.0	190.5
GROSS MARGIN	74.8	83.8
GENERAL AND ADMINISTRATIVE	10.5	14.9
OPERATING EARNINGS BEFORE INTEREST, AMORTIZATION AND INCOME TAX CHARGES	64.3	68.9
Interest	3.5	4.3
Amortization	14.3	10.9
NET EARNINGS BEFORE INCOME TAX	46.5	53.7
Income tax	11.6	12.2
NET EARNINGS	34.9	41.5
RETAINED EARNINGS, BEGINNING OF PERIOD	728.9	597.3
Dividends	(12.5)	(12.5)
RETAINED EARNINGS, END OF PERIOD	\$ 751.3	\$ 626.3

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months ended March 31 (unaudited)
(millions of dollars)

	2003	2002
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net earnings	\$ 34.9	\$ 41.5
Amortization	16.8	21.3
Future income taxes	10.5	9.1
	62.2	71.9
Change in non-cash working capital items	(13.0)	(22.1)
	49.2	49.8
INVESTING ACTIVITIES		
Purchase of capital assets	(56.5)	(23.7)
Contributions in aid of construction	5.0	2.1
2000 deficiency rider receivable collected	11.5	7.4
Customer guarantee deposits repaid	-	(1.1)
	(40.0)	(15.3)
FINANCING ACTIVITIES		
Commercial paper issued / (repaid)	9.5	(23.0)
Long-term debt repaid	(4.8)	(4.3)
Other long-term liabilities	0.6	0.3
Dividends paid	(12.5)	(12.5)
	(7.2)	(39.5)
Increase/(Decrease) in cash and short-term investments	2.0	(5.0)
Cash and short-term investments, beginning of period	3.3	6.2
Cash and short-term investments, end of period	\$ 5.3	\$ 1.2
Interest paid	\$ 3.6	\$ 4.5
Income taxes paid	\$ 0.3	\$ 5.5

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. Significant Accounting Policies

The interim consolidated financial statements of ENMAX Corporation (ENMAX or the corporation) have been prepared in accordance with Canadian generally accepted accounting principles. The accounting policies applied are consistent with those outlined in the corporation's annual financial statements for the year ended December 31, 2002. These interim consolidated financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with the annual consolidated financial statements included in ENMAX's 2002 Annual Report. Amounts are stated in Canadian dollars unless otherwise indicated.

ENMAX is subject to fluctuations in the demand for and price of electricity and natural gas, therefore interim results are not necessarily indicative of annual results.

2. Segmented Information⁽¹⁾

Three months ended March 31 (unaudited) (millions of dollars)	ENMAX Energy		ENMAX Power		Intersegment Eliminations		Consolidated Totals	
	2003	2002	2003	2002	2003	2002	2003	2002
REVENUE								
Sales of electricity	\$ 284.0	\$ 238.8	\$ -	\$ -	\$ (52.9)	\$ (54.4)	\$ 231.1	\$ 184.4
Sales of natural gas	9.9	8.6	-	-	-	-	9.9	8.6
Transmission and distribution revenue	-	-	70.5	68.8	-	-	70.5	68.8
Contractual services	3.3	2.7	12.5	9.9	(0.1)	(1.8)	15.7	10.8
Other revenue	5.3	0.9	0.8	0.8	(1.5)	-	4.6	1.7
TOTAL REVENUE	302.5	251.0	83.8	79.5	(54.5)	(56.2)	331.8	274.3
COST OF SERVICES PROVIDED								
Electric costs ²	155.0	98.5	-	-	-	-	155.0	98.5
Natural gas costs	9.7	8.2	-	-	-	-	9.7	8.2
Grid charges	77.9	74.5	15.0	19.2	(53.0)	(54.4)	39.9	39.3
Municipal consent and access fees	-	-	17.9	17.0	-	-	17.9	17.0
Operations and maintenance	6.9	5.9	9.6	8.5	-	-	16.5	14.4
Billing and collection	9.0	7.9	-	0.2	-	-	9.0	8.1
Cost of providing contractual services	-	0.4	8.8	6.4	0.2	(1.8)	9.0	5.0
TOTAL COST OF SERVICES PROVIDED	258.5	195.4	51.3	51.3	(52.8)	(56.2)	257.0	190.5
GROSS MARGIN	44.0	55.6	32.5	28.2	(1.7)	-	74.8	83.8
GENERAL AND ADMINISTRATIVE	6.7	5.7	4.1	9.2	(0.3)	-	10.5	14.9
OPERATING EARNINGS	37.3	49.9	28.4	19.0	(1.4)	-	64.3	68.9
Interest	0.7	0.6	4.2	3.7	(1.4)	-	3.5	4.3
Amortization	6.0	3.4	9.4	8.6	(1.1)	(1.1)	14.3	10.9
Income tax	11.4	12.0	-	-	0.2	0.2	11.6	12.2
NET EARNINGS	\$ 19.2	\$ 33.9	\$ 14.8	\$ 6.7	\$ 0.9	\$ 0.9	\$ 34.9	\$ 41.5

1. ENMAX's business segments have been revised to reflect internal organizational changes. The new operating segments are: ENMAX Energy, which now includes the billing and customer care function previously reported as the separate segment called ENMAX Encompass; and, ENMAX Power, which includes the regulated transmission and distribution business, and the unregulated power services business previously managed by ENMAX Energy. In addition, corporate costs are now included within the operating segments results instead of being presented with the eliminations. Comparative periods have been restated to reflect these changes.

2. Included in electric costs is \$2.5 million (2002 - \$10.4 million) pertaining to the amortization of PPAs.

Segmented Total Assets (millions of dollars)	March 31, 2003 (unaudited)	December 31, 2002
ENMAX Energy	\$ 810.7	\$ 832.8
ENMAX Power	657.7	652.2
Corporate and eliminations	(95.6)	(121.6)
	\$ 1,372.8	\$ 1,363.4

3. Comparative Figures

Certain comparative figures have been reclassified to conform with the current period's presentation.