



Notice to the Market - IR 12/18

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Companhia Paranaense de Energia – COPEL, a company that generates, transmits, distributes and sells electric power, with shares listed on B3 (CPLE3, CPLE5, CPLE6), NYSE (ELPVY, ELP) and LATIBEX (XCOP), due to the news report of July 11, 2018 from *Valor Econômico*, later reproduced by the media in general (“News Report”), dealing mainly on an investment held by UEG Araucária Ltda. (“UEGA”), one of its indirect subsidiaries, hereby announces that it has provided clarifications through the Notices to the Market 26/17 and 29/17, disclosed on November 14 and 24, 2017, respectively, and the Material Facts 10/17, 03/18, 04/18, 06/18, 07/18, disclosed on October 11, 2017, March 23, April 12, May 10 and May 14, 2018, respectively, as well as the notes of the Financial Statements published on November 29, 2017 and May 14, 2018.

As reported through the said notices, during the preparation of the quarterly earnings release of the Company for the period ended September 30, 2017, the Management identified that the valuation and/or accounting assignment of an investment held by its indirect subsidiary UEGA could have been incorrectly recorded in the Company’s accounting records.

As a result, in compliance with the best governance practices, the Company’s Management relied on the advice of independent experts, who, with the Company’s Management, carried out internal investigation to evaluate the nature, classification and evaluation of this investment, the extent of any impacts and the conditions under which such investment was made.

The works related to the investigation were concluded in June 2018 and, given the results presented, the Financial Statements and the 20-F Report (filed with the US Securities and Exchange Commission, regulatory authority of the US capital market) were published with the report of the independent auditors without restrictions.

Due to the outcome of the investigation process, specifically in concerning the investments made by its subsidiaries, it was verified that this investment occurred in a restricted manner to the UEGA.



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The Company reinforces its commitment to comply with all due standards and guidelines of corporate governance and continues to adopt measures to constantly improve its internal controls focusing on maintaining its efficiency, integrity and ethics.

Curitiba, July 12, 2018.

Adriano Rudek Moura
Chief Financial and Investor Relations Officer

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