



1st Quarter Results 2008

May 16, 2008

Copel, getting better and better





Disclaimer

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Initial Considerations

These Accounting Statements consolidate, in addition to the wholly owned subsidiaries:

- COPEL Geração e Transmissão
- COPEL Distribuição
- COPEL Telecomunicações and
- COPEL Participações

And the following companies:

- Compagas
- Elejor
- UEG Araucária
- Centrais Eólicas do Paraná
- Dominó Holdings – 45% in capital stock



Agenda

- ✓ **Main Events**
- ✓ **The Energy Market**
- ✓ **Financial Results**
- ✓ **Tariff Review**



Main Events

1Q008

- ✓ **Net Income: R\$ 256 mil**

- ✓ **EBITDA: R\$ 448 milion**

- ✓ **Net Margin: 34%**

- ✓ **Debt / Equity Ratio: 26%**

- ✓ **Dividends: R\$ 268 milion**
 - **Common Shares (ON) = R\$ 0,93/share**

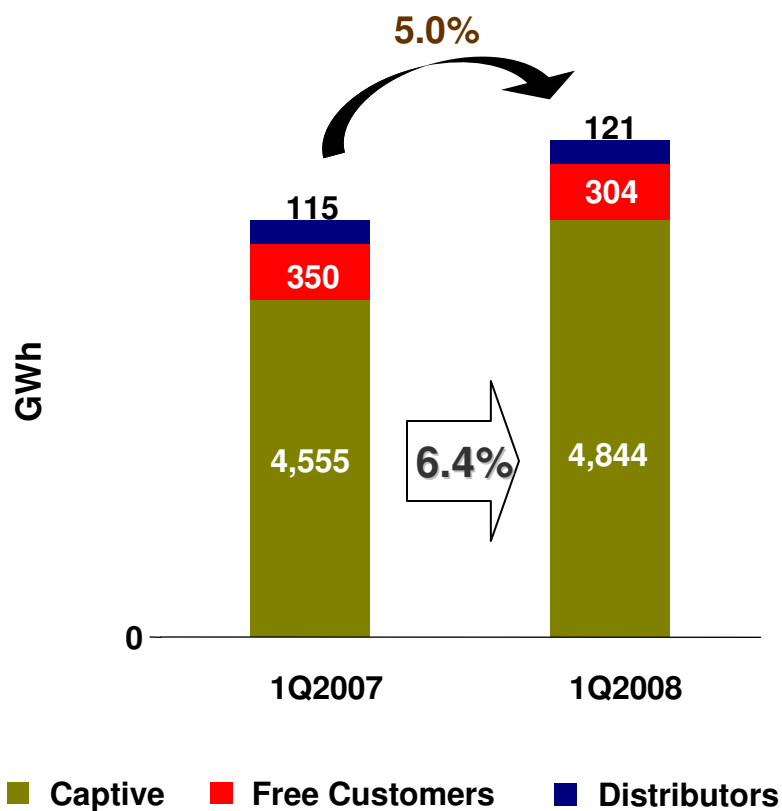
 - **Class A Preferred Shares (PNA) = R\$ 1,63/share**

 - **Class B Preferred Shares (PNB) = R\$ 1,03/share**

- ✓ **Thermal Power Plants Running on Sugarcane Pulp: 120 MW (R\$ 260 million)**

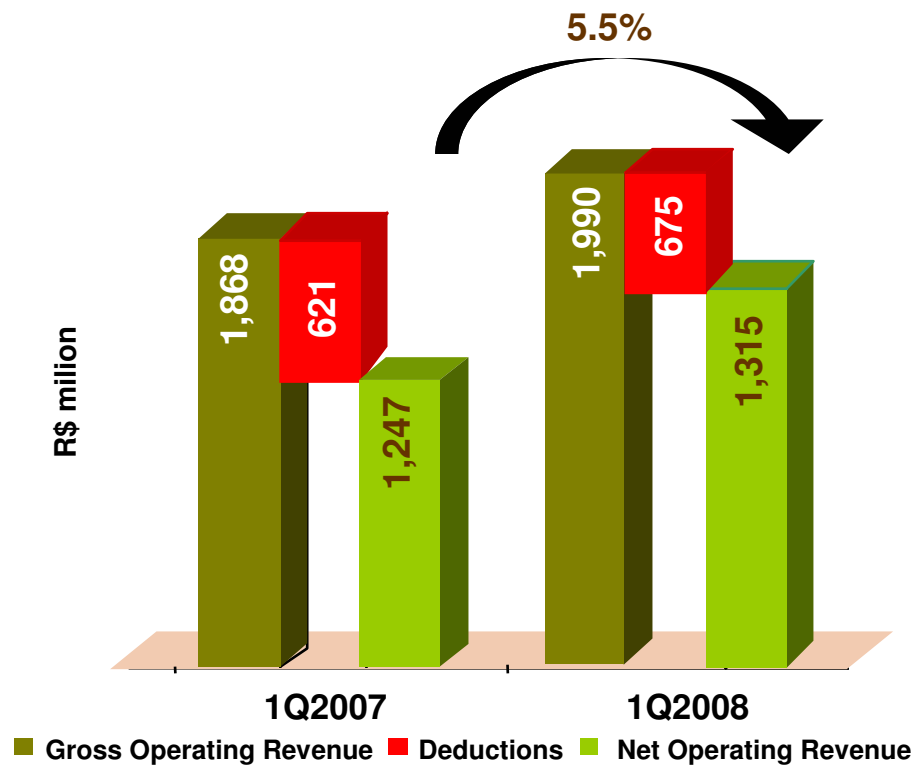
- ✓ **Bovespa's Level 1 of Corporate Governance: May, 07, 2008**

Energy Consumption Billed by COPEL



- ↑ Captive market grew 6.4%
- ↓ Free customers declined 13.1%
- ↑ Distributors in the State of Paraná grew 4.6%

Net Operating Revenue



↑ Gross Operating Revenue grew 6.5%

Retail revenue = 14.7%

Energy supply = 5.6%

Grid availability = (0.3)%

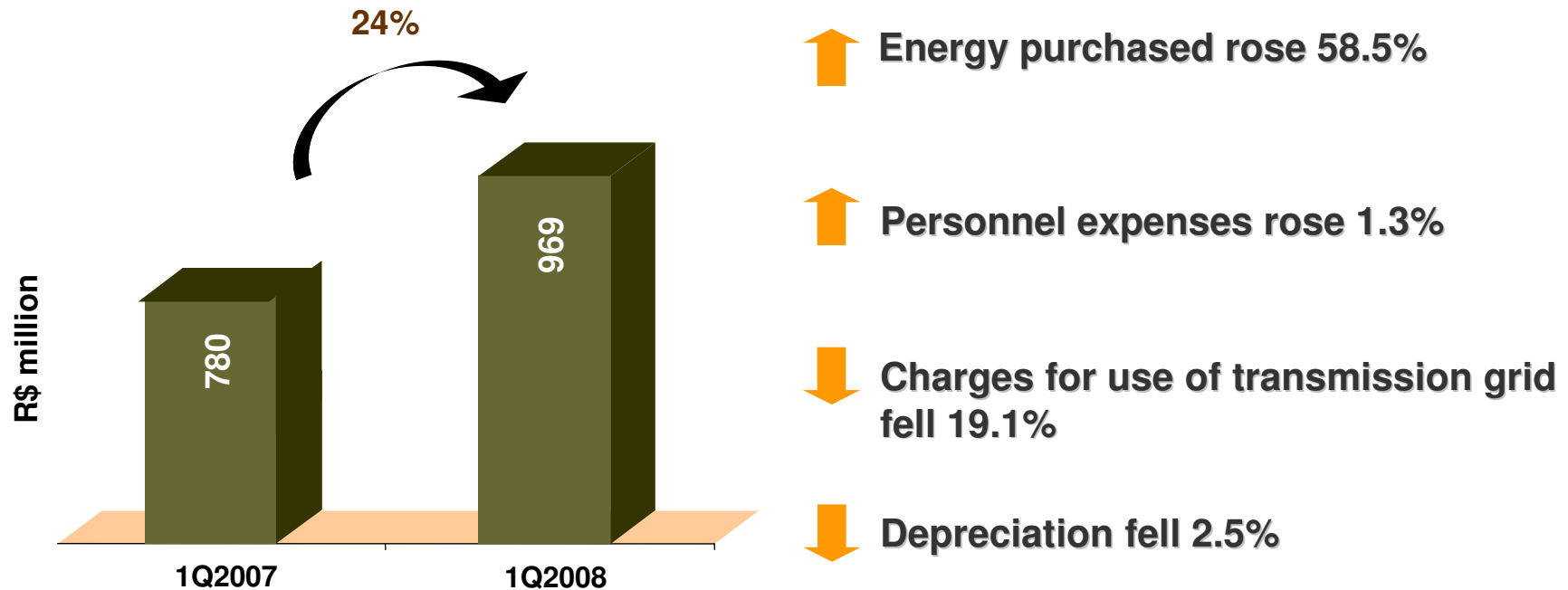
Telecommunications = 16.5%

Gas sale = 3.3%

Other = 66.6%

↑ Net Operating Revenue grew 5.5%

Net Operating Expenses



Operating Expenses without non-recurring effects

Year	1Q07	1Q08	%
R\$ million	872	935	7



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Financial Results

1Q2008

	R\$ million		
	1Q2008	1Q2007	%
NET INCOME	255.5	283.0	(9.7)
Reversion – Cien agreement	-	(60.4)	-
Recomposition of CIEN's canceled agreement	22.2	-	-
NET INCOME (WITHOUT NON-RECURRING EFFECTS)	277.7	222.6	24.8

Excluding the reversions and provisions made in 1Q08 and 1Q07, net income grew 25%



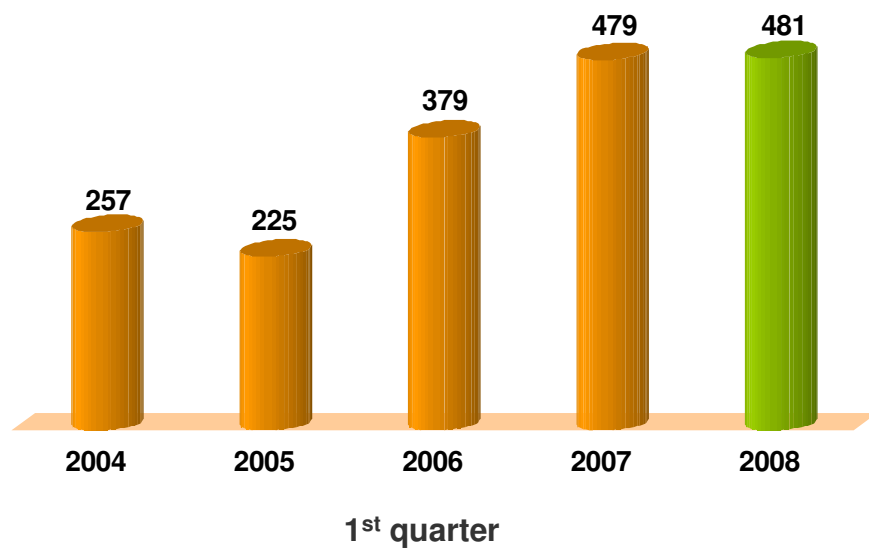
COPEL

Financial Results

1Q2008

EBITDA

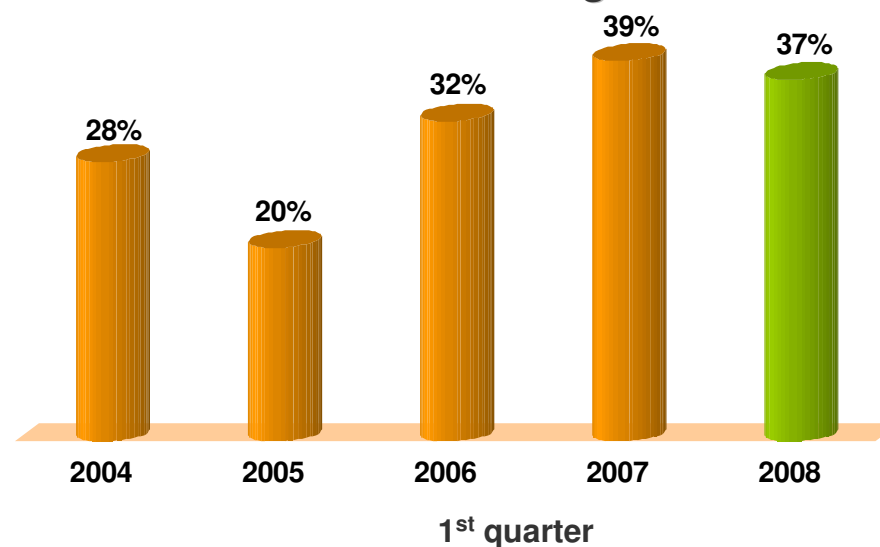
1T08 = R\$ 447.6 milhões
without non-recurring effects



EBITDA Margin

1T08 = 34%

without non-recurring effects





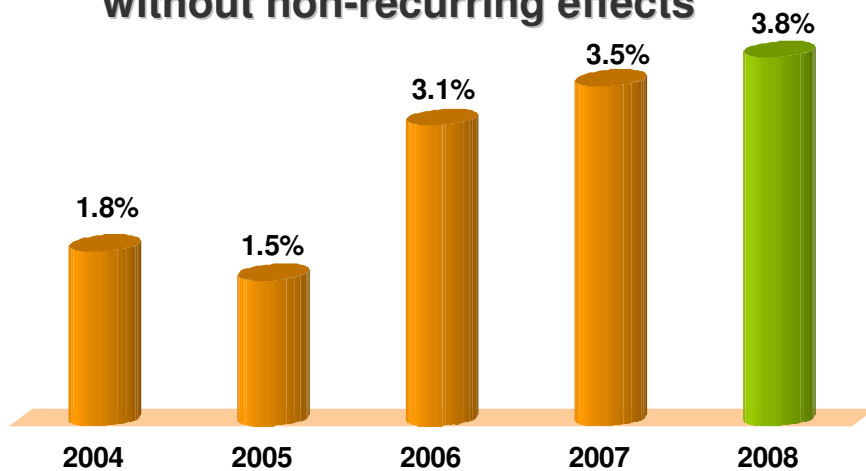
Financial Results

1Q2008

Return on Net Equity

1Q08 = 3.5%

without non-recurring effects



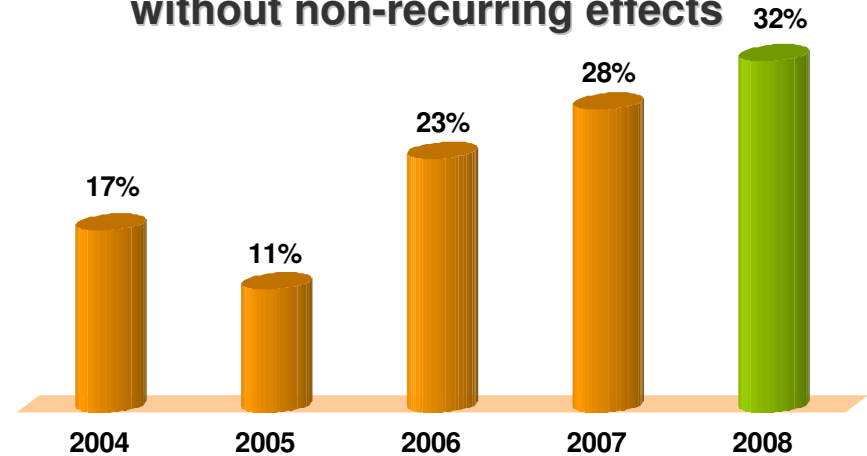
1st quarter

(Net earnings/ net equity – net earnings)

Operating Margin

1Q08 = 30%

without non-recurring effects



1st quarter

(Operating income/ net revenues)

Excluding the reversions and provisions made in 1Q08 and 1Q07,
Operating Margin rose 15%



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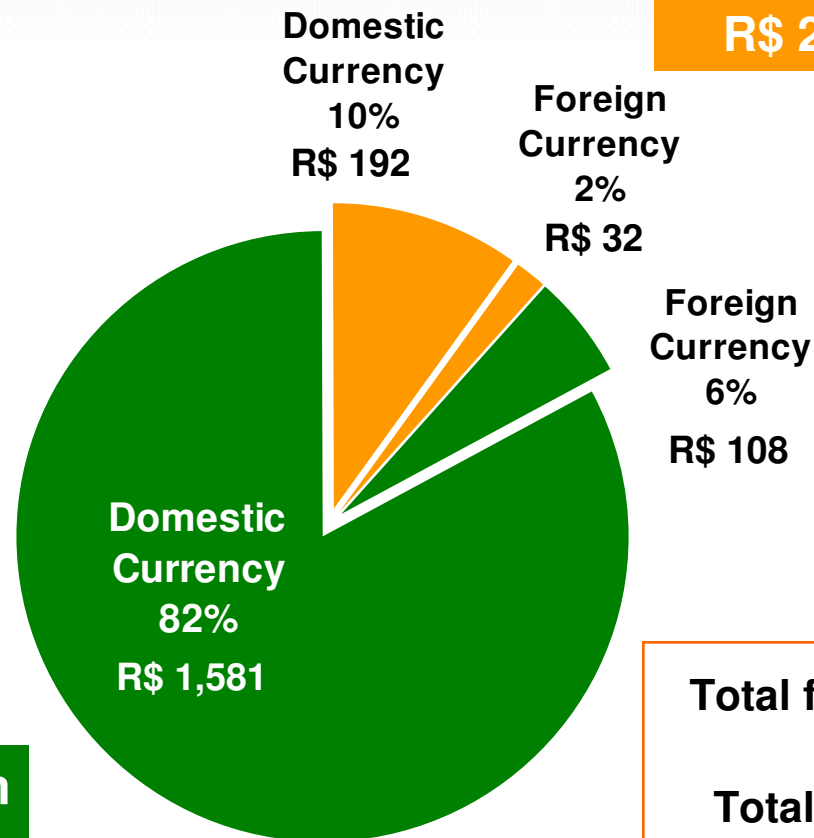
Financial Results

1Q2008 R\$ million

Total debt
R\$ 1,914

Long Term
R\$ 1,690

Short term
R\$ 225

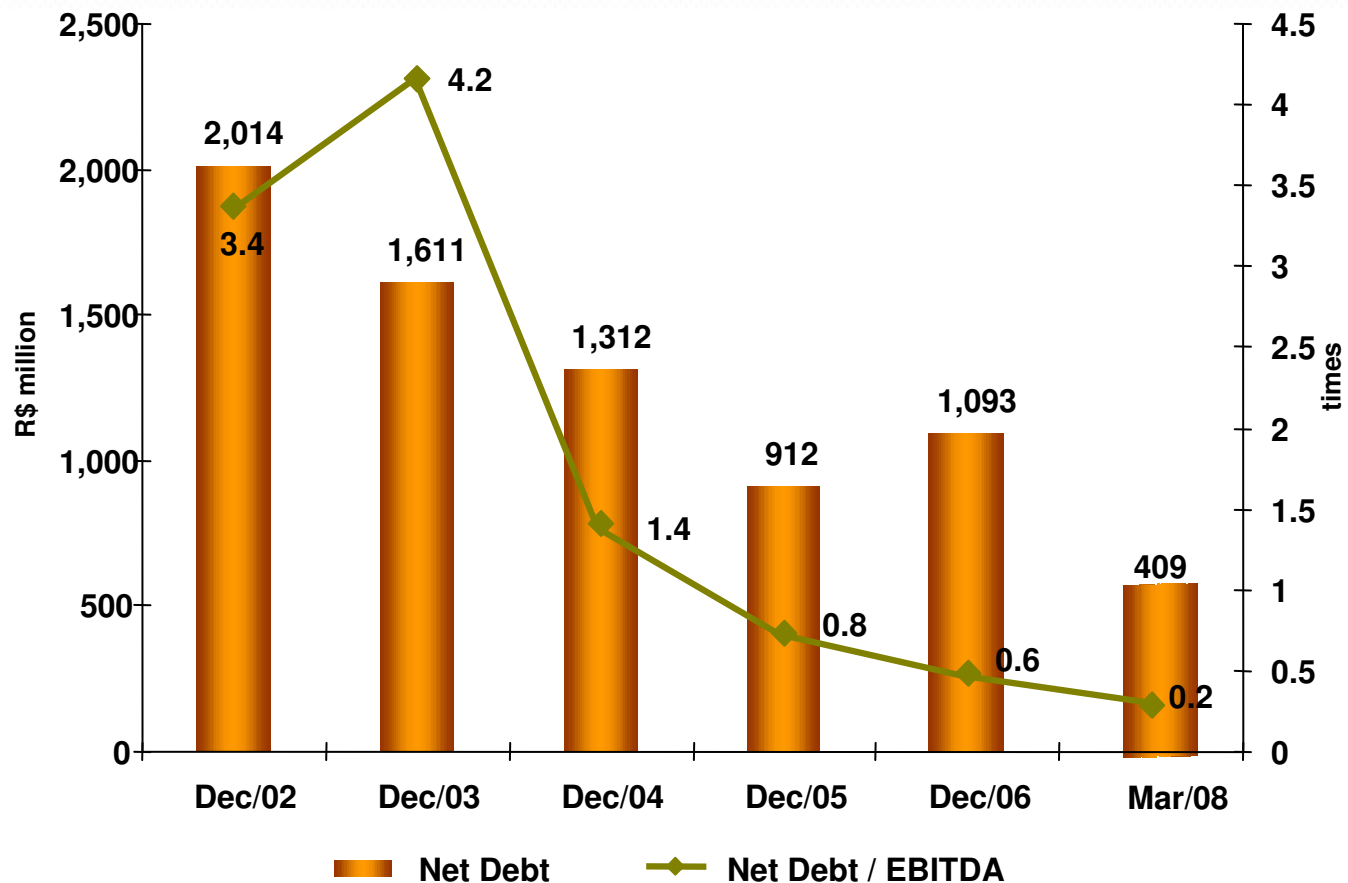


Total foreign currency
R\$ 141
Total local currency
R\$ 1,774

Debt/ Net Equity: 25.6%

Debt/ Net Equity excluding debt of Compagas and Elejor: 20.3%

Net Debt



Net debt = short and long term debt less cash and cash equivalents



COPEL 1Q2008

Mauá Hydroelectric Power Plant

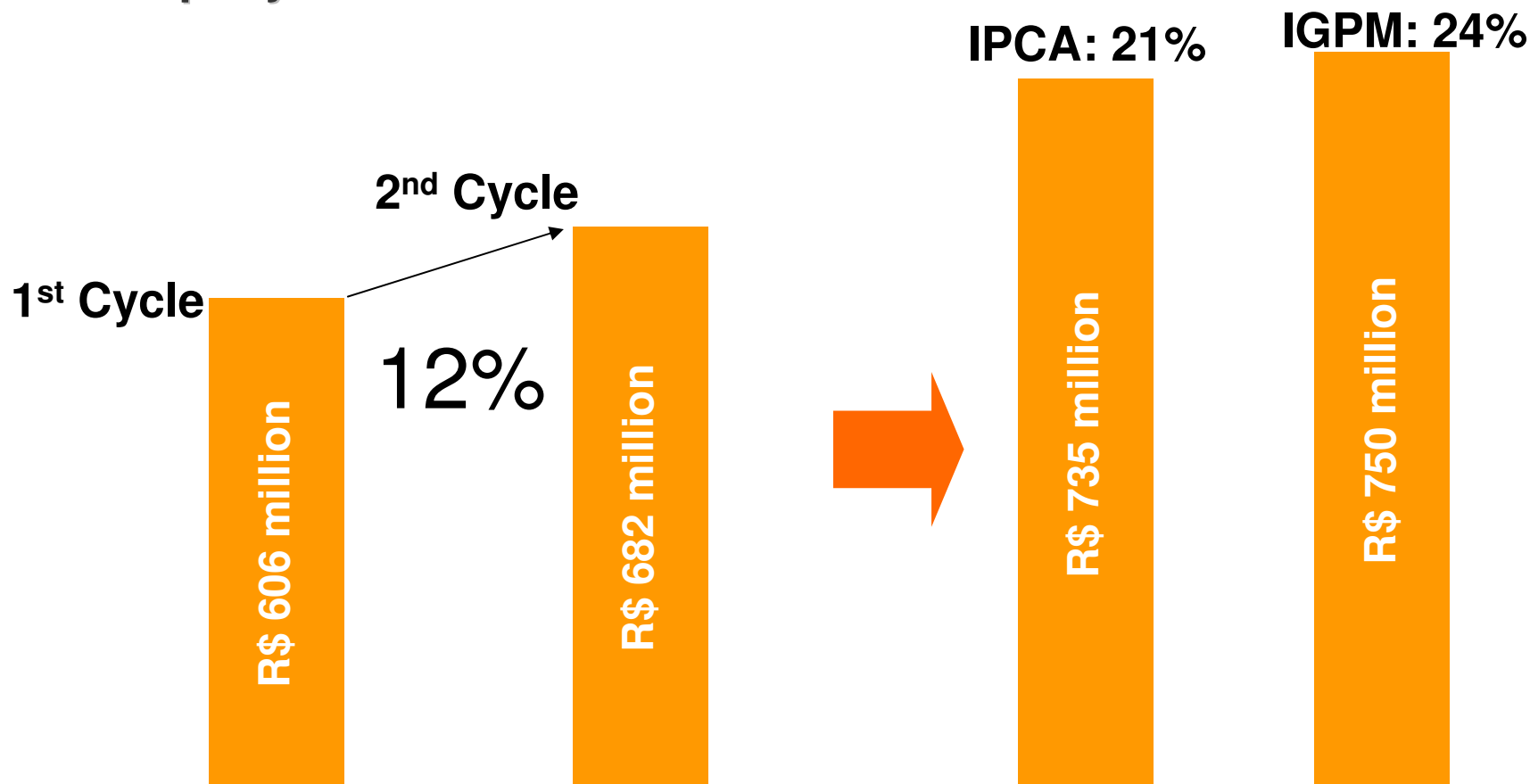


- On March 24, 2008, the Installation License was granted by the Paraná Environmental Institute (Instituto Ambiental do Paraná - IAP) to start construction.
- The Mauá Hydroelectric Power Plant will have potential installed capacity of 361 megawatts and should commence operating commercially in January 2011.



Tariff Review

Model Company - COPEL



Model Company - COPEL

COPEL DISTRIBUIÇÃO S.A.

Assets up to 34.5 kV

Model Company

COPEL DISTRIBUIÇÃO S.A.

Incorporation of Assets

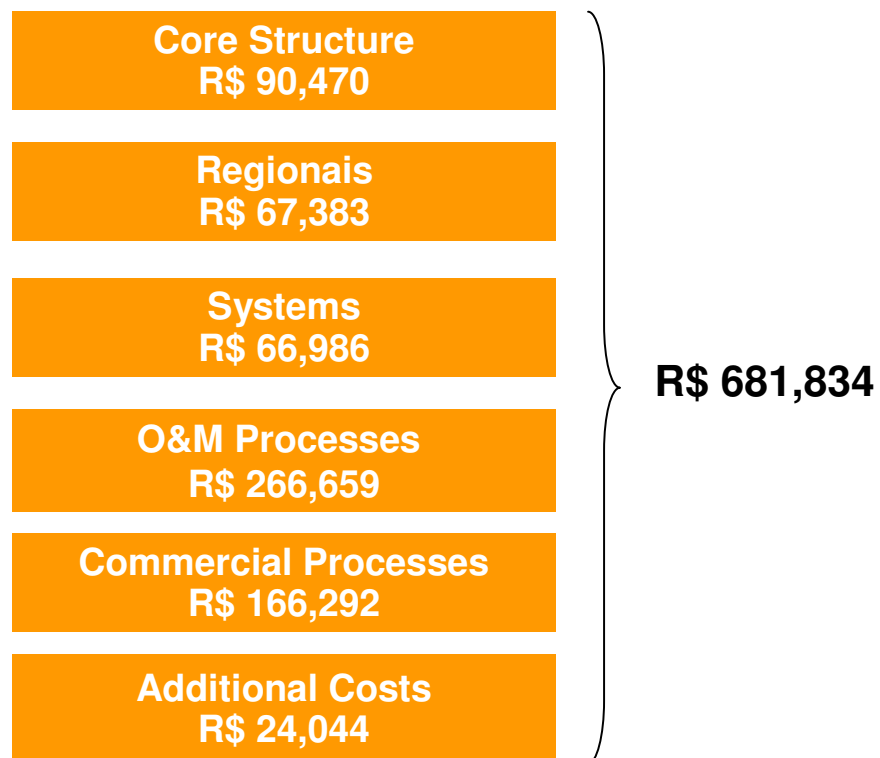
5,500 km Lines

130 Substations

Investments

R\$ 1 Billion

Model Company - COPEL



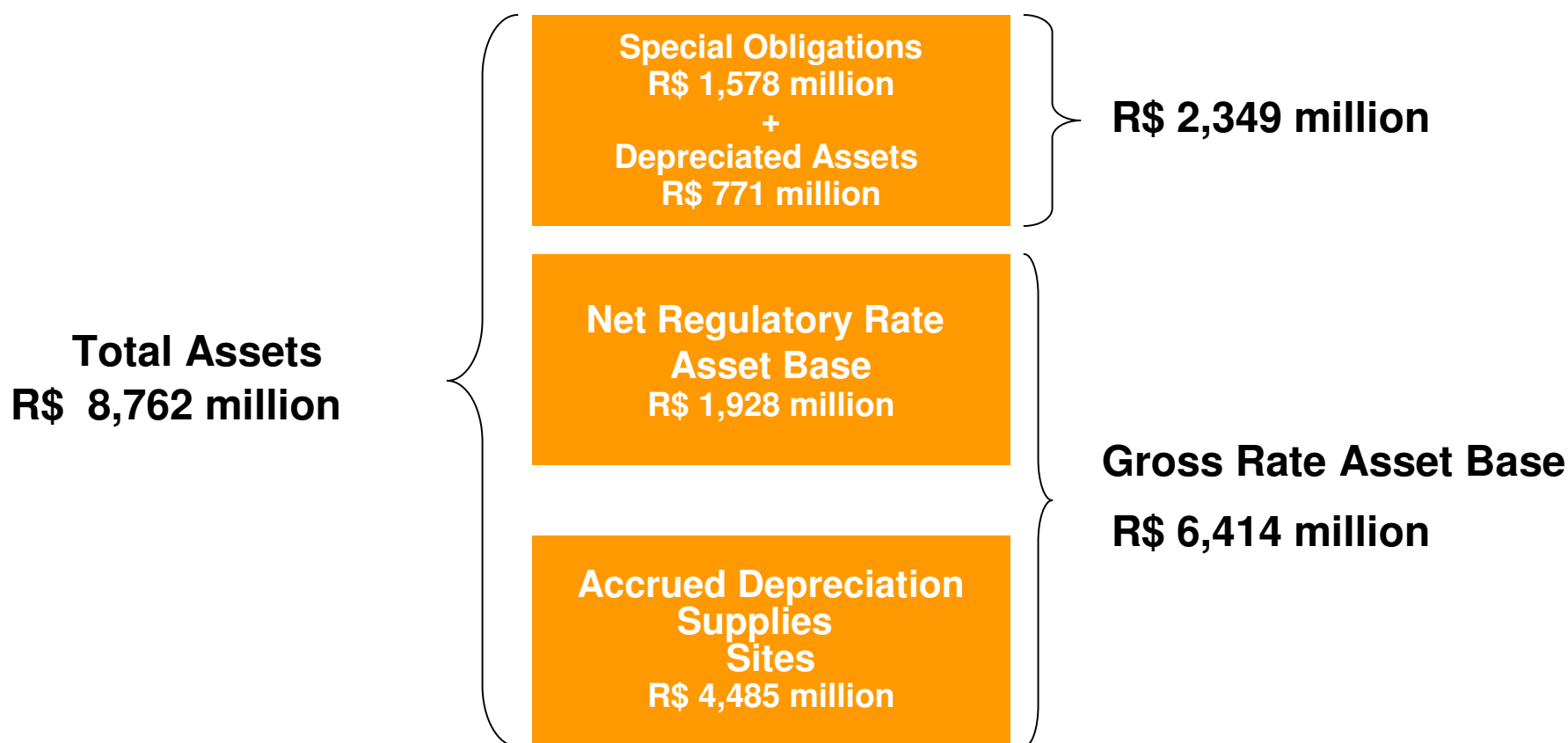
Regulatory Default

Regulatory Default
R\$ 31,395
(0.6% of Gross Revenue)

Rate Asset Base – 2nd Cycle - COPEL Distribuição

	R\$ million		
	ANEEL	COPEL	DIFERENCE
Gross Rate Asset Base	6,414	7,542	1,128
Net Rate Asset Base	1,928	2,229	300
RRF	287	337	50
ROI	192.	222	30
			80

Rate Asset Base – ANEEL





Tariff Review

1Q2008

Rate Asset Base – ANEEL

ROI (9.95%)

Value: R\$ 192 million

**Net Regulatory Rate
Asset Base**

R\$ 1,928 million

**Accrued Depreciation
Supplies
Sites**

R\$ 4,485 milhões

**Regulatory
Reintegration Fee
(4.5%)**

Value: R\$ 287 million



Tariff Review – Portion B

Portion B
R\$ 1,291 million

Reintegration
Fee

R\$ 287 million

ROI

R\$ 192 million

IT + CSLL
R\$ 99 million

Default
R\$ 31 million

PMSO

R\$ 682 million



Tariff Review – Portion A

Portion A
R\$ 2,720 million

Sector Charges

R\$ 478 million

**Energy purchase
for Resale**

R\$ 1,881 million

**Cost with Energy
Transportation**

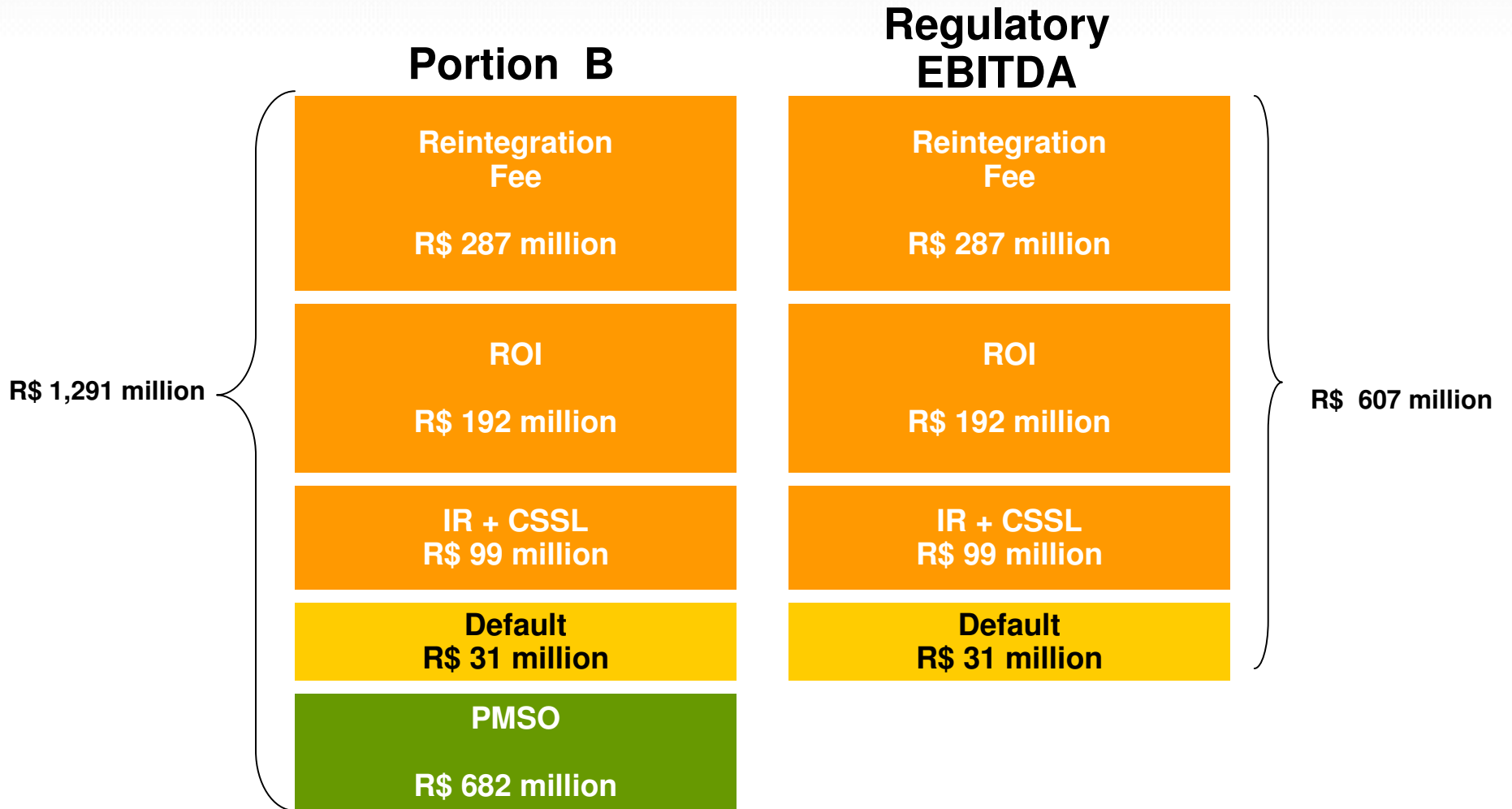
R\$ 361 million

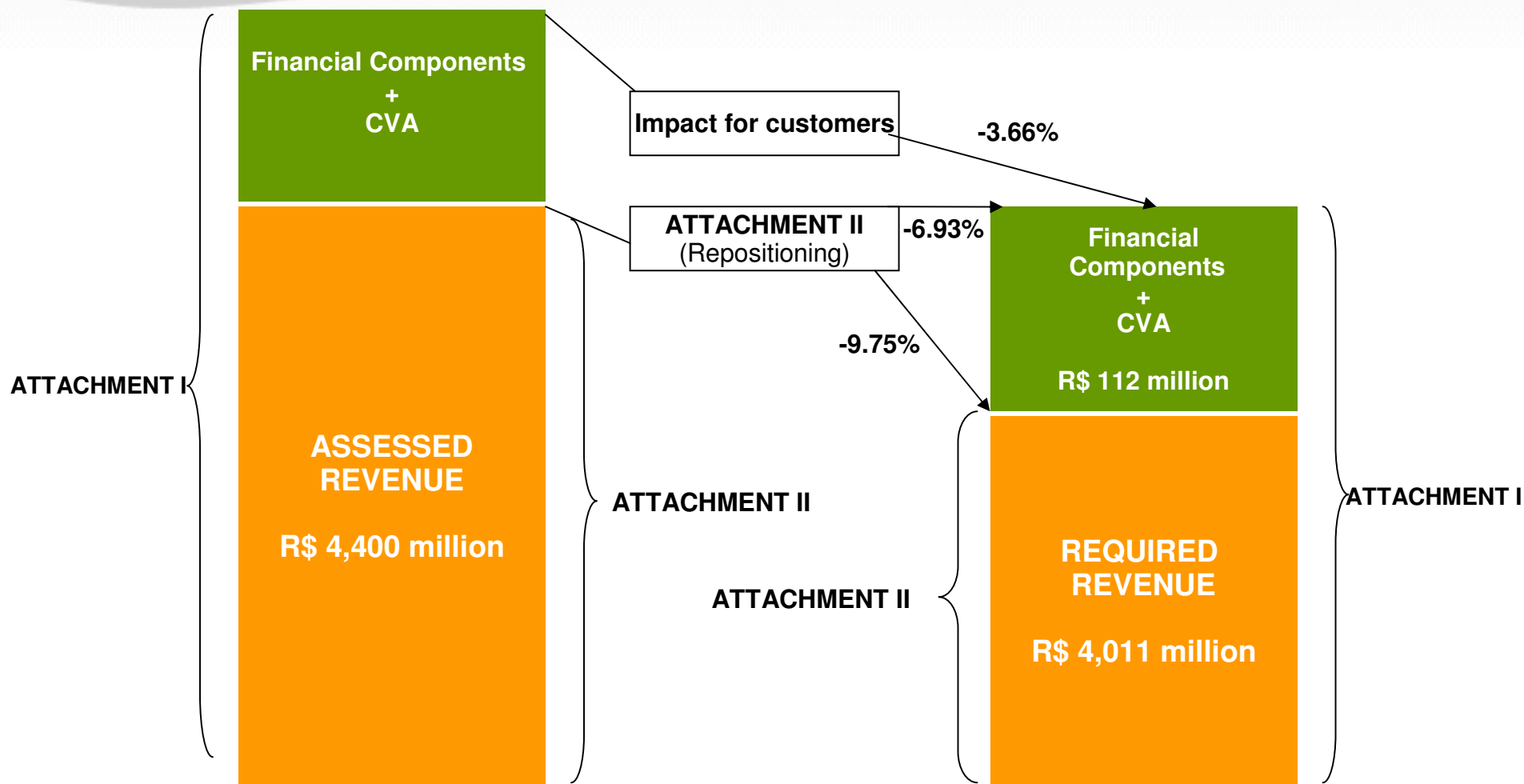
X Factor

Xe
1.74%



Regulatory EBITDA





Attachment I: Tariffs effectively billed to customers, CVA and financial, net of taxes.

Attachment II: So-called “pure” tariffs, used as a base for later readjustments, net of taxes (ICMS, Pasep/Cofins)



Tariff Review–COMPARISON

Companies	A	B	C	D	E	F	COPEL
Repositioning – without fin.	-18.09%	-13.69%	-12.12%	-7.20%	-7.92%	-8.80%	-9.75%
Repositioning – with fin	-7.14%	-13.61%	-10.28%	-6.35%	-8.43%	-9.32%	-6.93%
Average Effect Costumer	-12.24%	-17.21%	-11.78%	-9.33%	-11.83%	-12.47%	-3.66%



Tariff Review – SPIN-OFF

Regulatory Conformity

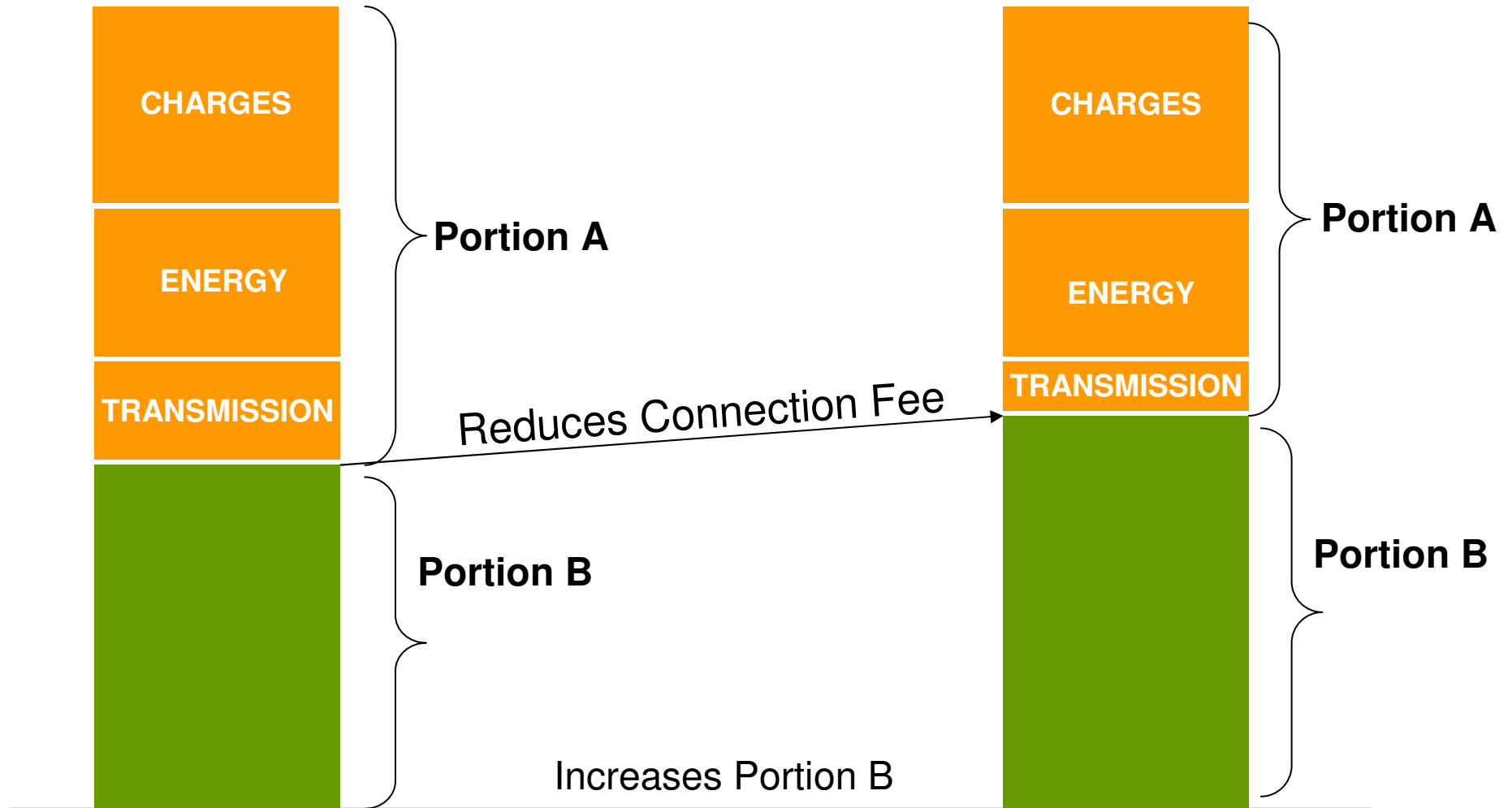
COPEL Distribuição is responsible for expanding the 69 and 138 kV system.

The investments made by COPEL Transmissão in this segment after 1999 had no return.

In 2005, ANEEL agreed with COPEL on the temporary recognition of the return on these assets in COPEL Transmissão, with the commitment to transfer them to COPEL Distribuição.



Tariff Review – SPIN-OFF





Tariff Review – SPIN-OFF

Rate Asset Base of COPEL Transmissão

ROI (9.95%)

Value: R\$ 87 million

**Net Regulatory
Rate Asset Base
R\$ 879 million**

**Regulatory Reintegration
Fee (4.47%)**

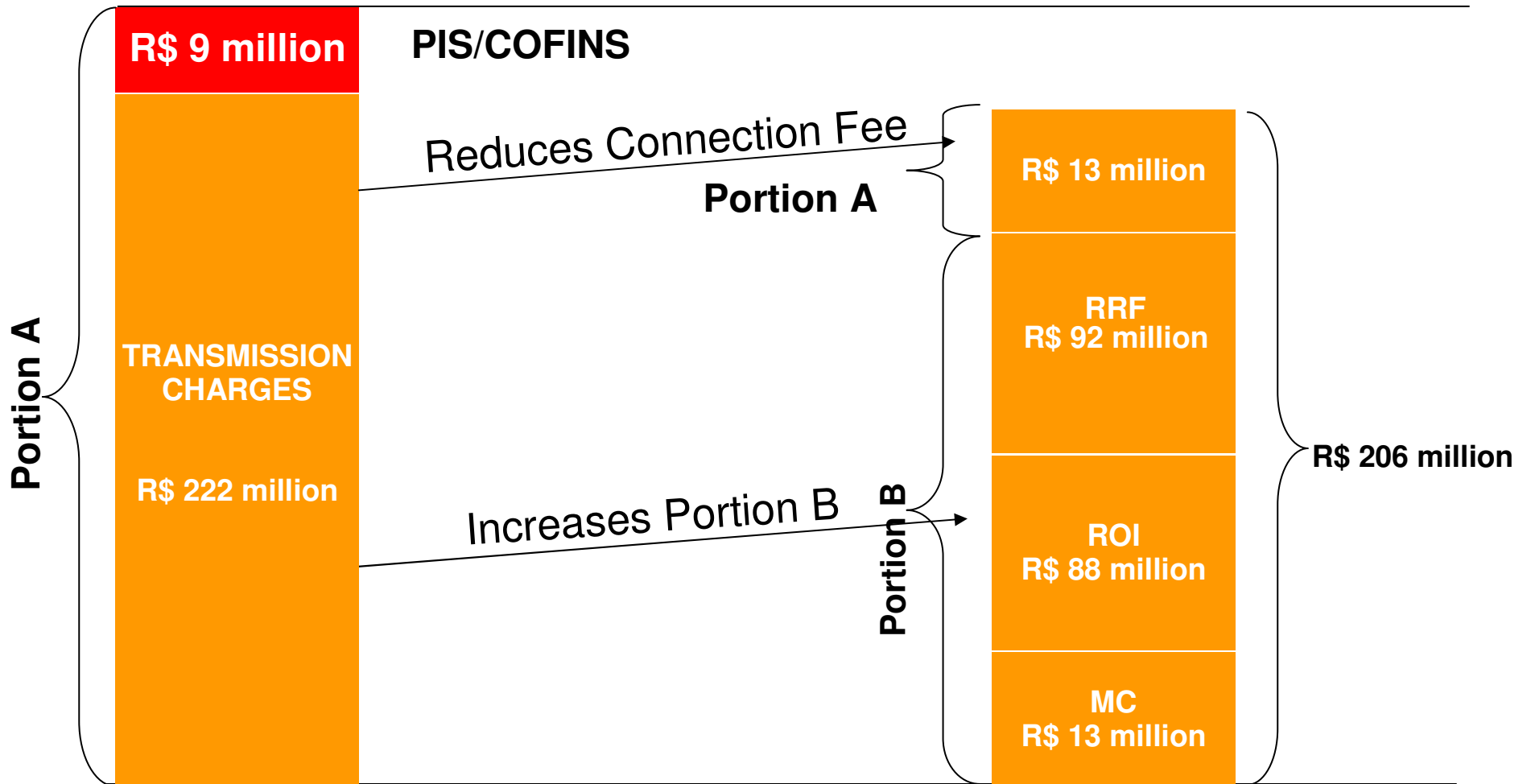
Value: R\$ 92 million

**Gross Regulatory
Rate Asset Base
R\$ 2,049 million**



Tariff Review – SPIN-OFF

Portion A – Portion B





Tariff Review – SPIN-OFF

Results: Return on Investment

TRI	RESOLUTION	COMPLEMENTARY CONNECTION	FINANCIAL BUBBLE	TOTAL VALUE
2005	130/2005	42,894,740.00	50,029,489.73	92,924,229.73
2006	345/2006	48,147,678.97	92,097,593.06	140,245,272.03
2007	479/2007	52,155,404.58	-	52,155,404.58

QUESTIONS AND ANSWERS



COPEL
Companhia Paranaense de Energia

Investor Relations

www.copel.com/ir

ri@copel.com

+55 (41) 3322 2027