

**COPEL – Conference Call**  
**Results of the First Half of 2008**  
**August 15, 2008 – 3:00 p.m. (Brasília time)**

**SLIDE 1**

**Operator:** Good afternoon and thank you for waiting. Welcome to the conference call to present the results of the first half of 2008 for Companhia Paranaense de Energia – COPEL.

During the presentation, all conference call participants will be in listen-only mode. Following the presentation, the question and answer session will begin, at which time further instructions will be given. Should anyone need assistance during the conference call, please request the help of an operator by pressing \*0.

**SLIDE 2**

Before proceeding, let me mention that forward-looking statements may be made during this presentation. Such statements are based on the beliefs and assumptions of COPEL's management and on information currently available to the Company. They involve risks, uncertainties, and assumptions because they relate to future events and therefore depend on future circumstances that may or may not occur. Investors should understand that general economic conditions, industry conditions, and other operating factors could also affect the future results of COPEL and could cause actual results to differ materially from those expressed in such forward-looking statements.

I'll now turn the conference over to **Mr. Rubens Ghilardi**, CEO, who will present COPEL's operational and financial highlights **Mr. Ézio Batista Machado**, Deputy Executive Officer, is also present.

## SLIDE 3

**Mr. Rubens:** Good afternoon everyone. We will comment on COPEL's results from the first half of 2008 and on the company's strategies for the next few years.

The presentation is also being broadcast via our website – [www.copel.com/ri](http://www.copel.com/ri) - At the end of the presentation, we will be happy to take any questions you may have.

## SLIDE 4

On slide number 4 we show the performance of COPEL's operating revenue. Net operating revenue grew by 8.0% in the first half of 2008, compared to the same period last year, due mainly to growth in the energy market. It is important to note that in the first half of 2008 total billed power consumption increased 6.7%, almost twice as much as the national variation rate or 3.5%. The result was also influenced by growth in other operating revenue, due mainly to revenue from the rental of UEG Araucária to Petrobras, in the amount of 22.4 million reais, and revenue from the provision of operation and maintenance services, in the amount of 5.3 million reais.

## SLIDE 5

On slide five we see COPEL's operating costs and expenses, which came to 1.8 billion reais in the first half of the year, 14% above the same period in 2007. This increase was basically due to the following three facts:

1st - a 32% variation in energy purchased for resale because of the non-recurring effect caused by the reversal of around 100 million reais stemming from bills cancelled by the CIEN, which led to a non-recurring effect;

2nd – 39 million reais were booked as expenses under pension plan and other benefits, while 11 million reais were booked as a surplus during the same period of the previous year;

3rd - finally, the effects of higher expenses booked under allowance for doubtful accounts and labor contingencies in the first half of 2008.

## SLIDE 6

Consequently, net income came to 613 million reais in the first half of 2008, 17% higher than in the same period of the previous year. On slide number 6 we can see the evolution of first-half net income over the past 5 years, with and without the non-recurring effects.

## SLIDE 7

On the next slide, we can see that EBITDA surpassed 1 billion reais in the first half of 2008. The Company's cash generation was a bit lower than the mark for the first half of 2007 due to the reversal that occurred during that period, of close to 100 million reais relating to cancelled bills from the CIEN, as previously mentioned. Excluding the effects of the agreement with the CIEN, EBITDA would have been 6% higher than in the first half of 2007.

The EBITDA margin remained around 40%, repeating the same level attained during the first half of 2007.

## SLIDE 8

On the eighth slide, we see that the return on net equity for the first half was 8.5%, the best return of the past 5 years excluding non-recurring effects. We can also see the behavior of the operating margin, which came to 35.2% in the first half, the best we've had in the last years, excluding the non-recurring effects. These were the main accounting highlights from January to June of 2008.

## SLIDE 9

Regarding the ninth slide, as we have already announced to the market, COPEL participated in public bids for energy purchase held by various free consumers. Copel Geração e Transmissão won these bids which totaled 162 MW average of sold energy, for delivery as of 2013 and with a term of 6 to 8 years.

COPEL also participated in the energy purchase bid held by Cemig in April of 2008, selling 300 MW average for delivery in 2013 and 250 MW average for delivery between 2014 and 2017.

The delivery point for all this energy sold is the Southern submarket.

If we add those contracts to others that were previously executed, COPEL Geração e Transmissão has already contracted with the free market almost 62% of the energy from contracts to be cancelled as of 2013. The strategy we are adopting is to prioritize the sale of energy to the free market.

## SLIDE 10

As for new energy generation, COPEL's most important current project is the construction of the Mauá Hydroelectric Plant on the Tibagi River. After the president of the Supreme Court suspended a preliminary ruling that had halted construction, orders to begin the project were given to the construction group on July 21st, including instructions for clearing, earth-leveling, and layout.

## SLIDE 11

COPEL, in conjunction with Eletrosul, will participate in a new energy bid, which has been postponed to September 30th. The objective of the partnership is to obtain the concession of the Baixo Iguaçu hydroelectric plant, located in Paraná state, a project of the PAC (Electric Company of Paraná). This project has already received an environmental license and is the only one authorized for inclusion in the auction. It has 350 MW of installed capacity and its cost is estimated by the EPE to be 1.1 billion reais.

## SLIDE 12

Also, in the area of new projects for alternative energy generation, COPEL plans to participate—via partnerships with minimum interests of 51% of shares and maximum stakes of 60%—in the building of small thermal electric plants, which will utilize sugar cane bagasse as fuel. At first, COPEL's goal is to participate in projects of up to 120 MW of installed potential, with total investments of approximately 260 million reais. According to our estimates, the potential for sugar cane thermal electric plants in Paraná state could reach 600 MW.

Regarding small hydroelectric plants, which total more than 200 MW of installed potential, we will hold a public call to attract partners interested in being part of a bid to install 10 to 12 new SHPs in

Paraná. The objective is to have these projects in the next energy auctions to be held in 2009.

### SLIDE 13

It should also be noted that the United Nations recently approved the Clean Development Mechanism petition for ELEJOR, the Jordão River Energy Complex, consisting of the Santa Clara and Fundão plants. This means that because those plants produce energy in a clean and completely sustainable fashion, they earn carbon credits that have market value and can be sold.

The ELEJOR complex is the first hydroelectric project in Brazil to be certified to trade carbon credits.

The UN presented the ELEJOR complex with a certificate stating that the Jordão River plants will remove the equivalent of 266,000 tonnes of carbon from the air every year, a benefit equivalent to planting 53,000 trees annually.

### SLIDE 14

In conclusion, as you can see on slide 14, I would like to present a summary of COPEL's expansion plans through 2015. The expansion plan consists of 7 programs of a total of 43 programs and projects which are part of the Company's corporate project portfolio. These are projects in which COPEL is interested and many of them depend on government auctions. They total about 7 billion reais, of which 4.3 billion reais would be allocated to hydroelectric plants and 2.1 billion would be invested in small hydro and thermal plants and other alternative sources of energy.

## SLIDE 15

This presentation gives you a general picture of COPEL's performance for the first half of 2008. I would like to thank you all for your attention and let you know that we are available to clarify any concerns you may have regarding the results that have been presented.

Thank you.

## Q&A SESSION

**Operator:** We will now begin the question and answer session.

Instructions

## Q&A SESSION

**Operator:** As there are no more questions from the participants, the floor is again open to Mr. **Rubens Ghilardi** for his final considerations.

## CONCLUSION

**Sr. Rubens:** I would like to thank you for your participation and interest. I am at your disposal should you have any other questions.

Thank you very much.

**Operator:** Ladies and gentleman, COPEL's conference call for the first half of 2008 has been concluded. Thank you for your participation.