

**Copel – Conference Call**  
**Results for the Third Quarter of 2009**  
**November 13, 2009 – 11:30 a.m. (Brasília time)**

**SLIDE 1**

**Operator:** Good morning and thank you for waiting. Welcome to the third quarter results of 2009 conference call of Companhia Paranaense de Energia – Copel.

We would like to inform you that all participants will be in a listen-only mode during the company's presentation. There will be a question and answer session when further instructions will be provided. Should any participant need assistance during the call, please press \*0 to reach the operator.

**SLIDE 2**

Before proceeding, let me clarify that forward-looking statements may be made during this presentation. These 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 events that may or may not occur. Investors should understand that general economic conditions, industry conditions and other operating factors may affect the future performance of Copel, and may lead to results that differ substantially from those expressed in such forward-looking statements.

Now, I would like to turn the conference to **Mr. Paulo Roberto Trompczynski**, the Chief Financial, Investor Relations and Holdings Officer, who will present Copel's operational and financial highlights. Also with us today is the Company's Chief Executive Officer, **Mr. Rubens Ghilardi**.

**SLIDE 3**

**Mr. Trompczynski:** Good morning and thank you for participating in this conference call to present Copel's results for the third quarter of 2009.

This presentation, which is available on our website at [www.copel.com/ir](http://www.copel.com/ir), provides a summary of the financial results up to September and includes some of the main events that occurred during the third quarter of 2009. At the end of the presentation, we will be available to take any questions you may have.

## SLIDE 4

Slide 4 shows the behavior of Copel's operating revenue, which totaled nearly 6 billion 500 million reais in the first nine months of 2009, representing growth of 4.8% in relation to the same quarter of 2008.

This variation is mainly due to the 5.2% increase in revenue from electricity sales to final customers and from electricity network availability, due to the increase in energy sales and the passthrough of a 12.98% average tariff increase to consumers with overdue bills. Overall, consumers with overdue bills account for 1/3 (one third) of gross revenue.

Another important factor was the increase in telecommunications revenue, basically due to the higher number of customers and the consequent higher volume of services provided.

Also note that the variations occurred in deductions from operating revenues, notably due to:

1<sup>st</sup> – The increase in ICMS tax due to the change in the tax rate on energy sales from 27% to 29% as of April 1, 2009; and

2<sup>nd</sup> – The increase in the Fuel Consumption Account line as a result of higher costs related to fossil fuels used in the thermoelectric power plant operations.

Accordingly, net operating revenue reached 4 billion and one hundred thousand reais, an amount 2% higher than that registered in the same period in 2008.

## SLIDE 5

Slide 5 shows the behavior of Copel's operating costs and expenses, which reached almost 3 billion reais, 5.8% higher than the amount registered until September 2008. These cost increases were mainly due to:

1) the 38% increase in the line 'use of transmission grid', chiefly due to the effect of the CVA amortization combined with the increase in the basic network quota and the higher ESS charge cost; and

2) the 13% increase in the 'payroll' line, basically due to the 7.5% wage increase as of October 2008. Also contributing to this increase was the constitution of provisions for severance pay related to the Voluntary Redundancy Program in the amount of 15 million reais.

The cost increase was partially offset by the recognition of a surplus in the 'pension plan and healthcare plans' line which complies with the actuarial calculation made by independent actuaries. For fiscal year 2009, revenue of 123 million reais was projected for the pension plan and costs of 27 million reais for the assistance plan. Also recognized in this line are the pass-through of costs to Fundação Copel related to the Pró-Saúde Program, as well as pension and healthcare expenses.

## SLIDE 6

As Slide 6 shows, Copel's net income at the end of September 2009 was 846 million reais.

Return on equity was 11% in the first nine months of 2009, and EBITDA was almost 1.4 billion reais, accompanied by EBITDA margin of 33%.

## SLIDE 7

Slide 7 shows Copel's debt profile on September 30, 2009. Total debt came to almost 1 billion and 700 million reais. And the debt-to-equity ratio stood at 19.4%.

A highlight was the inflow of 111 million reais from the BNDES and Banco do Brasil financing line for construction of the Mauá Hydroelectric Plant. Copel's share of this financing line totals 339 million reais.

## SLIDE 8

For our investment program, which is shown on Slide 8, the Company invested 653 million reais, or 60% of the amount planned for 2009.

Of this amount, we invested 490 million reais in distribution works, 23 million in telecommunications and 52 million at Copel Geração e Transmissão. The Mauá Hydroelectric Plant, which is Copel's most important generation project, received 88 million reais this year alone, on top of the 145 million already invested by Copel since the start of construction.

In late October 2009, we received from the National Monetary Council a declaration of exception that allows Copel to contract financing from the BNDES for construction of the Foz do Iguaçu – Cascavel Oeste transmission line, which is a development included in the PAC economic stimulus package.

## SLIDE 9

In Copel's energy market, the highlight was the 2.2% increase in sales to the captive market. The best performing segments were the residential segment, with 5.3% higher sales, and the commercial segment, with an increase of 5.5%. These two segments combined represent almost 50% of our market. Meanwhile, consumption in the industrial segment fell by 3.2%.

According to the EPE, the Energy Research Company, Brazil's total energy consumption fell by 2.4% in the period between January and September 2009, mainly impacted by the drop in industrial consumption of more than 10%.

In the South region, total power consumption fell by 1.9%, with the region's industrial segment contracting by 8.6%.

These numbers shows that so far the energy market in Paraná state has been less affected by the effects of the international crisis.

## SLIDE 10

Before concluding this presentation and opening the floor to your questions, I would like to comment that the meeting of the Company's executive board on November 11 decided to bring forward the payment of interest on equity for the period ended in September. The gross amount to be paid is 168 million reais, with payment scheduled for December 7 onwards.

## SLIDE 11

That basically represents Copel's performance in the third quarter of 2009. I would like to thank you for your attention, and remind you that we are available for any clarifications that you may need on the results presented today.

Thank you.

## Q&A SESSION

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

## Q&A SESSION

**Operator:** If there are no further questions at this time, we will now turn the conference over to **Mr. Paulo Trompczynski** for his closing remarks.

## CLOSING REMARKS

**Mr. Trompczynski:** Once more, thank you for your participation and interest. I would like to emphasize the current management's commitment to respecting the rights of our shareholders and to keeping the company solid and competitive in Brazil's power sector. I am now available to take any questions you may have. Feel free to contact our Investor Relations department, which will be pleased to assist you. Thank you very much.