

**COPEL – Conference Call**  
**Results of the 1<sup>st</sup> Quarter of 2010**  
**May 14, 2010 – 11:00 A.M.(Brasília)**

**1<sup>st</sup> SLIDE**

**Operator:** Good morning and thank you for waiting. Welcome to the conference call of Companhia Paranaense de Energia – COPEL to disclose the results of the first quarter of 2010.

All the participants will be in listen-only mode during the Company's presentation, after which we will begin the question and answer session, when further instructions will be provided. If you need assistance during the call, press \*0 to reach the operator.

**2<sup>nd</sup> SLIDE**

Before proceeding, we wish to clarify that forward-looking statements that may be made during this call relating to the business prospects of COPEL, as well as the operational and financial projections and targets are based on the assumptions and beliefs of the Company's management and on information currently available. They are not guarantee of performance; they involve risks, uncertainties and assumptions as they refer to future events and hence, depend on circumstances that may or may not occur. Investors should understand that general economic and industrial conditions as well as other operational factors may affect the future performance of COPEL and lead to results that are materially different from those mentioned in the forward-looking statements.

On April 26, 2010, Mr. Ronald Thadeu Ravedutti took charge as the CEO of Copel, while Mr. Rafael Iatauro became the Chief Financial, Investor Relations and Holdings Officer.

Mr. Ravedutti has more than 30 years of experience in Copel. He has earlier served as the Chief Financial and Investor Relations Officer, Chief Corporate Management Officer and Chief Distribution Officer.

I will now hand the floor to **Mr. Ronald Thadeu Ravedutti**, who will present COPEL's operational and financial highlights. Also present is **Mr. Rafael Iatauro**.

**3<sup>rd</sup> SLIDE**

**Mr. Ravedutti:** Good morning. It is a great pleasure to be with you once again to present COPEL's results for the first quarter of 2010.

The presentation, whose live webcast is available in our website [www.copel.com/ri](http://www.copel.com/ri) - consists of a brief summary of the financial results and a few important events that occurred in the quarter. At the end of the presentation, we will be available to answer your questions.

#### 4<sup>th</sup> SLIDE

Net Operating Revenue in the quarter was 10.6% higher than in the same period in 2009, due to:

- 1<sup>o</sup>) the growth in energy sales, notably to the captive market, whose sales growth was 8.2%
- 2<sup>o</sup>) the tariff increase as of July 24, 2009, which was passed on to customers who pay their bills late;
- 3<sup>o</sup>) the increase in revenue from “electricity sales to distributors”, mainly due to the price increases in the agreements, and due to the higher revenues from the sale of energy at the Electric Energy Trading Chamber (CCEE);
- 4<sup>o</sup>) the increase in “telecommunications revenues” due to service to new customers and a higher volume of services provided to existing customers; and
- 5<sup>o</sup>) increase in “distribution of piped gas”, basically due to the higher sales of gas, particularly to the industrial segment.

#### 5<sup>th</sup> SLIDE

We registered a 29% increase in the expenses during the period, mainly due to:

- 1<sup>o</sup>) the increase in “electricity purchased for resale” on account of the higher costs of energy and the booking of R\$ 82 million in Portion A amounts (CVA);
- 2<sup>o</sup>) the increase in charges for the use of the main transmission grid, due mostly to higher System Service Charges (ESS), as defined by ANEEL; and
- 3<sup>o</sup>) the booking of amounts related to the pension and healthcare plans administered by Fundação Copel. In addition to the monthly installments paid by Copel, we also recorded a sum of 7.1 million reais in the Healthcare Plan account, calculated according to the criteria set by CVM Ruling no. 371/2000.

In the personnel account, despite the wage increase of 6.0% applied as of October 2009, the increase in relation to the first quarter of 2009 was 5.2%. This reflects the benefits from the voluntary retirement program launched in 2009. Till March 2010, 556 employees had joined this program, which is still open to employees who will retire through the INSS. There are still around 400 employees that qualify for retirement under the program.

#### 6<sup>th</sup> SLIDE

Copel's consolidated net income in the first quarter was 224 million reais. Return on Shareholder's Equity came to 2.5% and EBITDA was 324 million reais, for margin of 22% over net operating revenue.

## 7<sup>th</sup> SLIDE

Slide 7 shows COPEL's debt profile as of March 31, 2010. Total debt is approximately 1 and a half billion reais. The debt/equity ratio was 17%.

It is worth mentioning the inflow of more than 58 million reais relating to the financing for construction of the Mauá Hydroelectric Plant. Thus, a sum of 170 million has been released out of a total of 339 million reais.

## 8<sup>th</sup> SLIDE

As part of our capex program, we invested 225 million reais in the quarter, equivalent to 17% of the amount planned for 2010.

Of the total capex, 160 million reais were invested in distribution works, 16 million in telecommunications and 48 million in Copel Geração e Transmissão, of which 36 million reais went to the Mauá Hydroelectric Plant – Copel's most important power generation project.

## 9<sup>th</sup> SLIDE

That was COPEL's general performance in the first quarter of 2010. Thank you and we are now available to answer any questions you may have regarding the results.

Thank you.

## QUESTIONS SESSION

**Operator:** We are now beginning the question and answer session. Instructions

## Q&A SESSION

**Operator:** Since there are no more questions, we will now turn the floor back to **Mr. Ronald Ravedutti** for his closing remarks.