

# 3Q14 Results

Lindolfo Zimmer, CEO

Copel

Antonio Sergio de S. Guetter, CFO

Copel

Marcos Domakoski, CMO

Copel

Cezar Monteiro Piraja Junior

Copel Geração e Transmissão

November 18, 2014

*Any statements made during this conference call involving Copel's business outlook or financial and operating forecasts and targets constitute the beliefs and assumptions of the Company's Management, and the information currently available. Forward-looking statements are not guarantees of performance and involve risks, uncertainties and assumptions, given that they refer to future events, and thus are dependent on circumstances that may or may not occur. Investors should understand that general economic conditions, industry conditions and other operating factors could come to affect the future performance of Copel and lead to results that are materially different from those expressed in said forward-looking statements.*

### Financial

- ⌘ Anticipation of R\$380.8 million in dividends and IOC
- ⌘ Net revenue of R\$3.3 billion in 3Q14
- ⌘ Net income of R\$233 million in 3Q14
- ⌘ EBITDA of R\$496 million in 3Q14

### Operational

- ⌘ Captive market Copel Dis: up 5% in 9M14
- ⌘ Manageable costs fell 2.8% in 9M14
- ⌘ Produced energy of Araucária TPP 402.1 average-MW in 9M14

## CDE funds and ACR account

- ▶ CDE funds and ACR account: in the 9M14: **R\$ 1,157.6 million**

**Copel Dis is  
100% contracted  
until Dec/14**

**1H14**  
R\$ 1,062 million

**3Q14**  
R\$ 96 million

**9M14**  
R\$ 1,158

**September<sup>1</sup>**  
R\$ 51 million

### **Auction "A"**

**388 average-MW of R\$ 268.33**

- ▶ **Agreement from May 2014 to December 2019**

<sup>1</sup> Authorized by ANEEL Ruling no 4288/2014 dated October 30, 2014. It will be recorded in 4Q14.

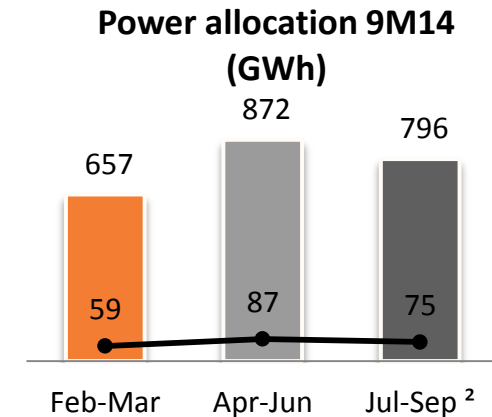
- ▶ Operation of UEGA (COPEL 80%) since February 1, 2014;
- ▶ Merchant model, does not have availability agreements;
- ▶ Energy produced is sold in the short-term market (MCP);
- ▶ Unit Variable Cost (CVU)<sup>1</sup>: R\$ 530.08/MWh

## UEGA Results (R\$ million)

	3Q14	9M14
Consolidated net revenue	465.8	1,508.9
Net income	72.1	316.9
EBITDA	<b>102.6</b>	<b>436.5</b>

<sup>1</sup> Defined by Aneel Ruling 4119/2014. Subject to change.

<sup>2</sup> In September Araucaria TPP was 18 days out of service due to scheduled maintenance.



—●— Days of operation  
**Total Available: 2,326 GWh**

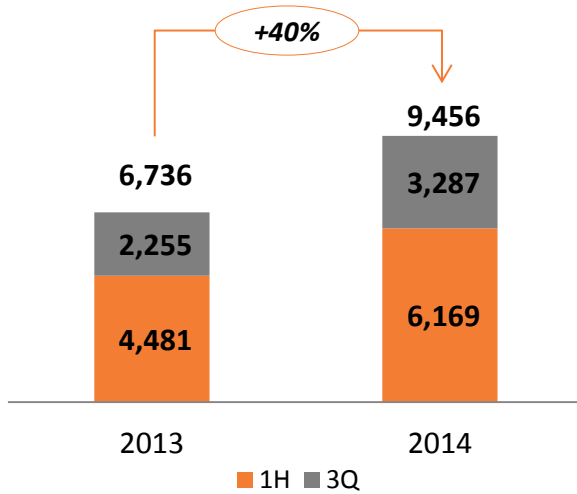
3Q14	
Net Margin	EBITDA Margin
15%	22%

9M14	
Net Margin	EBITDA Margin
21%	29%

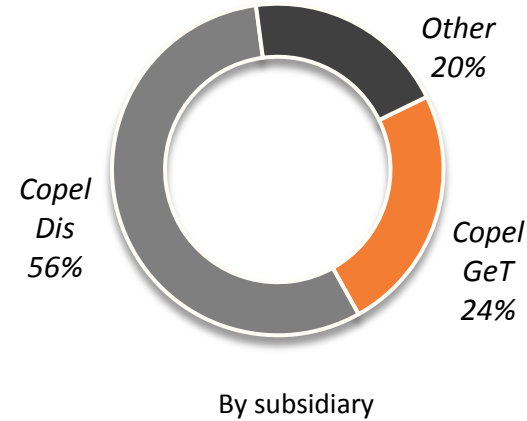
# Operating Revenue

Operating revenue



9M14

R\$ million

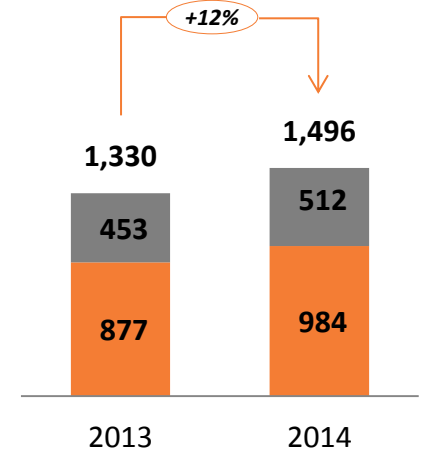
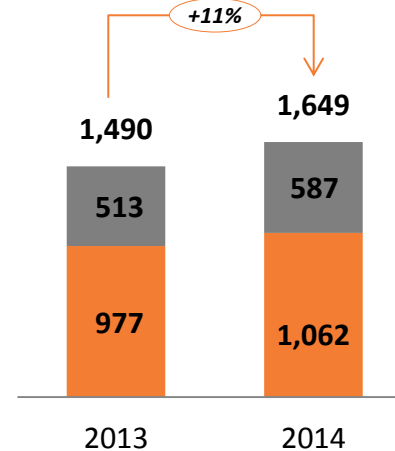
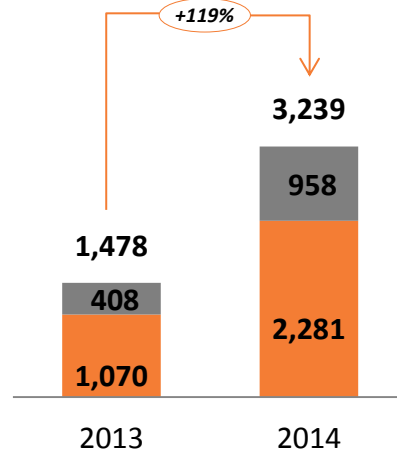
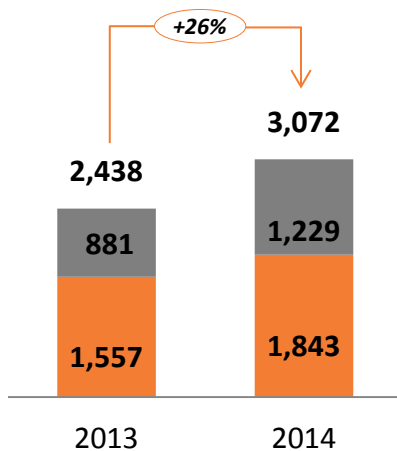


Electricity sales to final customers

Electricity sales to distributors

Use of transmission grid

Other operating revenues

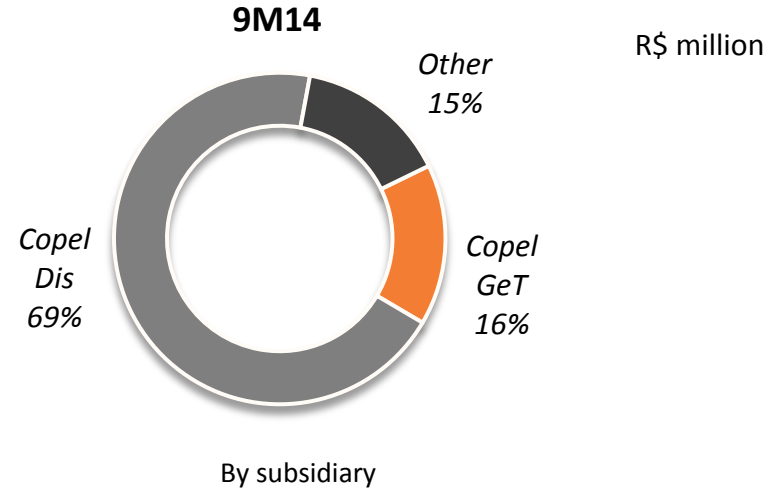
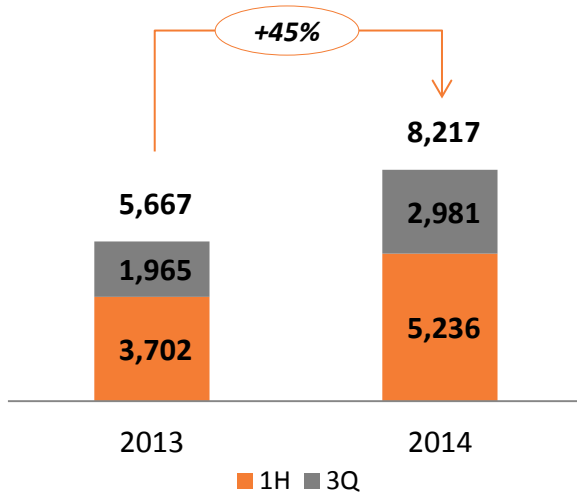


■ 1H ■ 3Q

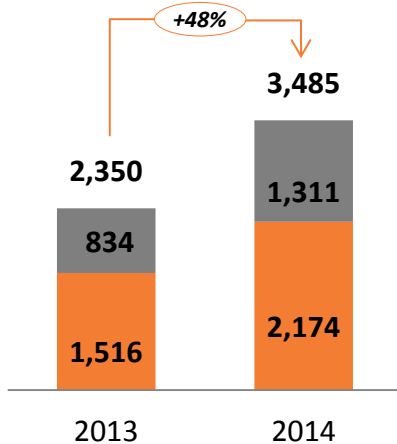
\* Amounts subject to rounding.

# Operating Costs and Expenses

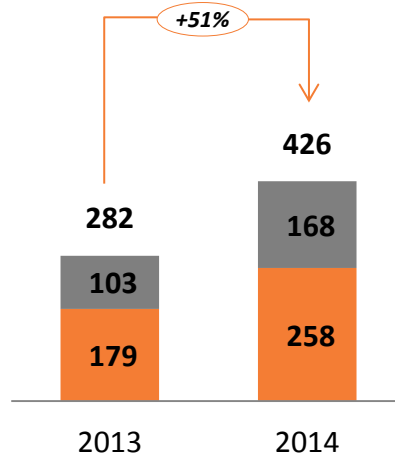
## Operating costs and expenses



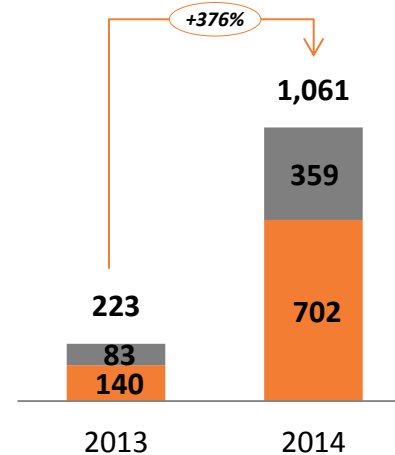
## Electricity



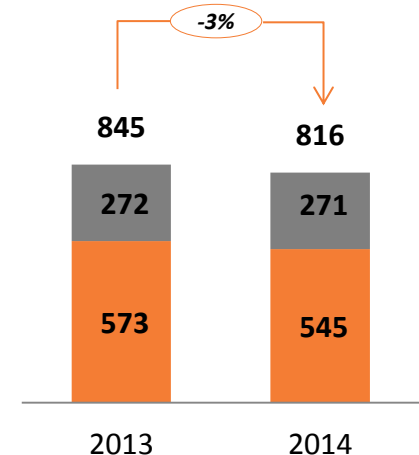
## Charges for the use of main transmission grid



## Natural Gas



## Personnel



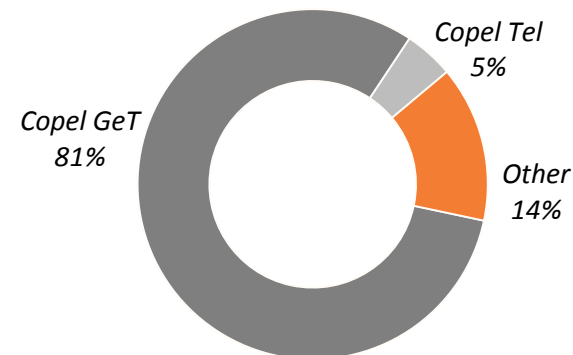
Legend: 1H (orange), 3Q (grey)

\* Amounts subject to rounding.

## EBITDA Breakdown

Subsidiary	EBITDA 3Q14 R\$ million	3Q14/3Q13 %	EBITDA 9M14 R\$ million	9M14/9M13 %
Copel GeT	248.6	-20.9	1,475.0	21.3
Copel Distribuição	158.2	278.7	-158.0	-
Copel Telecom	29.2	19.2	83.3	15.6
Other	59.8	-27.5	420.9	74.4
<b>Consolidated</b>	<b>495.8</b>	<b>7.0</b>	<b>1,821.2</b>	<b>16.2</b>

## 9M14



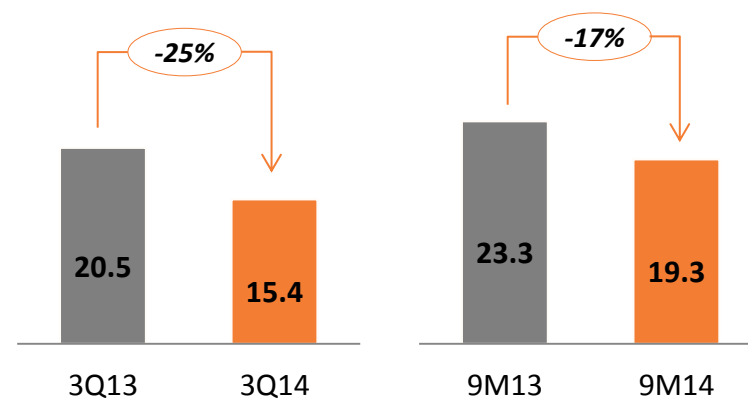
By subsidiary

## EBITDA Margin per subsidiary (%)

9M14/ 9M13

GeT	Distribuição	Telecom
64.3	-	54.9

## Evolution of Consolidated EBITDA margin





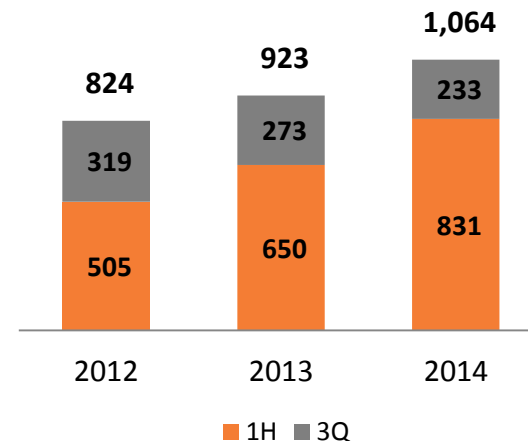
# Net Income

## Net Income Breakdown

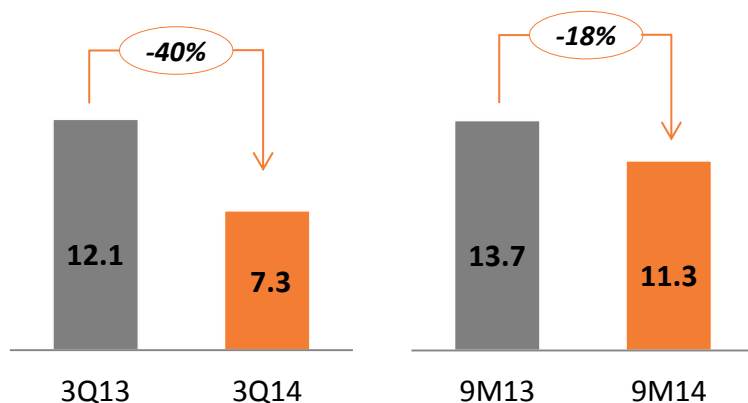
Subsidiary	Income 3Q14 R\$ million	3Q14/3Q13 %	Income 9M14 R\$ million	9M14/9M13 %
Copel GeT	165.5	-7.0	968.8	34.5
Copel Distribuição	51.3	-	-177.6	-
Copel Telecom	15.1	22.2	43.0	21.1
Other	1.5	-96.3	230.6	106.9
<b>Consolidated</b>	<b>233.4</b>	<b>-14.5</b>	<b>1,064.8</b>	<b>15.3</b>

R\$ million

## Net Income Performance



## Consolidated net margin performance

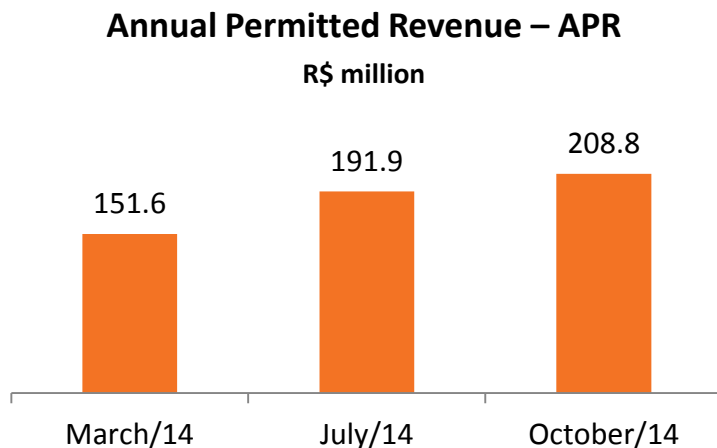


## Net margin by subsidiary (%)

9M14/ 9M13

GeT	Distribuição	Telecom
43.0	-	28.3

## Transmission Projects – Start-up



- ▶ **Costa Oeste Transmissora<sup>1</sup>**  
TL Cascavel Oeste – Umuarama  
Substation Umuarama Sul

APR added<sup>3</sup>  
R\$ 5.4 million

- ▶ **Transmissora Sul Brasileira<sup>2</sup>**  
TL Camaquã III – Quinta  
TL Nova Santa Rita – Camaquã  
Substation Camaquã III

APR added<sup>3</sup>  
R\$ 11.5 million

<sup>1</sup> SPC constituted by Copel GeT (51%) and Eletrosul (49%)

<sup>2</sup> SPC constituted by Copel GeT (20%) and Eletrosul (80%)

<sup>3</sup> Referred to COPEL's stake - Equity in Earning of Subsidiaries

## Energy of Wind Farm Complex Cutia sold

- ▶ 7 wind farms in Rio Grande do Norte State
- ▶ 6<sup>th</sup> Reserve Energy Auction - LER
- ▶ 71.2 average MW (capacity of 195.6 MW)
- ▶ R\$ 144.00/MWh (auction's maximum price)
- ▶ Contracts with a term of 20 years

536 MW  
Of installed Capacity  
commercialized

# Questions & Answers



Índice de  
Sustentabilidade  
Empresarial





**COPEL**

*Pura Energia*



## ***Investor Relations***

[ri@copel.com](mailto:ri@copel.com)

+55 41 3222-2027

[www.copel.com/ri](http://www.copel.com/ri)