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COPEL ANNOUNCES RESULTS FOR THE FIRST HALF OF 2001

Curitiba, Brazil, August 15, 2001 – Companhia Paranaense de Energia – COPEL (NYSE: ELP), a leading Brazilian utility company that generates, transmits, and distributes electric power to the State of Paraná, today announced its operating results for the first half of 2001. All figures included in this report are in reais (R\$) and were prepared in accordance with Brazilian GAAP (corporate law).

HIGHLIGHTS

- **Net Income:** COPEL's net income for the first half of 2001 amounted to R\$ 68.5 million, representing a profit of R\$ 0.2503 per lot of one thousand shares and an operating margin ("EBIT margin") of 24.6%.
- **Market Expansion:** During the first half 2001, total power consumption throughout COPEL's direct distribution area amounted to 8,611 GWh, representing an increase of 4.3% when compared to the first half of 2000.
- **Wholly Owned Subsidiaries:** Effective July 1, 2001, The Brazilian Power Regulatory Agency – ANEEL (Agência Nacional de Energia Elétrica) authorized Copel to transfer its concession contracts to its five wholly owned subsidiaries: Copel Geração S.A., Copel Transmissão S.A., Copel Distribuição S.A., Copel Telecomunicações S.A. and Copel Participações S.A.
- **Privatization Process:**
 - On July 16, 2001 – The Information Room – Data Room – was opened in the city of Curitiba, Rua Presidente Faria, Centro, in anticipation of its privatization process. Access to the Data Room itself was given in accordance with the rules established by the Regulation for Access to the Information Room, of which a copy may be requested by phone (5541) 322-7514.
 - On July 25, 2001 – The State of Paraná announced that it was considering a tender offer for the common shares (ONs) of COPEL that are not already owned by the State of Paraná or the Brazilian development bank (BNDES).
 - On August 2, 2001, the Government of the State of Paraná conducted a Public Hearing to present the general terms and conditions of COPEL's privatization process.

- **ABRADEE Award:** On July 11, 2001 and for the second time in three years, Copel was chosen as the Best Electric Energy Distributor in Brazil, by the Brazilian Association of Electric Energy Distributors – ABRADDEE, (Associação Brasileira das Distribuidoras de Energia Elétrica). Among a total of 34 concessionaries in the country reviewed by the Association, Copel was also the winner in the category for Best in Customer Appreciation.
- **Workforce:** On June 2001, COPEL's workforce totaled 6,003 employees, representing a reduction of 84 employees when compared to the first quarter 2001, mainly due to the voluntary dismissal program. The consumer-employee ratio, only taking into account the employees assigned to the Distribution business unit, was 704.

FINANCIAL AND OPERATING PERFORMANCE

COPEL's net income for the first half of 2001 was R\$ 68.5 million. Net revenues totaled R\$ 1,048 billion, compared to the R\$ 901,2 million reported for first half of 2000. This 16.2% increase reflects the 15.43% increase in tariffs effective June 24th, 2000, the direct distribution market growth (4.3%), the growth in revenues from the transmission grid, and an increase in "other operating revenues" resulting from an increase in revenues from the lease of equipment and fiber optics, structures, and consultancy services.

Although the South Region was not included in the National Rationing Program, the 4.3% market growth reflects a voluntary energy savings from our customers at the end of the second quarter.

For the period from January through June 2001, an estimated R\$ 30.5 million was accounted for in short-term energy sales.

At the end of June 30, 2001, total operating expenses reached R\$ 789.6 million, a 24.1% increase over the same period last year (R\$ 636.5 million). The main reasons for this increase are:

- **Personnel costs**, increased as a result of the severance costs related to the voluntary dismissal plan established in the first semester as well as the provisional accounting of labor claims resulting from the increase in salaries as negotiated at a labor meeting on October 2000.
- **The "third parties" account**, which increased by 32.2% as a result of technical consulting service contracts signed with LAME and SIMEPAR, the new billing system adopted by the company, and the increase in the call center and communication costs.
- **The 33.7% increase in "electricity purchased for resale"** basically reflecting the exchange rate variation in the semester.
- **The increase in "charges for the use of transmission lines"** reflecting a readjustment established by ANEEL's Resolution no. 167, dated May 31, 2000, in the annual revenues allowed in connection with the power transmission grid (tariffs for the use of the Basic Network).
- **The 36.5% increase in regulatory charges** resulting from the growth in expenses related to the CCC account, used to cover the fossil fuel contribution costs related to the increased use of thermal plants as well as the increase in financial compensation for the use of water resources. This is a

result of ANEEL's resolution 583, of December 28, 2000, which updated the reference tariff, resulting in a 50.54% increase over the previous tariff.

- **Other operational revenues** increased due to Management's conservative decision to account for an extra provision for COFINS in the amount of R\$ 12.8 million for the period from September–December 1998.

- **The significant increase in financial expenses**, due to the monetary variation increase, reflecting the impact of the real devaluation.

COPEL's total customers as of June 30, 2001 reached 2,891,984, an increase of 3.2% when compared to the same period in 2000.

Permanent assets increased by 2.3% in the first half of 2001, as a result of COPEL's capital expenditures, which amounted to R\$ 230.2 million. Of this amount, R\$ 47 million was invested in power generation, R\$ 68.1 million in transmission, R\$ 62.6 million in distribution and R\$ 52.5 million in other facilities.

As of June 30, 2001, COPEL's total assets were R\$ 8.2 billion. Debt amounted to R\$ 1.5 billion, with a net debt-to-equity ratio of 0.30.

It is important to note that these financial results reflect the impact of the real devaluation, which affected the semester.

ADDITIONAL OPERATING INFORMATION

1. MAIN OPERATIONAL AND FINANCIAL HIGHLIGHTS

Generation

Number of power plants: 18 (17 hydroplants and 1 thermoplant)

Total installed capacity: 4,549 MW

Transmission

Transmission lines: 6.7 thousand km

Number of substations: 122

Transforming capacity: 18,061 MVA

Distribution

Distribution lines: 153,307 km

Number of substations: 228

Transforming capacity: 1,222 MVA

Number of consumers: 2,891,984

DEC (outage duration by consumer/year): 6:40 hours

FEC (outage frequency by consumer/year): 6,20 outages

Administration

Number of employees: 6,003

Consumer-employee ratio in the distribution branch: 704

Financial

Book Value: R\$ 18.15/ per lot of one thousand shares

EBITDA: R\$ 390.5 million

ROE: 2.8 %

Liquidity: 1.34

2. CONSUMPTION BY CLASS

Class	January - June		In GWh
	2001	2000	%
	Residential	2,239	2,227
Industrial	3,557	3,350	6.2
Commercial	1,386	1,292	7.3
Rural	597	576	3.6
Other	832	814	2.1
Total	8,611	8,259	4.3

3. TARIFFS (R\$/MWh)

TARIFFS	June 2001	June 2000	VAR.
Retail	114.08	99.91	14.18%
Wholesale	49.01**	40.69	20.45%
Initial Contracts	33.94***	31.73	6.97%
Itaipu (purchase) *	84.41	62.78	34.45%

(*) Furnas transmission tariff included

(**) Initial Contracts from Copel Distribuição

(***) Initial Contracts from Copel Geração

3.1 RETAIL TARIFFS (R\$/MWh)

TARIFFS	June 2001	June 2000	VAR.
Residential	166.44	146.03	13.98%
Industrial	80.03	69.19	15.67%
Commercial	141.35	121.93	15.93%
Rural	96.01	84.10	14.16%
Other	100.75	88.17	14.27%
Total Retail	114.08	99.91	14.18%

3.2 REVENUES BY SEGMENT (R\$ million)

Revenues	June 2001	June 2000	VAR.
Residential	490,1	436,7	12.2%
Industrial	381,2	331,0	15.2%
Commercial	251,7	208,7	20.6%
Rural	57,3	48,5	18.1%
Other classes	102,2	89,8	13.8%
Sales to distributors	12,6	31,0	(59.4%)
Supply - short term	51,5	33,5	53.7%
Use of Transmission Lines	27,2	15,1	80.1%
Other	51,6	37,0	39.5%
Total	1,425,4	1,231,3	15.8%

4. ENERGY FLOW (GWh)

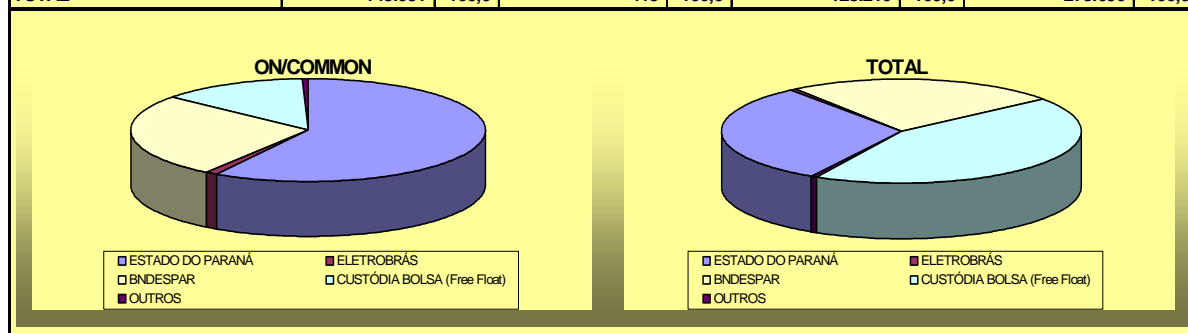
COPEL's Total Available Power	14,208	
Own Generation	11,515	(81.0%)
Purchased Energy	2,693	(19.0%)

State Demand	8,831	
Retail	8,611	(97.5%)
Wholesale	220	(2.5%)

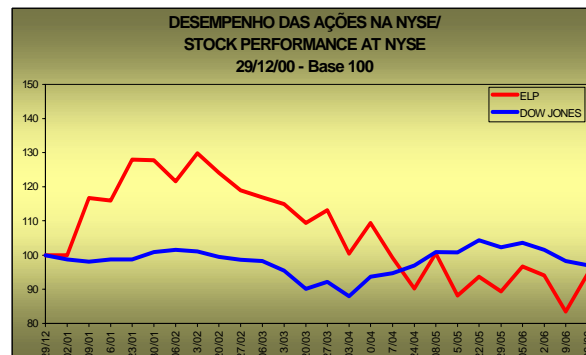
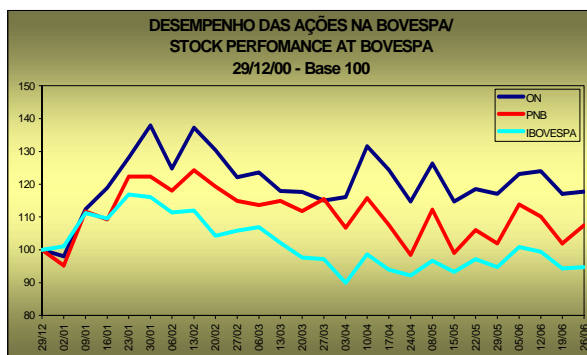
Interconnected System	3,919
Initial Supply Contracts	71
Bilateral Contracts	251
Free Customers	480
Losses	656

5. STOCKHOLDERS (Millions of shares)

Milhões de ações/Millions of shares								
ACIONISTAS SHAREHOLDERS	ON COMMON	%	PNA PREFERRED "A"	%	PNB PREFERRED "B"	%	TOTAL	%
ESTADO DO PARANÁ	85.028	58,6	-	-	-	-	85.028	31,1
ELETROBRÁS	1.531	1,1	-	-	-	-	1.531	0,6
BNDESPAR	38.299	26,4	-	-	28.511	22,2	66.810	24,4
CUSTÓDIA BOLSA (Free Float)	19.250	13,3	118	28,4	99.581	77,7	118.949	43,5
No Brasil	18.924	13,0	118	28,4	40.773	31,8	59.815	21,9
ADS's	326	0,2	-	-	58.807	45,9	59.133	21,6
OUTROS	923	0,6	297	71,6	118	0,1	1.338	0,5
TOTAL	145.031	100,0	415	100,0	128.210	100,0	273.656	100,0



6. STOCK PERFORMANCE



7. DEBT PROFILE

DEBT PROFILE – As of June 30, 2001			
(R\$ thousands)	SHORT- TERM	LONG -TERM	TOTAL
FOREIGN CURRENCY			
Eurobonds	5,525	345,735	351,260
IDB	23,563	177,468	201,031
National Treasury	5,919	145,775	151,694
Euro Commercial Paper	144,246	-	144,246
ELETROBRÁS	6,787	7,266	14,053
Banco do Brasil S.A	5,225	34,297	39,522
Dresdner Bank	20,568	-	20,568
Total	211,833	710,541	922,374
DOMESTIC CURRENCY			
ELETROBRÁS	47,315	441,413	488,728
BNDES	4,747	16,267	21,014
FINAME	1,799	0	1,799
FINEP	4,877	6,026	10,903
Turnkey	8,278	3,791	12,069
Fundação COPEL	16,768	22,381	39,149
Other	897	3,775	4,672
Total	84,681	493,653	578,334
Total	296,514	1,204,194	1,500,708



COPEL

COMPANHIA PARANAENSE DE ENERGIA

CNPJ 76.483.817/0001-20 Public Company - CVM 1431-1

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SUMMARIZED FINANCIAL STATEMENTS

Translation from the original in portuguese (amounts expressed in thousands of Brazilian Reais)

ASSETS	Corporate						TOTAL
	Generation	Transmission	Distribution	Telecom	Partnerships	Holding	
Current Assets							
Cash and cash equivalents	11,000	21,000	21,000	21,000	11,000	246,195	331,195
Accounts receivable	54,951	5,128	402,939	-	-	-	463,018
Allowance for doubtful accounts	-	-	(10,177)	-	-	-	(10,177)
Services in progress	4,077	1	3,930	-	1,258	375	9,641
Recoverable Rate Deficit (CRC)	-	-	30,533	-	-	-	30,533
Taxes and social contributions paid in advance	-	-	-	-	-	2,139	2,139
Materials and supplies	2	5,222	8,480	1,452	-	-	15,156
Prepaid expenses and other	2,268	2,383	32,379	1,294	82	5,849	44,255
	72,298	33,734	489,084	23,746	12,340	254,558	885,760
Long-Term Assets							
Recoverable Rate Deficit (CRC)	-	-	671,268	-	-	-	671,268
Deferred income tax and social contribution tax	-	-	-	-	-	240,122	240,122
Judicial deposits	-	-	-	-	-	49,329	49,329
Other noncurrent assets	-	3,313	24,051	-	4,585	47,717	79,666
	-	3,313	695,319	-	4,585	337,168	1,040,385
Permanent							
Investments	9,219	2,905	647	-	306,778	5,188,068	-
Property, plant and equipment	3,265,124	939,859	1,622,698	132,055	1,954	-	5,961,690
	3,274,343	942,764	1,623,345	132,055	308,732	5,188,068	-
Total Assets	3,346,641	979,811	2,807,748	155,801	325,657	5,779,794	1,926,145



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LIABILITIES AND SHAREHOLDERS' EQUITY	Corporate						TOTAL
	Generation	Transmission	Distribution	Telecom	Partnerships	Holding	
Current							
Loans and financing	68,210	16,594	191,142	20,568	-	-	296,514
Suppliers	8,918	1,407	99,603	1,749	-	577	112,254
Taxes and social contributions	-	-	27,504	-	-	65,520	93,024
Dividends Proposed	-	-	-	-	-	1,302	1,302
Accrued payroll costs	8,896	7,711	29,329	2,493	354	22,823	71,606
Regulatory charges	6,257	-	28,232	-	-	-	34,489
Other current liabilities	16,717	2,250	32,770	119	-	-	51,856
	108,998	27,962	408,580	24,929	354	90,222	661,045
Long-Term Liabilities							
Loans and financing	892,048	142,149	169,996	-	-	-	1,204,193
Pension plan obligation	-	-	-	-	-	497,238	497,238
Taxes and social contributions	-	-	-	-	-	225,695	225,695
Other liabilities	7,285	50,661	47,763	220	-	-	105,929
	899,333	192,810	217,759	220	-	722,933	2,033,055
Special liabilities	-	7,050	574,202	-	-	-	581,252
	899,333	199,860	791,961	220	-	722,933	2,614,307
Shareholders' Equity	2,338,310	751,989	1,607,207	130,652	325,303	4,966,639	-
Total Liabilities and Shareholders' Equity	3,346,641	979,811	2,807,748	155,801	325,657	5,779,794	3,275,352



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SUMMARIZED FINANCIAL STATEMENTS

Translation from the original in portuguese (amounts expressed in thousands of Brazilian Reais)

STATEMENT OF INCOME	Generation	Transmission	Distribution	Telecom	Corporate Partnerships	TOTAL
Operating Revenues						
Electricity sales to final customers	-	-	1,282,534	-	-	1,282,534
Electricity sales to distributors	396,755	-	33,505	-	-	430,260
Use of transmission plant	-	93,867	1,350	-	-	95,217
Other revenues	7,149	504	31,626	27,224	-	66,503
Deductions from operating revenues	(17,649)	(4,110)	(355,232)	(774)	-	(377,765)
Net sales	386,255	90,261	993,783	26,450	-	1,496,749
Operating Expenses						
Personnel and pension plan	33,564	25,557	109,329	7,898	689	177,037
Materials and supplies	4,865	1,064	13,541	450	42	19,962
Third-party services	16,580	6,717	51,248	3,154	302	78,001
Electricity purchased for resale	15,567	-	543,556	-	-	559,123
Use of transmission plant	11,821	-	116,651	-	-	128,472
Depreciation and amortization	50,105	15,617	62,464	4,347	3	132,536
Regulatory charges	24,687	95	74,473	-	-	99,255
Other expenses	5,675	3,085	32,662	2,965	12	44,399
	162,864	52,135	1,003,924	18,814	1,048	1,238,785
Operating Income	223,391	38,126	(10,141)	7,636	(1,048)	257,964
Equity in investments	-	-	-	-	(1,091)	(1,091)
Other income (expense)						
Financial income (expense), net	(107,575)	(21,104)	(15,990)	(2,172)	(75)	(146,916)
Nonoperating expense, net	(8,476)	(102)	(4,798)	173	5,160	(8,043)
	(116,051)	(21,206)	(20,788)	(1,999)	5,085	(154,959)
Income Before Taxes and Participation	107,340	16,920	(30,929)	5,637	2,946	101,914
Income tax and social contribution tax	(35,209)	(5,550)	10,146	(1,849)	(967)	(33,429)
Net Income for the Quarter	72,131	11,370	(20,783)	3,788	1,979	68,485

**COMPANHIA PARANAENSE DE ENERGIA**

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**COPEL****SUMMARIZED FINANCIAL STATEMENTS**

AS OF AND FOR THE QUARTER ENDED JUNE 30, 2001 and 2000

Translation from the original in portuguese (amounts expressed in thousands of Brazilian Reais)

ASSETS	In Corporate Law		In Price-Level Accounting	
	2001	2000	2001	2000
Current Assets				
Cash and cash equivalents	331,195	291,409	331,195	324,818
Accounts receivable	463,018	340,271	459,802	376,129
Allowance for doubtful accounts	(10,177)	(8,170)	(10,177)	(9,107)
Services in progress	9,641	6,196	9,641	8,499
Recoverable Rate Deficit (CRC)	30,533	18,155	30,533	20,236
Prepayment of value-added tax (ICMS)	-	52,631	-	58,665
Taxes and social contributions paid in advance	2,139	4,140	2,139	4,615
Materials and supplies	15,156	12,276	15,564	14,070
Prepaid expenses and other	44,255	33,252	44,255	46,967
	885,760	750,160	882,952	844,892
Long-Term Assets				
Recoverable Rate Deficit (CRC)	671,268	613,398	671,268	683,721
Deferred income tax and social contribution tax	240,122	201,547	240,122	224,653
Judicial deposits	49,329	48,717	49,329	54,302
Other noncurrent assets	79,666	25,711	79,666	28,659
	1,040,385	889,373	1,040,385	991,335
Permanent				
Investments	354,156	343,868	469,230	466,347
Property, plant and equipment	5,961,690	5,831,824	8,576,141	8,616,435
	6,315,846	6,175,692	9,045,371	9,082,782
Total Assets	8,241,991	7,815,225	10,968,708	10,919,009

LIABILITIES AND SHAREHOLDERS' EQUITY	In Corporate Law		In Price-Level Accounting	
	2001	2000	2001	2000
Current				
Loans and financing	296,514	257,513	296,514	296,985
Suppliers	112,254	83,628	112,254	93,216
Taxes and social contributions	93,024	94,448	85,359	101,198
Dividends Proposed	1,302	1,683	1,302	1,876
Accrued payroll costs	48,985	45,191	48,985	50,372
Regulatory charges	34,489	27,477	33,672	29,736
Other current liabilities	74,477	151,020	74,322	168,197
	661,045	660,960	652,408	741,580
Long-Term Liabilities				
Loans and financing	1,204,193	1,095,302	1,204,193	1,220,873
Pension plan obligation	497,238	476,164	497,238	530,754
Taxes and social contributions	225,695	166,719	225,695	185,832
Deferred income taxes	-	-	917,276	750,639
Other liabilities	105,929	66,119	103,173	68,899
	2,033,055	1,804,304	2,947,575	2,756,997
Special liabilities	581,252	550,086	581,252	613,151
	2,614,307	2,354,390	3,528,827	3,370,148
Shareholders' Equity				
Capital stock	1,620,247	1,620,247	2,532,212	2,532,212
Capital reserves	1,546,446	1,546,446	2,553,022	2,553,022
Income reserves	1,799,946	1,633,182	1,702,239	1,722,047
	4,966,639	4,799,875	6,787,473	6,807,281
Total Liabilities and Shareholders' Equity	8,241,991	7,815,225	10,968,708	10,919,009



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SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE QUARTER ENDED JUNE 30, 2001 and 2000

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STATEMENT OF INCOME	In Corporate Law		In Price-Level Accounting	
	2001	2000	2001	2000
Operating Revenues				
Electricity sales to final customers	1,282,534	1,114,680	1,291,393	1,259,493
Electricity sales to distributors	64,067	64,543	60,793	51,387
Use of transmission plant	27,173	15,113	27,632	16,537
Other revenues	51,581	36,955	52,587	41,449
Deductions from operating revenues	(377,765)	(330,109)	(388,253)	(373,698)
Net sales	1,047,590	901,182	1,044,152	995,168
Operating Expenses				
Personnel and pension plan	177,037	150,755	179,519	158,085
Materials and supplies	19,962	15,644	19,360	13,086
Third-party services	63,079	47,724	60,161	50,944
Electricity purchased for resale	255,779	199,730	262,769	226,298
Depreciation and amortization	132,536	128,130	204,384	190,099
Regulatory charges	99,255	72,714	100,120	80,122
Other expenses	41,978	21,765	42,505	24,209
	789,626	636,462	868,818	742,843
Operating Income	257,964	264,720	175,334	252,325
Equity in results of investees	(1,091)	1,708	(1,091)	1,904
Other income (expense)				
Financial income (expense), net	(146,916)	(2,757)	(81,983)	30,431
Nonoperating expense, net	(8,043)	(4,904)	(13,415)	(5,621)
	(154,959)	(7,661)	(95,398)	24,810
Income Before Taxes and Participation	101,914	258,767	78,845	279,039
Income tax and social contribution tax	(33,429)	(86,443)	(25,586)	(93,159)
Net Income for the Year	68,485	172,324	53,259	185,880
Net Income per Thousand Outstanding Shares at Year End	0.2503	0.6297	0.1946	0.6792

Presentation of Financial Statements:

The accompanying summarized financial statements have been prepared in accordance with the provisions set forth by the Brazilian corporate law, the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários - CVM) and specific legislation applicable to electric utilities, taking into account that (i) Law nº 9249/1995 eliminated as from January 1st, 1996, for tax and financial reporting purposes, accounting for the effects of inflation, and (ii) CVM Instruction nº 248/1996, dated March 19th, 1996, also stated that quarterly and annual financial statements should be prepared in accordance with the corporate law methods, which no longer accounts for the effects of inflation, but optionally price-level financial statements might be presented, based on the provisions set forth by the Brazilian Securities and Exchange Commission (CVM), especially CVM's Instruction nº 191/1992.

COPEL has decided to present its financial statements in price-level accounting, in accordance with the generally accepted accounting principles in Brazil and CVM standards.

These standards require that all transactions and balances recorded in a company's statutory accounts under corporate law method be monetarily restated to reflect the changes caused by inflation from the date they occurred or were generated to the latest balance sheet date.

Accordingly, all relevant nonmonetary assets and liabilities and shareholders' equity accounts and all components of the statements of income in price-level account related to 2001 and 2000 were monetarily restated to reflect the change in inflation to June 30, 2001, based on the IGP-DI index (Alternative General Price index).