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COPEL ANNOUNCES RESULTS FOR THE THIRD QUARTER OF 2001

Curitiba, Brazil, October 26, 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 up to the third quarter 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 accumulated net income up to the third quarter of 2001 amounted to R\$ 89.5 million, representing a profit of R\$ 0.3269 per lot of one thousand shares and an operating margin ("EBIT margin") of 24.4%.
- **Market Volumes:** During the first nine months of 2001, total power consumption throughout COPEL's direct distribution area amounted to 12,819 GWh, representing an increase of 3.2% as compared to the first nine months of 2000.
- **Advance Payment of Interest on Capital:** The Board of Director's meeting held on October 2001 approved the advance payment to shareholders, of an installment of the Company's interest on its own capital, in lieu of dividends, in the total amount of R\$ 80,000,528.74.
- **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 September 6, 2001, the State of Paraná published COPEL's Privatization Tender Notice and announced the minimum price for the shares being sold at auction. The privatization process timetable is on schedule, and the auction will occur on October 31, 2001 at the Rio de Janeiro Stock Exchange.

- **Global Finance Award** – The editors of Global Finance Magazine have selected COPEL as the “Best Company” in Latin America in Energy Services and Electricity sector.
- **Foz do Chopim Hydroelectric Power Plant** – Foz do Chopim Energética Ltda., in which COPEL holds a 35.7% interest, entered in operation on October 11, 2001. This new facility has 29.07 MW of installed capacity.
- **Workforce:** On September 2001, COPEL's workforce amounted to 5,869 employees, a reduction of 134 employees when compared to the end of June 2001, mainly due to a voluntary dismissal program. The consumer-employee ratio, only taking into account the employees assigned to the Distribution Subsidiary, was 722.

FINANCIAL AND OPERATING PERFORMANCE

COPEL's net income was R\$ 89.5 million for the first nine months of 2001. Net revenues reached R\$ 1.6 billion, compared to the R\$ 1.5 billion reported in same period of 2000. This 11.8% increase reflects the 17.31% increase in tariffs effective June 24th, 2001, the direct distribution market growth (3.2%) and the growth in revenues from the transmission grid.

Although the South Region was not included in the National Rationing Program, the market growth reflects a voluntary energy savings from our residential customers by the end of the third quarter.

For the period January through September, an estimated R\$ 37.5 million in short-term energy sales was accounted for through MAE (Mercado Atacadista de Energia).

At the end of September 30, 2001, total operating expenses reached R\$ 1,230 million, an 24.9% increase over the same period last year (984 million). The main reasons for this increase are:

- Personnel costs increased mainly due to the severance costs related to the voluntary dismissal plan and to the accounting of provisions for labor claims.
- The “material” account increased mainly as a result of new acquisitions of electric materials.
- The “third parties” account increased as a result of technical consulting service contracts signed with LAME (Laboratory for Materials and Structures Research) and SIMEPAR (Meteorological System of Paraná), the new billing system adopted by the company, and the increase in the call center and communication costs.
- The 39.8% increase in “electricity purchased for resale” basically reflects the exchange rate variation in this period. The energy that COPEL purchases from Itaipu is denominated in dollars.
- The increase in “charges for the use of transmission lines” reflects 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 Grid).

- The 37.5% increase in regulatory charges was mainly due to an increase in expenses related to CCC account, to cover the fossil fuel contribution costs because of the increased use of thermal plants and also due to 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 (TAR), resulting in a 50.54% increase over the previous tariff.

- Other operational expenses 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 September–December 1998), and other provisions related to long-term contingencies.

- The high increase in financial expenses, was due to the monetary variation increase, and reflects the impact of the real devaluation.

COPEL's total customers as of September 30, 2001 reached 2,920,356, a 3.5% increase when compared to the same period of the previous year.

Permanent assets increased by 3.2% in the first nine months of 2001, as a result of COPEL's capital expenditures, which amounted to R\$ 288.6 million. Of this amount, R\$ 52.3 million was invested in power generation, R\$ 81.4 million in transmission, R\$ 144.0 million in distribution and R\$ 10.9 million in other facilities.

As of September 30, 2001, COPEL's total assets were R\$ 8.5 billion. Debt amounted to R\$ 1.6 billion, with a net debt-to-equity ratio of 0.34.

Once more, these financial results reflect the impact of the Real devaluation which affected the period.

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: 6,773 km

Number of substations: 123

Transforming capacity: 18,108 MVA

Distribution

Distribution lines: 154,080 km

Number of substations: 230

Transforming capacity: 1,240 MVA

**Companhia Paranaense de Energia – COPEL
2001 Third Quarter Results**

Number of consumers: 2,920,356
DEC (outage duration by consumer/year): 9:19 hours
FEC (outage frequency by consumer/year): 8,85 outages

Administration

Number of employees: 5,869
Consumer/employee ratio in the distribution branch is 722

Financial

Book Value: R\$ 17.36/ per lot of one thousand shares
EBITDA: R\$ 607.8 million
ROE: 2.5 % per year
Liquidity: 1.23

2. CONSUMPTION BY CLASS

Class	In GWh		
	January - September		%
	2001	2000	
Residential	3,262	3,337	-2.3
Industrial	5,466	5,106	7.1
Commercial	1,994	1,904	4.7
Rural	863	845	2.1
Other	1,234	1,227	0.6
Total	12,819	12,419	3.2

3. TARIFFS (R\$/MWh)

TARIFFS	September 2001	September 2000	%
Retail	130.19	114.57	13.6
Wholesale (*)	49.90	45.91	8.7
Initial Contracts (**)	37.06	36.48	1.6
Itaipu (purchase) (***)	97.57	61.36	59.0

(*) Initial Contracts from Copel Distribuição

(**) Initial Contracts from Copel Geração

(***) Furnas transmission tariff included

3.1 RETAIL TARIFFS (R\$/MWh)

TARIFFS	September 2001	September 2000	%
Residential	194.54	166.29	17.0
Industrial	90.87	78.85	15.2
Commercial	160.41	138.04	16.2
Rural	110.76	95.68	15.8
Other	115.73	100.55	15.1
Total Retail	130.19	114.57	13.6

3.2 REVENUES BY CLASS (R\$ thousands)

Revenues	September 2001	September 2000	%
Residential	761.684	683.582	11.4
Industrial	618.395	527.834	17.2
Commercial	381.172	321.350	18.6
Rural	86.409	74.090	16.6

Companhia Paranaense de Energia – COPEL
2001 Third Quarter Results

Other classes	161.606	142.331	13.5
Sales to distributors	2.009.266	1.749.187	14.9
Supply	89.565	124.402	-27.9
Use of Transmission Lines	39.753	30.260	31.4
Other	80.177	65.177	23.0
Total	2.218.761	1.969.026	12.7

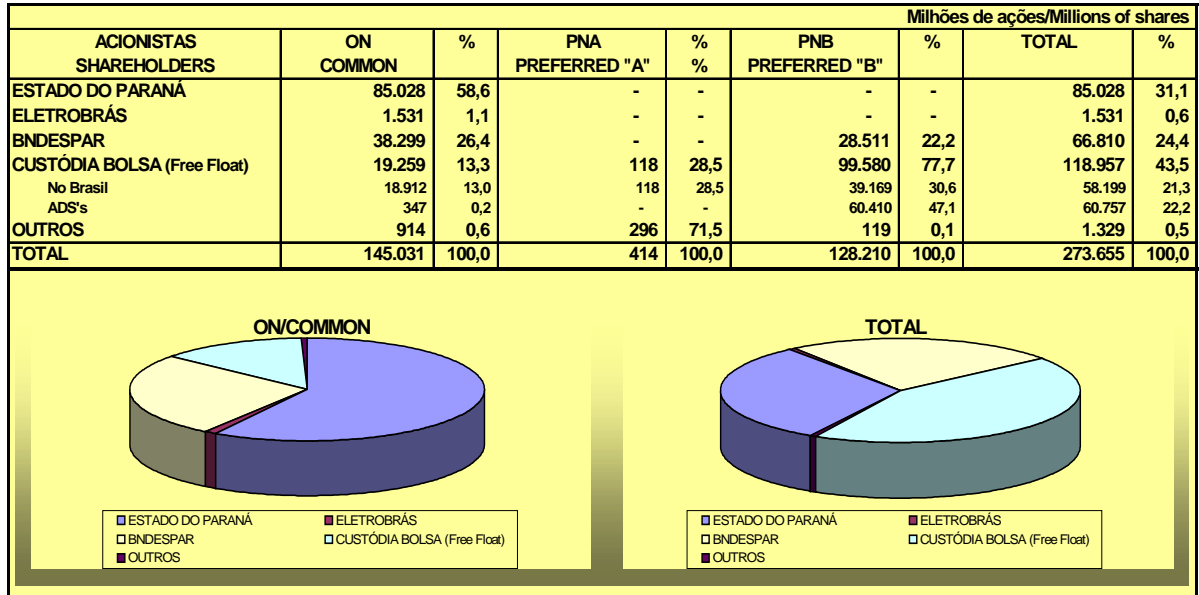
4. ENERGY FLOW (GWh)

COPEL's Total Available Power	21,924	
Own Generation	17,984	(82.0%)
Purchased Energy	3,940	(18.0%)

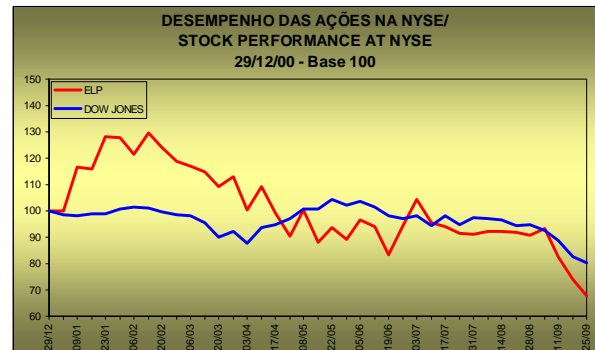
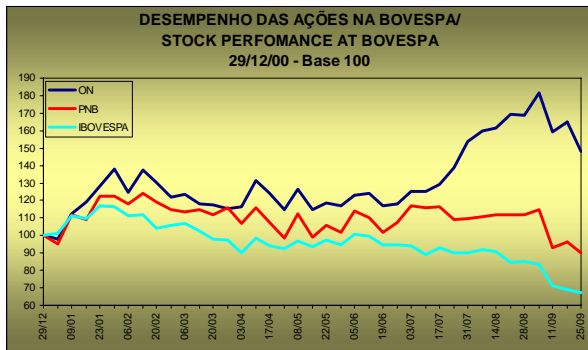
State Demand	13,154	
Retail	12,819	(97.5%)
Wholesale	334	(2.5%)

Interconnected System	6,601
Initial Supply Contracts	105
Bilateral Contracts	384
Free Customers	670
Losses	1,010

5. STOCKHOLDERS (Millions of shares)



6. STOCK PERFORMANCE



Companhia Paranaense de Energia – COPEL
2001 Third Quarter Results

7. DEBT PROFILE			
DEBT PROFILE – As of september 30, 2001			
(R\$ thousands)	SHORT-TERM	LONG -TERM	TOTAL
FOREIGN CURRENCY			
Eurobonds	16,387	400,695	417,082
IDB	26,175	197,946	224,121
National Treasury	10,020	168,948	178,968
Euro Commercial Paper	171,276	-	171,276
ELETROBRÁS	8,719	6,379	15,098
Banco do Brasil S.A	5,565	38,731	44,296
Total	238,142	812,699	1,050,841
DOMESTIC CURRENCY			
ELETROBRÁS	54,167	432,204	486,371
BNDES	4,781	15,231	20,012
FINAME	941	0	941
FINEP	4,910	4,861	9,771
Turnkey	6,788	2,648	9,436
Fundação COPEL	19,025	18,496	37,521
Other	910	3,569	4,479
Total	91,522	477,009	568,531
Total	329,664	1,289,708	1,619,372