



**FOR IMMEDIATE RELEASE**

**COPEL ANNOUNCES 2002 RESULTS**

**Curitiba, Brazil, April 7, 2003** – Companhia Paranaense de Energia – COPEL (NYSE: ELP / LATIBEX: XCOP / BOVESPA: CPLE3, CPLE5, CPLE6), a leading Brazilian utility company that generates, transmits, and distributes electric power to the State of Paraná, today announced its operating results for the full year 2002. All figures included in this report are in Reais (R\$) and were prepared in accordance with Brazilian GAAP (corporate law).

**2002 HIGHLIGHTS**

- **Net revenues rise 18% to R\$ 2.7 billion**
- **Operating results decrease 53% to R\$ 315.4 million**
- **Operating (EBIT) margin of 11.8%**
- **YTD net loss of R\$ 320 million (R\$ -1.17 per lot of 1,000 shares)**
- **YTD total power consumption throughout direct distribution area and free customers increases 2.8%**
  
- **EBITDA of R\$ 597.8 million**

**Management Commentary**

*“The Company’s bottom-line results basically reflect the effects of the exchange rate variation that occurred in 2002, the effects of the “Parcel A” write-off and the increase in power purchased for resale. With the renegotiation of the CIEN and Araucária contracts, we expect to reverse this loss in 2003.”*

Ronald Thadeu Ravedutti, CFO

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## KEY EVENTS

- **Net Income/Loss:** From January through December 2002, COPEL accumulated R\$ 320 million in losses, or R\$ -1.17 per lot of one thousand shares, with an operating margin (EBITDA margin) of 22.4 %.
- **Market Expansion:** From January through December 2002, total power consumption throughout COPEL's direct distribution area and free customers amounted to 18,551 GWh, representing an increase of 2.8% over 2001, due mostly to the significant expansion recorded by the industrial (4.1%), commercial (3.3%), and rural (6.9%) customer segments, whose power consumption bounced back in 2002 following a period of voluntary rationing in 2001.
- **Power Sales:** COPEL Generation took part in power auctions held by CESP and CPFL, where it secured the sale of 66 MW to unregulated customers and power traders. The Company also participated in the power auction held by the federal government, where it sold 50 MW at a rate of R\$ 70.00/MWh.
- **Itaipu Rate:** Under ANEEL Resolution no. 570, the rate for the transfer of Itaipu power was set at US\$ 17.5374/kW effective October 23rd, 2002 (a 13.17% reduction off the previous rate). Under ANEEL Resolution no. 803, the rate for the transfer of Itaipu power was subsequently set at US\$ 17.5553/kW, effective January 1st, 2003.
- **Latin America Loan of the Year Award:** COPEL was granted the Latin America Loan of the Year Award by IFR Magazine, on account of the successful re-negotiation, in May 2002, of its US\$ 150 million Eurobond issue.
- **Subsequent Developments:** COPEL's new Board of Officers, which took office on January 7th, 2003, is currently renegotiating the power purchase agreements with CIEN, the Araucária Thermal Power Plant, the Itiquira Power Plant, among others. The new administration has also initiated a corporate restructuring

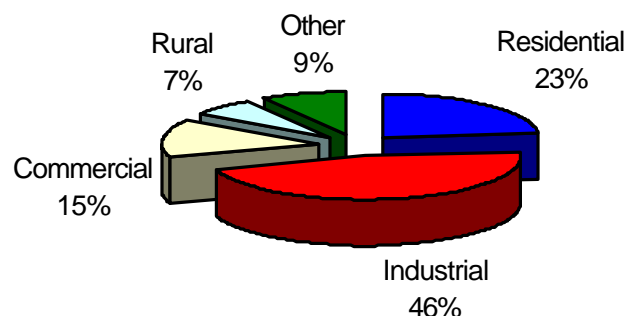
**FINANCIAL AND OPERATING PERFORMANCE**

*Market Expansion*

From January through December 2002, total power consumption throughout COPEL’s direct distribution area and free customers amounted to 18,551 GWh, representing an increase of 2.8% over the last year. This consumption growth reflects the significant expansion rates recorded by certain segments: industrial (4.1%) - mainly in the segments of metallurgy, lumber, food stuff and transportation - commercial (3.3%), and rural (6.9%) - due to enhanced crop production and new connections in the rural areas.

COPEL’s total customers as of December 31, 2002 reached 3,011,387, a 2.5% increase when compared to the previous year.

**Consumption by Class**



**CONSUMPTION BY CLASS**

In GWh

Class	2002	2001	% change
Residential	4,307	4,312	(0.1)
Industrial	8,655	8,317	4.1
Commercial	2,726	2,639	3.3
Rural	1,216	1,137	6.9
Other	1,647	1,633	0.9
<b>Total</b>	<b>18,551</b>	<b>18,038</b>	<b>2.8</b>

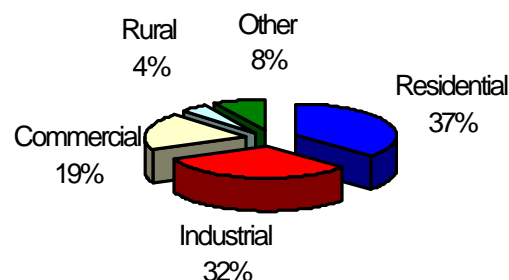
**Revenues**

Net revenues reached R\$ 2.669 billion in 2002, compared to the R\$ 2.262 billion reported in same period of 2001. This 18% increase reflects the 10.96% increase in retail tariffs effective June 24th, 2002, the 2.8% growth in consumption, and the growth in revenues from the use of assets linked to the basic network, from R\$ 52 million in 2001 to R\$ 148 million in 2002.

EBITDA reached R\$ 597.8 million, a 37.7% decrease over R\$ 959.1 in 2001.

The operating results reached R\$ 315.4 million, a 53.3% decrease over the same period last year.

**Revenues by Class**



**GROSS REVENUE**

(R\$ thousands)

Revenues	2002	2001	% change
Residential	1,221,145	1,033,854	18.1
Industrial	1,053,648	849,304	24.1
Commercial	634,945	519,213	22.3
Rural	145,872	117,070	24.6
Other classes	272,902	221,044	23.5
Supply	193,622	179,844	7.7
Use of Transmission Lines	147,875	52,103	183.8
Telecom	32,655	33,942	(3.8)
Other	59,659	71,737	(16.8)
<b>Total</b>	<b>3,762,323</b>	<b>3,078,111</b>	<b>22.2</b>

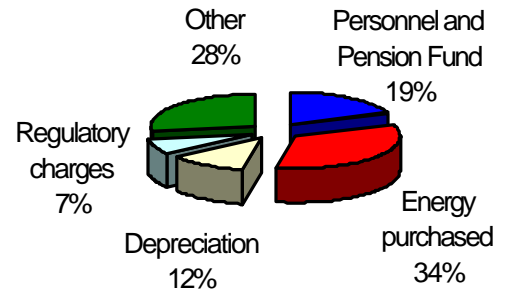
\* (with ICMS tax)

### Operating Expenses

At the end of December 30, 2002, total operating expenses reached R\$ 2.353 billion, a 48.2% increase over the same period last year (R\$ 1.587 billion). The main reasons for this increase are:

- The R\$ 88.4 million registered in pension fund expenses basically reflects, from 2002 on, the accounting of the increased provisions for liabilities, caused by actuarial computation, in accordance with Brazilian rules (CVM Resolution no. 371/2000).
- The 128.2% increase in “electricity purchased for resale” basically reflects the purchase of energy from ITAIPU and CIEN, since the energy is priced in dollars.
- The 251.6% increase in material, reflects the purchase of gas, in the amount of R\$ 28.9 million, and the capacity purchase from Araucária Thermal Plant, in the amount of R\$ 76.7 million.
- Other operating expenses increased 76.5% compared to the expenses registered in 2001. This variation occurred due to:
  - The write-off of R\$ 57.3 million regarding MAE accounts;
  - The write-off of ICMS tax credits in the amount of R\$39.6 million;
  - The provision in the amount of R\$ 72.4 million for allowance for doubtful accounts, concerning Government agencies’ power bills overdue for more than 180 days, pursuant to a directive set forth by the regulatory agency.
  - The recording of R\$ 79.6 million of ICMS credits over fixed assets.

### Expenses



<b>Operating Expenses</b>	<b>2002</b>	<b>2001</b>	<b>% change</b>
Personnel	362,368	375,659	(3.5)
Pension plan and other benefits	88,420	34,491	156.4
Materials and supplies	160,475	45,642	251.6
Third-party services	185,796	137,747	34.9
Energy purchased for resale	799,287	350,266	128.2
Transmission of electricity purchased	14,625	13,970	4.7
Use of transmission system	148,763	100,894	47.4
Depreciation and amortization	282,390	284,466	(0.7)
Regulatory charges	172,954	165,909	4.2
Other expenses	138,029	78,212	76.5
<b>Total</b>	<b>2,353,107</b>	<b>1,587,256</b>	<b>48.2</b>

### ***Financial results***

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The increase in financial expenses, compared to the 2001, reflects basically the devaluation of the Real when compared to the US dollar and the adjustment of IGM-indexed contracts, causing the Company to account for monetary variation (R\$ 505.1 million).

### ***Extraordinary Item***

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The management of the Company, conservatively, and in accordance with ANEEL's letter 155/2003, decided to write-off the "Parcel A" figures previously accounted, in the net amount of R\$ 205.4 million (R\$ 303.0 million less R\$ 97.6 million due to tax effects).

### ***Net Result***

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COPEL's net loss was R\$ 320 million for the year of 2002.

***Balance Sheet and Capex (Assets)***

As of December 31, 2002, COPEL's total assets were R\$ 8.547 billion.

The capital expenditures for 2002 amounted to R\$ 399.4 million. Of this amount, R\$ 45.7 million was invested in power generation, R\$ 51.2 million in transmission, R\$ 189.8 million in distribution, R\$ 16.9 million in telecom and R\$ 95.8 million in partnerships.

***Balance Sheet (Liabilities)***

COPEL's debt amounted to R\$ 2.214 billion, with a net debt-to-equity ratio of 46.9%.

COPEL's net equity is R\$ 4.726 billion, representing R\$ 17.27 per lot of thousand shares, and is 6.3% lower than the amount accounted on December 2001.

**DEBT PROFILE**

**R\$ 1,000**

<b>FOREIGN CURRENCY</b>	<b>Short Term</b>	<b>Long Term</b>	<b>Total</b>
EUROBONDS	8,756	529,995	538,751
BID	38,851	238,853	277,704
NATIONAL TREASURY	9,073	214,244	223,317
ELETROBRÁS	5,614	127	5,741
BANCO DO BRASIL S/A	8,263	44,209	52,472
<b>TOTAL</b>	<b>70,557</b>	<b>1,027,428</b>	<b>1,097,985</b>

<b>DOMESTIC CURRENCY</b>	<b>Short Term</b>	<b>Long Term</b>	<b>Total</b>
ELETROBRÁS	44,357	402,819	447,176
BNDES	4,976	9,813	14,789
DEBENTURES	55,161	573,683	628,844
FINEP	3,839	-	3,839
TURNKEY	2,055	6	2,061
PENSION FUND	16,143	-	16,143
OTHER	1,051	2,405	3,456
<b>TOTAL</b>	<b>127,582</b>	<b>988,726</b>	<b>1,116,308</b>

<b>TOTAL</b>	<b>198,139</b>	<b>2,016,154</b>	<b>2,214,293</b>
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**ADDITIONAL OPERATING INFORMATION**

**1. Main Operational and Financial Highlights**

(As of December 31, 2002)

**Generation**

Number of power plants: 18 (17 hydro plants and 1 thermal plant)  
Total installed capacity: 4,549.6 MW  
Number of substations: 15  
Number of automated substations: 12  
Transforming capacity: 2,244 MVA

**Transmission**

Transmission lines: 6,772 km  
Number of substations: 124  
Number of automated substations: 124  
Transforming capacity: 14,727 MVA

**Distribution**

Distribution lines: 161,037 km  
Number of substations: 226  
Transforming capacity: 1,338 MVA  
Number of consumers: 3,011,387 (free customers included)  
DEC (outage duration by consumer/year): 16:20 hours  
FEC (outage frequency by consumer/year): 15.70 outages

**Telecom**

OPGW optical cables: 2,800 km  
Self-sustained optical cables: 1,200 km  
Served cities: 60  
Number of clients: 260

**Administration**

Number of employees: 5,857  
Consumer/employee ratio in the distribution branch is 750

**Financial**

Book Value: R\$ 17.27/ per lot of one thousand shares  
EBITDA: R\$ 597.8 million  
Liquidity: 1.30



## 2. Tariffs

(R\$/MWh)			
TARIFFS	December 2002	December 2001	% change
Retail	144.55	128.37	12.6
Supply to small power utilities	55.06	49.25	11.8
Itaipu (purchase) *	124.25	82.51	50.6

(\*) Furnas transmission tariff included

### RETAIL TARIFFS (R\$/MWh)

TARIFFS	December 2002	December 2001	% change
Residential	211.64	194.46	8.8
Industrial	96.17	85.39	12.6
Commercial	179.74	158.85	13.2
Rural	129.55	110.75	17.0
Other	133.74	113.61	17.7
<b>Total Retail</b>	<b>144.55</b>	<b>128.37</b>	<b>12.6</b>

## 3. Energy Flow (GWh)

<b>Own Generation</b>	<b>19,100</b>
<b>Purchased Energy</b>	<b>9,432</b>
Itaipu	4,845
CIEN	3,725
Other	862
<b>COPEL's Total Available Power</b>	<b>28,532</b>
<b>State Demand</b>	<b>17,862</b>
Retail	17,451
Wholesale	411
<b>Initial Supply Contracts</b>	<b>140</b>
<b>Bilateral Contracts</b>	<b>679</b>
<b>Other</b>	<b>7,119</b>
<b>Free Customers</b>	<b>1,100</b>
<b>Losses</b>	<b>1,632</b>

4. Shareholder Structure (Millions of shares)

As of December 31, 2002

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
ELETOBRÁS	1.531	1,1	-	-	-	-	1.531	0,6
BNDSPAR	38.299	26,4	-	-	27.911	21,8	66.210	24,2
CUSTÓDIA BOLSA (Free Float)	19.577	13,5	123	30,2	100.170	78,1	119.870	43,8
No Brasil	19.214	13,2	123	30,2	53.359	41,6	72.696	26,6
ADS's	363	0,3	-	-	46.811	36,5	47.174	17,2
OUTROS	596	0,4	284	69,8	136	0,1	1.016	0,4
<b>TOTAL</b>	<b>145.031</b>	<b>100,0</b>	<b>407</b>	<b>100,0</b>	<b>128.217</b>	<b>100,0</b>	<b>273.655</b>	<b>100,0</b>

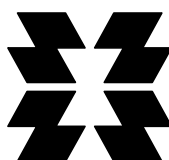
  

**ON/COMMON**

**TOTAL**

**COMPANHIA PARANAENSE DE ENERGIA**

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**COPEL**

**SUMMARIZED FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED IN 2002 AND 2001**

Translation from the original in Portuguese (amounts expressed in thousands of Brazilian Reals)

Assets	Company		Consolidated	
	2002	2001 Re-stated*	2002	2001 Re-stated*
<b>Current Assets</b>				
Cash	85,152	103,430	199,919	165,578
Customers and resale	-	-	552,854	590,891
Allowance for doubtful accounts	-	-	(36,534)	(4,369)
Other accounts receivable	54,016	37,130	7,969	26,243
Service in Progress	1,252	1,069	9,503	10,993
Recovery Rate Deficit (CRC)	-	-	43,305	36,266
Taxes and social contributions paid in advance	22,291	6,447	159,853	14,397
Materials and supplies	-	-	20,686	18,686
Deferred rate costs	-	-	46,030	90,890
Prepaid expenses and other	1,530	130	27,674	14,727
	<b>164,241</b>	<b>148,206</b>	<b>1,031,259</b>	<b>964,302</b>
<b>Long-Term assets</b>				
Customers and resale	-	-	34,752	25,598
Recoverable Rate Deficit (CRC)	-	-	866,077	700,757
Taxes and social contributions	105,879	92,459	561,057	303,749
Judicial deposits	68,758	29,804	95,559	46,570
Intercompany receivable	1,350,711	744,139	36,624	40,852
Deferred rate costs	-	-	38,102	212,077
Other non-current assets	2,859	3,270	52,006	57,641
	<b>1,528,207</b>	<b>869,672</b>	<b>1,684,177</b>	<b>1,387,244</b>
<b>Permanent</b>				
Investments	4,705,770	5,004,970	497,579	443,418
Property, plant and equipment				
In service	-	-	5,463,273	5,487,623
Construction in progress	-	-	504,303	445,395
(-) Special obligations	-	-	(633,414)	(599,417)
	-	-	<b>5,334,162</b>	<b>5,333,601</b>
	<b>4,705,770</b>	<b>5,004,970</b>	<b>5,831,741</b>	<b>5,777,019</b>
<b>Total Assets</b>	<b>6,398,218</b>	<b>6,022,848</b>	<b>8,547,177</b>	<b>8,128,565</b>

\* Certain accounts in 2001 were restated in order to provide compatibility with the Company's updated accounting classification system.

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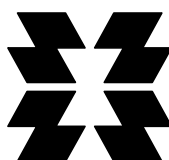
**SUMMARIZED FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED IN 2002 AND 2001**

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

	Company		Consolidated	
	2002	2001 Re-stated	2002	2001 Re-stated
<b>LIABILITIES AND SHAREHOLDERS'S EQUITY</b>				
<b>Current Liabilities</b>				
Loans and financing	17,829	163,629	142,978	290,182
Debentures	55,161	-	55,161	-
Suppliers	364	478	248,882	270,844
Taxes and social contribution	47,450	34,949	160,618	157,640
Dividends proposed	643	56,080	643	56,080
Accrued payroll costs	191	3,043	45,129	62,031
Regulatory charges	-	-	39,279	33,786
Pension plan and other post-retirement benefits	-	-	67,445	38,147
Customers and other current liabilities	138	79	34,614	31,936
	<b>121,776</b>	<b>258,258</b>	<b>794,749</b>	<b>940,646</b>
<b>Long-Term Liabilities</b>				
Loans and financing	744,239	493,107	1,442,471	1,154,454
Debentures	573,683	-	573,683	-
Suppliers	-	-	6,326	-
Pension plan and other post-retirement benefits	-	-	595,905	635,865
Taxes and other social contributions	-	-	12,955	-
Provisions for contingencies	232,446	226,086	392,041	348,379
Other liabilities	-	-	2,973	3,824
	<b>1,550,368</b>	<b>719,193</b>	<b>3,026,354</b>	<b>2,142,522</b>
<b>Shareholders's Equity</b>				
Capital stock	2,900,000	1,620,247	2,900,000	1,620,247
Capital reserves	817,288	1,548,328	817,288	1,548,328
Income reserves	1,008,786	1,876,822	1,008,786	1,876,822
	<b>4,726,074</b>	<b>5,045,397</b>	<b>4,726,074</b>	<b>5,045,397</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>6,398,218</b>	<b>6,022,848</b>	<b>8,547,177</b>	<b>8,128,565</b>

**COMPANHIA PARANAENSE DE ENERGIA**

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**INCOME STATEMENT**  
**FOR THE YEAR ENDED IN 2002 AND 2001**  
 Translation from the original in Portuguese (amounts expressed in thousands of Brazilian Reais)

	Company		Consolidated	
	2002	2001 Re-stated	2002	2001 Re-stated
<b>Operating Revenues</b>				
Electricity sales to final customers	-	1,282,534	3,328,512	2,740,485
Electricity sales to distributors	-	33,505	193,622	179,844
Use of transmission plant	-	27,173	147,875	52,103
Telecom revenues	-	14,989	32,655	33,942
Other revenues	-	36,592	59,659	71,737
	-	<b>1,394,793</b>	<b>3,762,323</b>	<b>3,078,111</b>
<b>Deductions from Operating Revenues</b>	-	<b>(371,317)</b>	<b>(1,093,772)</b>	<b>(816,209)</b>
<b>Net Operating Revenues</b>	-	<b>1,023,476</b>	<b>2,668,551</b>	<b>2,261,902</b>
<b>Operating Expenses</b>				
Personnel	3,342	163,882	362,368	375,659
Pension Plan and other post-retirement benefits	-	15,281	88,420	34,491
Materials and supplies	3	19,971	160,475	45,642
Third-party services	4,233	64,496	185,796	137,747
Electricity purchased for resale	-	152,437	799,287	350,266
Transmission of electricity purchased	-	6,794	14,625	13,970
Use of transmission system	-	59,529	148,763	100,894
Depreciation and amortization	-	132,536	282,390	284,466
Regulatory Charges	-	64,747	172,954	165,909
Other expenses	1,695	39,459	138,029	78,212
	<b>9,273</b>	<b>719,132</b>	<b>2,353,107</b>	<b>1,587,256</b>
<b>Gross Profit from energy services</b>	<b>(9,273)</b>	<b>304,344</b>	<b>315,444</b>	<b>674,646</b>
<b>Equity in results of investees</b>	<b>(101,517)</b>	<b>278,976</b>	<b>(29,522)</b>	<b>26,722</b>
<b>Financial Income</b>				
Income on temporary cash investments	40,698	122,894	349,330	217,469
Interests and commissions	(31,660)	(205,861)	(768,615)	(291,199)
	<b>9,038</b>	<b>(82,967)</b>	<b>(419,285)</b>	<b>(73,730)</b>
<b>Operating Income/Loss</b>	<b>(101,752)</b>	<b>500,353</b>	<b>(133,363)</b>	<b>627,638</b>
Non-operating results	(27)	(8,270)	(22,411)	(5,805)
<b>Income/Loss before taxes and</b>				
<b>Extraordinary item</b>	<b>(101,779)</b>	<b>492,083</b>	<b>(155,774)</b>	<b>621,833</b>
Income tax	(9,466)	(10,246)	25,558	(102,025)
Social Contribution	(3,362)	(6,527)	15,609	(44,498)
	<b>(12,828)</b>	<b>(16,773)</b>	<b>41,167</b>	<b>(146,523)</b>
<b>Earnings/Losses before</b>				
<b>extraordinary item</b>	<b>(114,607)</b>	<b>475,310</b>	<b>(114,607)</b>	<b>475,310</b>
<b>Earnings/Losses per thousand outstanding shares</b>				
<b>before extraordinary item</b>	<b>(0.4188)</b>	<b>1.7369</b>	<b>(0.4188)</b>	<b>1.7369</b>
Extraordinary item, free from fiscal events (note 12)	(58,421)	-	(205,412)	-
Shareholder's equity - extraordinary item	(146,991)	-	-	-
	<b>(205,412)</b>	<b>-</b>	<b>(205,412)</b>	<b>-</b>
<b>Earnings/Losses per thousand outstanding shares</b>				
<b>after extraordinary item</b>	<b>(320,019)</b>	<b>475,310</b>	<b>(320,019)</b>	<b>475,310</b>
<b>Earnings/Losses per thousand outstanding shares</b>				
<b>after extraordinary item</b>	<b>(1.1694)</b>	<b>1.7369</b>	<b>(1.1694)</b>	<b>1.7369</b>

**COMPANHIA PARANAENSE DE ENERGIA**

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**WHOLLY-OWNED SUBSIDIARIES SUMMARIZED FINANCIAL STATEMENTS  
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2002**

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

ASSETS	GER	TRA	DIS	TELECOM	PAR
					<i>"Pro-forma"</i>
<b>Current Assets</b>					
Cash and cash equivalents	7,785	60,708	41,868	2,957	1,449
Customers and resale (net)	207,857	38,866	474,314	-	-
Other accounts receivable	735	282	3,378	2,908	3,031
Service in progress	4,823	544	2,597	-	287
Recoverable rate deficit (CRC)	-	-	43,305	-	-
Taxes and other contributions paid in advance	28,847	7,251	127,256	2,190	1,271
Materials and supplies	-	10,465	8,347	1,874	-
Deferred rate costs	-	-	46,030	-	-
Prepaid expenses and other	14,972	2,744	7,832	480	116
	<b>265,019</b>	<b>120,860</b>	<b>754,927</b>	<b>10,409</b>	<b>6,154</b>
<b>Long-Term Assets</b>					
Customers and resale	30,325	-	4,427	-	-
Recoverable Rate Deficit (CRC)	-	-	866,077	-	-
Taxes and social contributions	60,507	40,212	342,022	9,350	3,087
Judicial deposits	2,950	6,946	16,837	68	-
Intercompany receivable	129,957	16,130	-	-	-
Deferred rate costs	-	-	38,102	-	-
Other noncurrent assets	148	5,839	43,156	4	-
	<b>223,887</b>	<b>69,127</b>	<b>1,310,621</b>	<b>9,422</b>	<b>3,087</b>
<b>Permanent</b>					
Investments	6,045	2,313	479	-	444,814
Property, plant, and equipment	3,173,425	919,120	1,733,608	141,135	288
( - ) Special obligations	-	(7,139)	(626,275)	-	-
	<b>3,179,470</b>	<b>914,294</b>	<b>1,107,812</b>	<b>141,135</b>	<b>445,102</b>
<b>Total Assets</b>	<b>3,668,376</b>	<b>1,104,281</b>	<b>3,173,360</b>	<b>160,966</b>	<b>454,343</b>

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>GER</b>	<b>TRA</b>	<b>DIS</b>	<b>TELECOM</b>	<b>PAR</b>
					<i>"Pro-forma"</i>
<b>Current Liabilities</b>					
Loans and financing	86,372	20,385	36,221	-	-
Debenture	-	-	48,199	-	-
Suppliers	31,329	2,768	420,798	616	4
Taxes and social contributions	1,832	16,714	122,860	966	49
Dividends proposed	-	41,467	-	2,689	9,860
Accrued payroll costs	8,241	7,408	26,524	2,373	392
Regulatory charges	11,765	586	26,914	14	-
Pension plan and other post-retirement benefits	14,387	12,570	36,543	3,859	86
Customers and other liabilities	955	742	32,878	33	1
	<b>154,881</b>	<b>102,640</b>	<b>750,937</b>	<b>10,550</b>	<b>10,392</b>
<b>Long-Term Liabilities</b>					
Loans and financing	1,101,688	155,285	185,498	-	-
Debenture	-	-	473,683	-	-
Pension plan and other post-retirement benefits	114,511	105,751	352,609	21,995	1,039
Taxes and social contributions	-	-	12,955	-	-
Intercompany payable	-	-	30,941	19,140	126,095
Provision for contingencies and other liabilities	21,272	18,672	119,303	348	-
Suppliers and other accounts payable	686	1	8,612	-	-
	<b>1,238,157</b>	<b>279,709</b>	<b>1,183,601</b>	<b>41,483</b>	<b>127,134</b>
<b>Shareholders' Equity</b>					
Capital stock	2,338,932	751,989	1,607,168	120,650	330,718
Capital reserve	-	-	-	697	-
Income reserve	42,046	-	-	-	24,128
Accrued loss	(105,640)	(30,057)	(368,346)	(12,414)	(38,029)
	<b>2,275,338</b>	<b>721,932</b>	<b>1,238,822</b>	<b>108,933</b>	<b>316,817</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>3,668,376</b>	<b>1,104,281</b>	<b>3,173,360</b>	<b>160,966</b>	<b>454,343</b>

**STATEMENT OF INCOME**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2002**  
Translation from the original in Portuguese (amounts expressed in thousands of Brazilian Reais)

	GER	TRA	DIS	TELECOM	PAR
<b>Operating Revenues</b>					<i>"Pro-forma"</i>
Electricity sales to final customers	14,784	-	3,316,180	-	-
Electricity sales to distributors	805,811	-	157,674	-	-
Use of transmission plant	-	299,940	354	-	-
Telecom revenues	-	-	-	61,081	-
Equity in results of investees	-	-	-	-	(34,330)
Other revenues	12,789	3,107	44,695	54	-
Deductions from operating revenues	(57,751)	(17,637)	(1,010,492)	(7,892)	(188)
<b>Net Sales</b>	<b>775,633</b>	<b>285,410</b>	<b>2,508,411</b>	<b>53,243</b>	<b>(34,518)</b>
<b>Operating Expenses</b>					
Personnel, pension plan, and other benefits	79,539	66,673	279,513	18,853	2,868
Materials, supplies, and third-party services	173,429	14,952	176,290	7,135	2,558
Electricity purchased for resale	20,892	-	1,548,258	-	-
Charges from the use of transmission plant	14,869	-	300,939	-	-
Depreciation and amortization	100,285	34,055	130,245	17,761	44
Regulatory charges and other expenses	123,327	10,518	173,443	2,609	(1,074)
	<b>512,341</b>	<b>126,198</b>	<b>2,608,688</b>	<b>46,358</b>	<b>4,396</b>
<b>Activities Income</b>	<b>263,292</b>	<b>159,212</b>	<b>(100,277)</b>	<b>6,885</b>	<b>(38,914)</b>
<b>Financial Result</b>					
Financial income	17,155	5,141	289,613	646	254
Financial expense	(428,416)	(52,236)	(254,640)	(424)	(419)
	<b>(411,261)</b>	<b>(47,095)</b>	<b>34,973</b>	<b>222</b>	<b>(165)</b>
<b>Operating Income</b>	<b>(147,969)</b>	<b>112,117</b>	<b>(65,304)</b>	<b>7,107</b>	<b>(39,079)</b>
<b>Non-operating expense (net)</b>	<b>(8,090)</b>	<b>(3,637)</b>	<b>(9,672)</b>	<b>(118)</b>	<b>(867)</b>
<b>Income/Loss Before Taxes and Participation</b>					
<b>Extraordinary</b>	<b>(156,059)</b>	<b>108,480</b>	<b>(74,976)</b>	<b>6,989</b>	<b>(39,946)</b>
Income tax and social contribution tax	50,419	(21,542)	24,425	(1,224)	1,917
<b>Income/Loss Before Extraordinary</b>					
<b>Item</b>	<b>(105,640)</b>	<b>86,938</b>	<b>(50,551)</b>	<b>5,765</b>	<b>(38,029)</b>
<b>Extraordinary item, net from fiscal effects</b>	-	-	(146,991)	-	-
<b>Net Income/Loss for the period</b>	<b>(105,640)</b>	<b>86,938</b>	<b>(197,542)</b>	<b>5,765</b>	<b>(38,029)</b>