



FOR IMMEDIATE RELEASE

COPEL ANNOUNCES FIRST HALF 2003 RESULTS

Curitiba, Brazil, August 19, 2003 – Companhia Paranaense de Energia – COPEL (NYSE: ELP / LATIBEX: XCOP / BOVESPA: CPL3, CPL6), 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 2003. All figures included in this report are in Reais (R\$) and were prepared in accordance with Brazilian GAAP (Corporate Law).

HIGHLIGHTS

- **Net revenues were R\$ 1,397.1 million, an increase of 11.7% compared to the first half 2002**
- **Operating income was R\$ 416.0 million**
- **YTD net profit of R\$ 266.1 million (R\$0.97 per lot of 1,000 shares)**
- **YTD total power consumption in COPEL's direct distribution area and free customers increases 0.7%**
- **EBITDA of R\$ 359.9 million**

Management Commentary

"The Company's bottom-line results reflect Management's decision, based on legal opinion, to stop making provisions regarding the Araucária Power Purchase Contract. Copel also wrote off the values provisioned from this contract in the first quarter 2003.

These earnings also reflect the agreement signed with CIEN, which resulted in a net amount of R\$ 246 million in operating results before taxes.

In addition, the financial results were impacted by the dollar devaluation."

Ronald Thadeu Ravedutti, CFO

Contacts in Brazil

Ricardo Portugal Alves
011-5541-331-4311
ricardo.portugal@copel.com
Solange Maueler
011-5541-331-4359
solange@copel.com

Contacts in New York

Lauren Puffer
646-284-9426
lpuffer@hfgcg.com
Isabel Vieira
646-284-9432
ivieira@hfgcg.com

KEY EVENTS

- **Net Income/Loss:** From January through June 2003, COPEL recorded net income of R\$ 266.1 million, or R\$ 0.97 per lot of 1,000 shares.

- **Market Expansion:** In the first six months of 2003, total power consumption throughout COPEL's direct distribution area, including consumption by unregulated customers, amounted to 9,279 GWh, representing an increase of 0.7% over the first half of 2002, due mostly to the significant expansion rates recorded by the commercial (4.6%) and rural (2.8%) customer segments.

- **Supply Rates:** Under ANEEL Resolution no. 284, dated June 23, 2003 and effective on June 24th, COPEL Distribution was granted an average rate increase of up to 25.27%. The higher rates, however, will only apply overdue customers at this time.

- **Corporate restructuring:** On June 30, 2003, COPEL's Board of Officers approved the Company's new structure. To become effective, the plan must still be approved by the Board of Directors and also at a Special Shareholders' Meeting.

- **Renegotiation of agreements:** The new management has begun the renegotiation of some power purchase agreements, particularly those with Itiquira, CIEN and the Araucária Thermal Power Plant.

- **Itiquira Agreement:** On July 30, 2003, COPEL concluded the renegotiation of its power purchase agreement with the Itiquira Hydroelectric Power Plant, signed in 1999.

The facility, located in the State of Mato Grosso and owned by Tosli Acquisitions, a company controlled by NRG Energy from the U.S., began operations in October 2002 with 156 MW of installed capacity and an average 107 MW of assured energy.

The new terms of the agreement are favorable for COPEL. The main changes are:

a) the price for Itiquira power was cut by approximately 20%;

b) pending bills since January 2003 were renegotiated so COPEL will only have to pay one-third of the outstanding amounts;

c) COPEL will now be entitled to 107MW/year of assured energy from Itiquira for 11 years.

- **CIEN Agreement:** In December 1999, the Company had signed two power purchase agreements (for 400 MW each) with Argentina's CIEN. On May 1, 2002, CIEN's first supply line (400 MW) began commercial operation. The second line, which should supply COPEL with an additional 400 MW, became operational on August 1, 2002. Since January 2003, COPEL's new management team has withheld payments under these contracts and began renegotiating them.

On August 18, 2003, COPEL and CIEN signed an agreement resulting from the renegotiation of the power purchased contracts.

The main stipulations of the agreement are:

a) 50% of each contract (400 MW) shall remain in effect until December 2009;

**Companhia Paranaense de Energia – COPEL
First Half 2003 Results**

b) the agreement cancels the bills that were not paid from 2002 and 2003. No claims will be accepted;

c) power rates shall be set in the Brazilian currency, including transport fees;

d) the new contract shall be established in terms that might be approved by ANEEL;

e) COPEL disbursements in 2003 for the purchase of 400 MW is estimated at R\$312 million, of which R\$ 249 million is for purchased of energy and R\$ 63 million is for contract charges and guarantees;

f) the reversal carried out by COPEL in the first half of 2003 has resulted in a net amount of R\$ 246 million before taxes. This total reflects the reversals of amounts recorded in 2002 and in the first half of 2003 under the line item "purchase of firm capacity" plus the cost of the related power transmission;

g) The amount recorded as "purchase of firm capacity" is thereby reduced to R\$ 107.6 million, which corresponds to R\$197.5 million (50% of the yearly power cost) less the amount of R\$ 89.9 million accounted under the same line item in 2002; and

h) the terms of this settlement shall be reassessed by the parties in October 2005.

- Araucária Thermal Power Plant: In May 2000, COPEL signed a power capacity purchase agreement with the Araucária Thermal Power Plant for 485 MW. In January 2003, the Company started renegotiating it. However, negotiations were suspended as UEG Araucária notified COPEL of its appeal for arbitration to the Chamber of International Trade in Paris. To safeguard its rights,

COPEL filed for an injunction asking for the suspension of the arbitration procedures, which was granted by a court of law in Paraná.

UEG Araucária then filed an appeal to nullify the injunction obtained by COPEL. On June 25, 2003, the Paraná Supreme Court upheld the injunction granted to COPEL.

This injunction relieves COPEL of the duty to submit a defense before the French court in order to avoid being declared in default on account of its suspending payments to UEG Araucária. In the meantime, the Brazilian courts will review the Company's request for nullification of the contractual provision establishing that any pending issues between the parties should be submitted to an arbitration chamber in Paris.

Based on outside legal counsel, COPEL decided to stop accruing amounts in connection with Araucária capacity and to reverse, in the second quarter of 2003, the provisions that had already been made (R\$ 70.4 million).

- Subsequent Events: the Company is hedging its Eurobond debt in the amount of US\$ 150 million due on May 2, 2005.

This operation consists of exchanging exposure to the U.S. dollar exchange rate for exposure to domestic currency variations; 100% of the exchange rate variation will be replaced by a percentage of the interbank deposit rate.

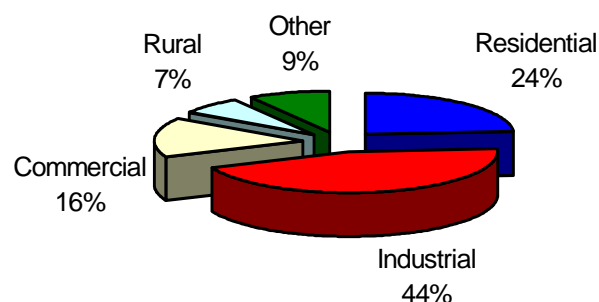
FINANCIAL AND OPERATING PERFORMANCE

Market Expansion

From January through June 2003, total power consumption throughout COPEL’s direct distribution area and free customers amounted to 9,279 GWh, representing an increase of 0.7% over the same period last year. This consumption growth reflects the significant expansion rates recorded in some segments: commercial (4.6%) -- caused by the establishment of several hypermarkets throughout the State and rural (2.8%) -- due to bigger crop production and new connections in the rural class. Industrial class decreased due to the loss of large customers as a result of economic factors.

COPEL’s total customers as of June 30, 2003 reached 3,053,761 - a 2.8% increase when compared to the same period of the previous year.

Consumption by Class



CONSUMPTION BY CLASS

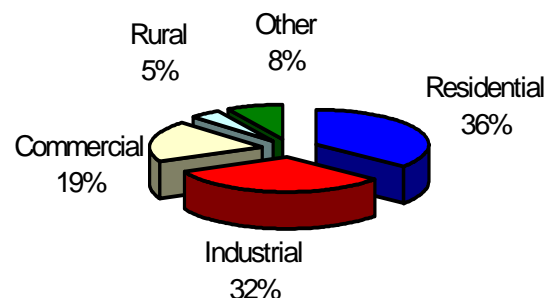
In GWh

Classe	1H 2003	1H 2002	%
Residential	2,204	2,166	1.7
Industrial	3,535	3,698	(4.4)
Commercial	1,442	1,378	4.6
Rural	635	618	2.8
Other	836	815	2.6
Subtotal	8,652	8,676	(0.3)
Free customers out of the State of Paraná (industrial)	627	543	15.5
Total	9,279	9,219	0.7

Revenues

Net revenues reached R\$ 1,397.1 million, compared to the R\$ 1,251.0 million reported in same period of 2002. This 11.7% growth reflects the 10.96% increase in retail tariffs effective June 24, 2002 and the 0.7% growth in consumption.

Revenues by Class



GROSS REVENUE

(R\$ thousands)

Revenues	1H2003	1H2002	% change
Residential	653,392	575,237	13.6
Industrial	587,956	474,727	23.9
Commercial	353,463	300,085	17.8
Rural	82,358	69,083	19.2
Other classes	147,599	124,410	18.6
Total Retail	1,824,768	1,543,543	18.2
Supply	87,902	99,540	(11.7)
Use of Transmission Lines	42,945	55,842	(23.1)
Telecom	15,984	17,508	(8.7)
Other	36,522	30,474	19.8
Total	2,008,121	1,746,907	15.0

(with ICMS tax)

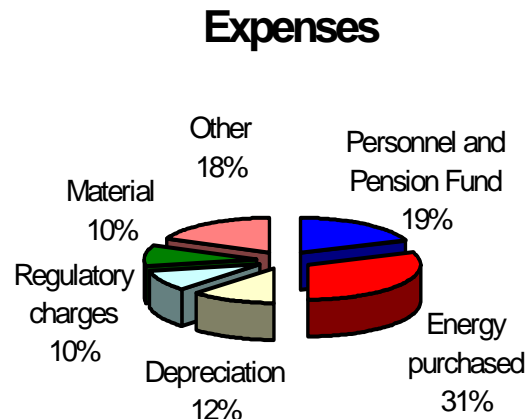
Expenses

At the end of June 30, 2003, total operating expenses reached R\$ 1,182.3 million, a 33.9% increase over the same period of last year (R\$882.7 million). The main reasons for this increase are:

- The 13.7% increase in “personnel” and “pension funds” expenses basically reflecting the payroll adjustment that occurred in October 2002 (9%) and the accounting provisions for labor suits.
- The increase in material that reflects the purchase of gas in the amount of R\$ 87.5 million. Based on outside legal counsel, COPEL decided to stop accruing amounts in connection with Araucária capacity and to reverse, in the second quarter, the provisions that had already been made (R\$ 70.4 million).
- The 37.2% increase in “electricity purchased for resale” mainly reflects the purchase of energy from ITAIPU (R\$ 194.1 million) and from CIEN (R\$ 107.6 million), since the energy is priced in dollars.

The reversal carried out by COPEL in the first half of 2003 has resulted in a net amount of R\$ 246 million before taxes. This total reflects the reversals of amounts recorded in 2002 and in the first half of 2003 under the line item "purchase of firm capacity" plus the cost of the related power transmission.

- The 23.0% increase in “charges for the use of transmission lines” was due to the tariff readjustment granted under Aneel Resolution no. 358, dated June 28, 2002 for the use of the power transmission facilities within the Basic Network of the Interconnected System.
- The increase in “regulatory charges” which accounted for: CCC (R\$73.6 million), Compensation for the use of water resources (R\$ 24.8 million), Aneel taxes (R\$ 3.3 million) and CDE quote (R\$ 12.6 million).



Companhia Paranaense de Energia – COPEL
First Half 2003 Results

- Other operating expenses reached R\$49.7 million. This increase, if compared to the first semester 2002, is mainly due to:
- The increase in insurance costs mainly from the Araucária power plant in the amount of R\$ 13.3 million;
 - The provision for allowance for doubtful accounts with amounted to R\$ 18.4 million;
 - The recovery of expenses was R\$ 6.5 million higher than in the first semester 2002.

R\$ thousands

Operating Expenses	1H2003	1H2002	% change
Personnel	173,710	141,579	22.7
Pension plan and other benefits	52,076	56,990	(8.6)
Materials and supplies	113,970	20,687	450.9
Third-party services	76,895	73,296	4.9
Energy purchased for resale	365,595	266,453	37.2
Transmission of electricity purchased	8,743	7,146	22.3
Use of transmission system	82,234	66,830	23.0
Depreciation and amortization	145,113	140,783	3.1
Regulatory charges	114,290	81,105	40.9
Other expenses	49,651	27,801	78.6
Total	1,182,277	882,670	33.9

EBITDA

EBITDA reached R\$ 359.9 million, a 29.3% decrease compared to the R\$ 509.1 million reported in the first half of 2002.

Financial Results

The increase in financial results, compared to the first half of 2002, mainly reflects the appreciation of the Real when compared to the US dollar (18.7% accrued from January to June 2003).

Operating Results

The operating results reached R\$ 416.0 million, a 170.3% increase over the same period of last year.

Net Result

COPEL's net income was R\$ 266.1 million for the first half of 2003, mostly due to the write off of Araucária and CIEN provisions and the positive financial results from the real appreciation.

Balance Sheet and Capex (Assets)

As of June 30, 2003, COPEL's total assets were R\$ 8,812.5 million.

Capital expenditures for the first half of 2003 amounted to R\$ 123.3 million. Of this amount, R\$ 4.9 million was invested in power generation, R\$ 23.7 million in transmission, R\$ 62.5 million in distribution, R\$ 5.7 million in telecom and R\$ 26.5 million in partnerships.

Balance Sheet (Liabilities)

COPEL's debt amounted to R\$ 1,954.3 million, with a net debt-to-equity ratio of 39.1%.

COPEL's net equity is R\$ 4,992.2 million, representing R\$ 18.24 per lot of 1,000 shares, and is 2.8% lower than the amount accounted for on June 2002.

DEBT PROFILE

R\$ 1,000

FOREIGN CURRENCY	Short Term	Long Term	Total
EUROBONDS	6.884	430.800	437.684
BID	31.059	186.224	217.283
NATIONAL TREASURY	11.659	167.378	179.037
ELETROBRÁS	4	86	90
BANCO DO BRASIL S/A	6.606	32.646	39.252
TOTAL	56.212	817.134	873.346

DOMESTIC CURRENCY	Short Term	Long Term	Total
ELETROBRÁS	41.752	386.819	428.571
BNDES	5.092	7.549	12.641
DEBENTURES	32.073	596.600	628.673
FINEP	1.317	-	1.317
TURNKEY	782	-	782
PENSION FUND	6.058	-	6.058
OTHER	1.124	1.744	2.868
TOTAL	88.198	992.712	1.080.910

TOTAL	144.410	1.809.846	1.954.256
--------------	----------------	------------------	------------------

ADDITIONAL OPERATING INFORMATION

1. Operational and Financial Highlights

(As of June 30, 2003)

Generation

Number of power plants: 18 (17 hydroplants and 1 thermal plant)
Total installed capacity: 4,550 MW
Number of automated power plants: 10
Number of step up substations: 12
Number of automated step up substations: 10
Transforming capacity: 5,004 MVA

Transmission

Transmission lines: 6,818 km
Number of substations: 124
Number of automated substations: 124
Transforming capacity: 14,727 MVA

Distribution

Distribution lines: 163,892 km
Number of substations: 226
Number of automated substations: 143
Transforming capacity: 1,333 MVA
Number of consumers: 3,053,761
DEC (outage duration by consumer): 7:12 hours
FEC (outage frequency by consumer): 6.82 outages

Telecom

OPGW optical cables: 2,800 km
Self-sustained optical cables: 1,200 km
Served cities: 65
Number of clients: 147

Administration

Number of employees: 5,841
Consumer/employee ratio in the distribution branch is 762

Financial

Book Value: R\$ 18.24/ per lot of one thousand shares
EBITDA: R\$ 359.9 million
Liquidity: 1.19

2. Tariffs

TARIFFS	(R\$/MWh)		
	June 2003	June 2002	% change
Retail	147.19	130.51	12.8
Supply to small power utilities	68.19	55.46	23.0
Itaipu (purchase) *	91.77	103.69	(11.5)

(*) Furnas transmission tariff included

RETAIL TARIFFS (R\$/MWh)

TARIFFS	June 2003	June 2002	% change
Residential	205.94	194.41	5.9
Industrial	109.23	90.44	20.8
Commercial	175.96	160.69	9.5
Rural	124.20	111.68	11.2
Other	129.73	118.27	9.7
Total Retail	147.19	130.51	12.8

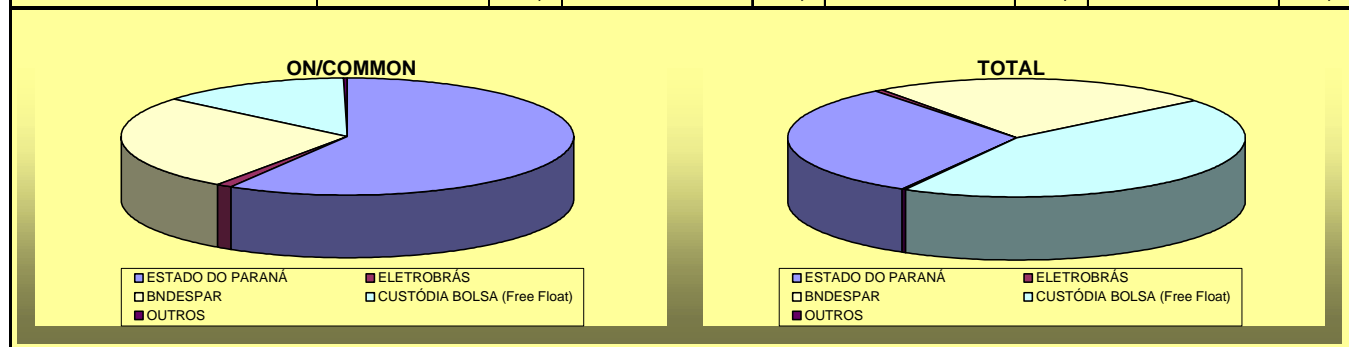
3. Energy Flow (GWh)

Own Generation	9,470
Purchased Energy	5,007
Itaipu	2,762
Ande	177
CIEN	1,694
Other	444
COPEL's Total Available Power	14,547
State Demand	8,883
Retail	8,652
Wholesale	231
Free Customers	627
Initial Supply Contracts	53
Bilateral Contracts	1,177
Other	3,000
Losses	807

4. Shareholder Structure (Millions of shares)

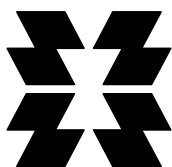
As of June 30, 2003

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	-	-	28.211	22,0	66.510	24,3
CUSTÓDIA BOLSA (Free Float)	19.575	13,5	122	30,0	99.858	77,9	119.555	43,7
No Brasil	19.218	13,3	122	30,0	53.241	41,5	72.581	26,5
ADS's	358	0,2	-	-	46.617	36,4	46.975	17,2
OUTROS	597	0,4	285	70,0	148	0,1	1.030	0,4
TOTAL	145.030	100,0	407	100,0	128.217	100,0	273.654	100,0



COMPANHIA PARANAENSE DE ENERGIA

CNPJ 76.483.817/0001-20
 Companhia de Capital Aberto - CVM 1431-1
 www.copel.com copel@copel.com

**COPEL****FINANCIAL STATEMENTS**

As of June 30, 2003 and 2002

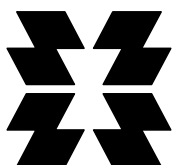
(Amounts expressed in thousands of Brazilian reais)

ASSETS

	Company			Consolidated		
	30/06/2003	31/03/2003	30/06/2002	30/06/2003	31/03/2003	30/06/2002
Current Assets						
Cash	18,137	21,654	341,870	366,028	229,703	539,428
Customers and resale	-	-	-	630,512	625,031	747,233
Allowances for doubtful accounts	-	-	-	(57,133)	(40,487)	(10,671)
Other accounts receivable, net	54,016	54,016	9,860	13,071	12,849	7,836
Service in progress	1,251	1,252	1,546	3,438	3,518	12,282
Recoverable Rate Deficit (CRC)	-	-	-	81,978	63,990	70,326
Taxes and social contributions paid in advance	3,291	22,530	8,879	65,149	157,203	13,911
Material and supplies	-	-	-	16,438	16,401	20,089
Deferred rate costs	-	-	-	-	3,964	12,620
Payments in advance	-	-	-	989	9,464	805
Other credits, net	2,577	2,050	1,600	15,711	16,049	22,017
	79,272	101,502	363,755	1,136,181	1,097,685	1,435,876
Long-Term Assets						
Customers and resale	-	-	-	63,465	28,343	13,205
Recoverable Rate Deficit (crc)	-	-	-	897,190	908,858	721,684
Taxes and social Contributions	129,124	107,034	118,707	549,477	584,151	416,483
Judicial Deposits	73,236	72,219	48,158	105,792	101,561	66,982
Intercompany receivable	1,259,543	1,358,346	948,921	36,733	36,668	36,033
Deferred rate costs	-	-	-	177,056	120,395	302,967
Other credits	2,060	2,465	3,513	58,723	61,162	63,103
	1,463,963	1,540,064	1,119,299	1,888,436	1,841,138	1,620,457
Permanent						
Investments	4,976,043	4,692,489	5,105,261	529,739	524,504	500,112
Property, plant, and equipment						
In service	-	-	-	5,442,321	5,436,581	5,442,205
Constructions in progress	-	-	-	473,172	503,726	452,387
(-) Special Obligations	-	-	-	(657,312)	(641,845)	(615,280)
	4,976,043	4,692,489	5,105,261	5,787,920	5,822,966	5,779,424
Total Assets	6,519,278	6,334,055	6,588,315	8,812,537	8,761,789	8,835,757

COMPANHIA PARANAENSE DE ENERGIA

CNPJ 76.483.817/0001-20
 Companhia de Capital Aberto - CVM 1431-1
 www.copel.com copel@copel.com

**COPEL**

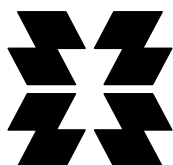
FINANCIAL STATEMENTS
As of June 30, 2003 and 2002
 (Amounts expressed in thousands of Brazilian reais)

LIABILITIES AND SHAREHOLDERS'S EQUITY

	Company			Consolidated		
	30/06/2003	31/03/2003	30/06/2002	30/06/2003	31/03/2003	30/06/2002
Current Liabilities						
Loans and Financing	18,543	31,857	13,174	112,337	139,138	149,757
Debentures	32,073	7,159	25,342	32,073	7,159	25,342
Suppliers	555	495	706	417,737	549,222	320,935
Taxes and social contributions	45,884	45,859	40,151	172,541	165,948	158,416
Interest on own capital	638	638	649	638	638	649
Accrued payroll costs	192	197	3,387	56,158	46,184	52,747
Pension plan and other post-retirement benefits	-	-	-	76,793	74,133	34,690
Regulatory Charges	-	-	-	60,509	44,839	27,275
Customers and other current liabilities	114	114	116	29,769	28,545	36,584
	97,999	86,319	83,525	958,555	1,055,806	806,395
Long-Term Liabilities						
Loans and Financing	598,178	706,283	602,368	1,213,246	1,366,763	1,269,030
Debentures	596,600	597,471	508,910	596,600	597,471	508,910
Suppliers	-	-	-	889	-	-
Pension plan and other post-retirement benefits	-	-	-	585,408	588,655	639,954
Taxes and social contributions	-	-	32,573	60,199	40,934	125,335
Provisions for contingencies	234,279	233,429	227,160	405,418	398,634	349,381
Regulatory Charges	-	-	-	-	2,973	2,973
	1,429,057	1,537,183	1,371,011	2,861,760	2,995,430	2,895,583
Shareholders' Equity						
Capital stock	2,900,000	2,900,000	1,620,247	2,900,000	2,900,000	1,620,247
Capital reserves	817,292	817,292	1,548,328	817,292	817,292	1,548,328
Income reserves	1,274,930	993,261	1,965,204	1,274,930	993,261	1,965,204
	4,992,222	4,710,553	5,133,779	4,992,222	4,710,553	5,133,779
Total Liabilities and Shareholders' Equity	6,519,278	6,334,055	6,588,315	8,812,537	8,761,789	8,835,757

COMPANHIA PARANAENSE DE ENERGIA

CNPJ 76.483.817/0001-20
 Companhia de Capital Aberto - CVM 1431-1
 www.copel.com copel@copel.com


COPEL

Income Statement
As of June 30, 2003 and 2002
 (Amounts expressed in thousands of Brazilian reais)

	Company			Consolidated		
	30/06/2003	31/03/2003	30/06/2002	30/06/2003	31/03/2003	30/06/2002
Operating Revenues						
Electricity sales to final customers	-	-	-	1,824,768	911,534	1,543,543
Electricity sales to distributors	-	-	-	87,902	43,860	99,540
Use of transmission plant	-	-	-	42,945	26,425	55,842
Telecom revenues	-	-	-	15,984	7,840	17,508
Other revenues	-	-	-	36,522	21,790	30,474
	-	-	-	2,008,121	1,011,449	1,746,907
Deductions from Operating Revenues	-	-	-	(611,035)	(297,693)	(495,942)
Net Operating Revenues	-	-	-	1,397,086	713,756	1,250,965
Operating Expenses						
Personnel	1,266	650	1,639	173,710	84,363	141,579
Pension plan and other post-retirement benefits	20	-	-	52,076	25,913	56,990
Materials and supplies	1	1	3	113,970	127,487	20,687
Third-party services	50	37	3,014	76,895	38,277	73,296
Electricity purchased for resale	-	-	-	365,595	309,771	266,453
Transmission of electricity purchased	-	-	-	8,743	4,132	7,146
Use of transmission system	-	-	-	82,234	51,696	66,830
Depreciation and amortization	-	-	-	145,113	72,734	140,783
Regulatory charges	-	-	-	114,290	57,236	81,105
Other expenses	220	237	15	49,651	18,729	27,801
	1,557	925	4,671	1,182,277	790,338	882,670
Gross Profit from Energy Services	(1,557)	(925)	(4,671)	214,809	(76,582)	368,295
Equity in results of investees	270,330	(13,283)	99,785	8,134	10,100	(4,168)
Financial Income						
Income of temporary cash investments	9,555	5,184	14,465	157,335	93,571	93,030
Interest and commissions	(14,313)	(7,642)	(14,866)	35,696	(47,081)	(303,289)
	(4,758)	(2,458)	(401)	193,031	46,490	(210,259)
Operating Income/Loss	264,015	(16,666)	94,713	415,974	(19,992)	153,868
Non-operating results	(24)	(14)	(7)	(2,974)	(1,500)	(16,275)
Income/Loss before taxes	263,991	(16,680)	94,706	413,000	(21,492)	137,593
Income tax	1,583	849	(5,784)	(107,960)	4,396	(36,012)
Social Contribution	570	306	(540)	(38,896)	1,571	(13,199)
	2,153	1,155	(6,324)	(146,856)	5,967	(49,211)
Earnings/Losses	266,144	(15,525)	88,382	266,144	(15,525)	88,382
Earnings/Losses per thousand outstanding shares	0.9726	(0.0567)	0.3230	0.9726	(0.0567)	0.3230