



# 4Q17 Results

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04.17.2018

*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. The 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.*

## Main Achievements in 2017

- ✓ Transparency in Corporate Reports - The Top 100 Companies and Top 10 Banks
- ✓ 1st Regional Center - United Nations Global Compact – SDGs UN
- ✓ 150 Best Companies to Work for in Brazil – *Guia Você S/A*
- ✓ Best in Management Award – *Fundação Nacional da Qualidade* (FNQ)
- ✓ Abradee Award – The Best DisCo from Brazil
- ✓ CIER Award – The best DisCo from LATAM

## Investment Program

Business	Carried 2017	Schedule 2018 <sup>1</sup>
<b>Generation</b>	<b>1,071.9</b>	<b>1,168.3</b>
HPP Colíder	159.6	98.7
HPP Baixo Iguaçu <sup>1</sup>	249.7	71.7
Cutia Empreendimentos Eólicos	566.0	888.5
Other	96.7	109.4
<b>Transmission</b>	<b>565.4</b>	<b>463.9</b>
TL Araraquara / Taubaté	141.0	40.4
TL Curitiba Leste / Blumenau	47.9	281.8
Mata de Santa Genebra Transmissão <sup>2</sup>	210.9	-
Cantareira Transmissora <sup>2</sup>	35.2	14.8
Other	130.4	126.9
<b>Distribution</b>	<b>630.4</b>	<b>790.0</b>
<b>Telecommunication</b>	<b>241.1</b>	<b>340.2</b>
<b>Other<sup>3</sup></b>	<b>-</b>	<b>166.3</b>
<b>TOTAL</b>	<b>2,508.8</b>	<b>2,928.6</b>

<sup>1</sup> Capital budget originally approved by the Board of Directors. These values do not consider

<sup>2</sup> Regarding the participation of Copel in Enterprises.

<sup>3</sup> Includes Paraná Gás, Voltaia São Miguel do Gostoso I Participações among other.

## Commercial Start-up

- ✓ **TL Foz do Chopim – Realeza (100% Copel)**
- ✓ APR of R\$ 7.2 million
- ✓ **TL Assis – Londrina (100% Copel)**
- ✓ APR of R\$ 18.9 million
- ✓ **SPC Paranaíba (24.5% Copel)**
- ✓ APR de R\$ 30.1<sup>1</sup> million
- ✓ **SPC Cantareira (49% Copel)**
- ✓ APR of R\$ 47.6<sup>1</sup> million

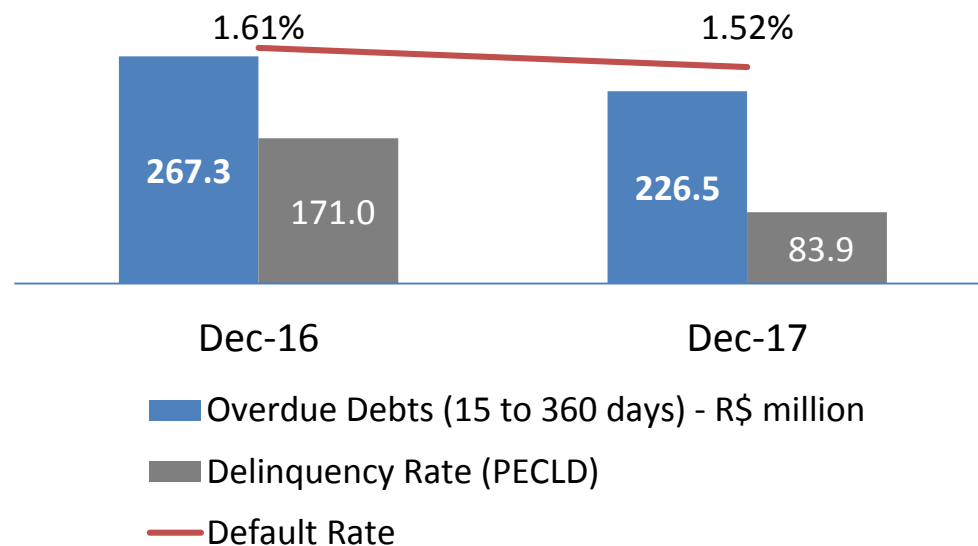
<sup>1</sup> Adjusted by Copel's stake.

## Market Growth – Copel Distribuição

	Brazil	South	Copel Grid Market
2017	+0.8%	+3.0%	+3.4%
4Q17	+2.3%	+4.0%	+4.8%

Source: EPE – Monthly Market Review

## Default and PECLD Rates – Copel Distribuição



## UEG Araucária

- ✓ Restatement of the Financial Statements for 2016
- ✓ Provision of R\$136.9 million;
- ✓ Restatement of R\$28.8 million from current assets to non-current assets;

## Impairment - Provision (Reversal)

Assets	4Q17	2017
Compagas	(128)	(124)
HPP Colíder	44	88
TPP Figueira	34	18
Cutia Wind Complex	15	8
Other	10	(44)
TPP Araucária	-	(69)
<b>Total of Impairment / (reversal)</b>	<b>(26)</b>	<b>(123)</b>

R\$ million

	4Q17	4Q16	Var. %	2017	2016	Var. %
Operating Income	3,911	3,297	18.6	14,025	13,102	7.0
Operating Costs and Expenses	3,618	3,396	6.5	11,985	11,279	6.3
EBITDA	522	125	317.6	2,879	2,752	4.6
Net Income	160	(271)	-	1,118	790	41.6

## Main Factors

- ✓ Net Operating Revenue was impacted, among others, by the 5% growth in Copel Distribuição's grid market, Copel Comercialização's operations and TPP Araucária's dispatch;
- ✓ Operating Costs and Expenses were mainly affected by the GSF and the record of R\$271 million in provisions for litigation, partially offset by a 5% reduction in PMSO (R\$38.5 million);
- ✓ EBITDA in 4Q17 increased 318% compared to 4Q16, due to the R\$567 million in impairment in 4Q16;

## Breakdown EBITDA

R\$ million

Subsidiary	4Q17	4Q16	Var.%	2017	2016	Var.%
Copel GeT	118	(101)	-	1,633	1,976	(17.4)
Copel Dis	111	98	13.4	573	117	391.7
Copel Telecom	24	25	(2.5)	134	118	13.4
Other/Elimination	269	103	160.7	539	542	-
<b>Consolidated</b>	<b>522</b>	<b>125</b>	<b>317.6</b>	<b>2,879</b>	<b>2,752</b>	<b>4.6</b>
<b>Ebitda Margin</b>	<b>13%</b>	<b>4%</b>	<b>252.1</b>	<b>21%</b>	<b>21%</b>	<b>(2.3)</b>

### Main Factors

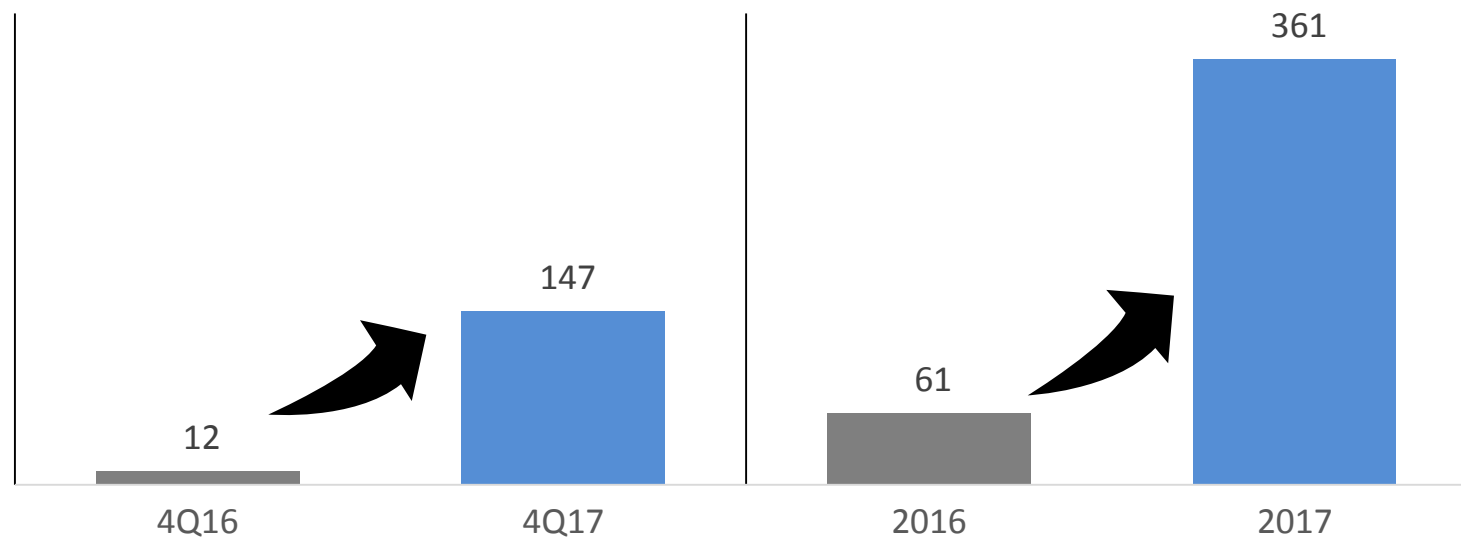
- ✓ Copel GeT's EBITDA of R\$118 million, impacted by the effects of the GSF and PLD, and by the provisions of R\$185 million;
- ✓ Copel Distribuição's EBITDA increased by 13%, totaling R\$111 million in 4Q17, reflecting the growth of the grid market by 5% and a 6.5% reduction in manageable costs, partially offset by provision of R\$80 million vs. R\$9 million in 4Q16;
- ✓ Copel Telecom's EBITDA reduction of 3% due to higher costs with third-party services;
- ✓ Compagas' EBITDA totaled R\$122 million, due the R\$128 million of impairment's reversion and the dispatch of TPP Araucária.

## Adjusted EBITDA - Copel GeT

R\$ million

Copel GeT	4Q17	4Q16	Var.%	2017	2016	Var.%
EBITDA reported	118	(101)	-	1,633	1,976	(17.4)
(-)/+ Remeasurement of financial assets RBSE	-	(38)	-	(183)	(810)	(77.4)
(-)/+ Provision for litigation	93	-	-	93	-	-
(-)/+ Provision for Impairment	102	444	(76.9)	12	458	(97.4)
(-)/+ Provision for impairment of UEG Araucária Investment	3	82	(96.1)	3	82	(96.1)
<b>Adjusted EBITDA</b>	<b>317</b>	<b>387</b>	<b>(18.2)</b>	<b>1,558</b>	<b>1,707</b>	<b>(8.7)</b>

## Energy Purchase Cost Impacted by GSF and PLD

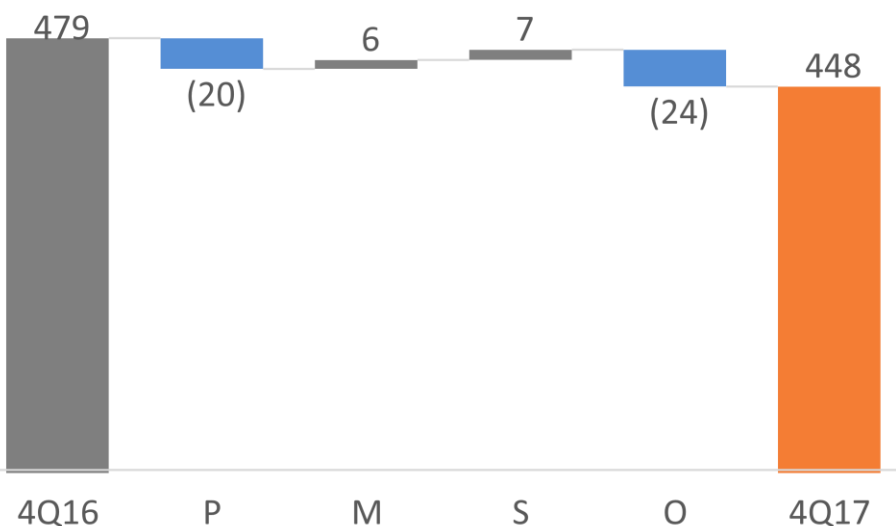


## Adjusted EBITDA - Copel Distribuição

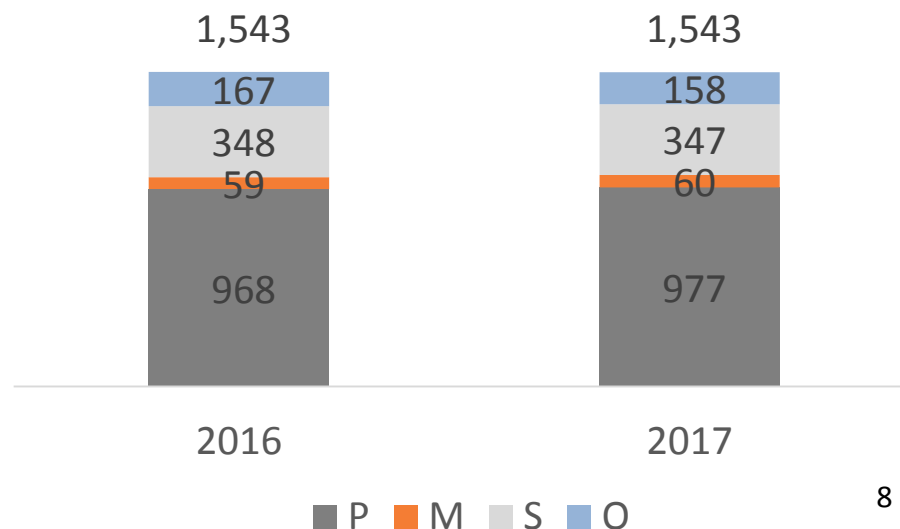
R\$ million

Copel Dis	4Q17	4Q16	Var.%	2017	2016	Var.%
EBITDA Reported	111	98	13.4	573	117	391.7
+ Allowance for doubtful accounts	6	40	(85.7)	41	130	(68.7)
- Reversal of provision for litigation	(5)	-	-	(8)	62	-
+ Provisions for litigation	31	-	-	31	-	-
<b>Total</b>	<b>143</b>	<b>138</b>	<b>3.7</b>	<b>637</b>	<b>309</b>	<b>106.2</b>

### 7% reduction in Manageable Costs in 4Q17



### Maintenance of Manageable Costs in 2017



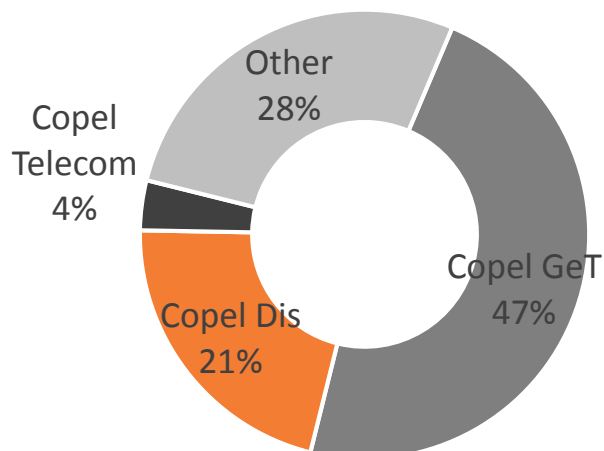


## Breakdown Adjusted EBITDA<sup>1</sup>

R\$ million

Subsidiary	4Q17	4Q16	Var.%	2017	2016	Var.%
Copel GeT	317	387	(18.2)	1,557	1,707	(8.8)
Copel Dis	143	138	3.7	637	309	106.2
Copel Telecom	24	25	(2.5)	134	118	13.4
Other/Elimination	183	83	120.4	435	267	62.8
<b>Consolidated</b>	<b>666</b>	<b>633</b>	<b>5.4</b>	<b>2,763</b>	<b>2,401</b>	<b>15.1</b>
<b>Ebitda Margin</b>	<b>17%</b>	<b>19%</b>	<b>(11.2)</b>	<b>20%</b>	<b>18%</b>	<b>7.5</b>

## Breakdown Adjusted EBITDA<sup>1</sup>



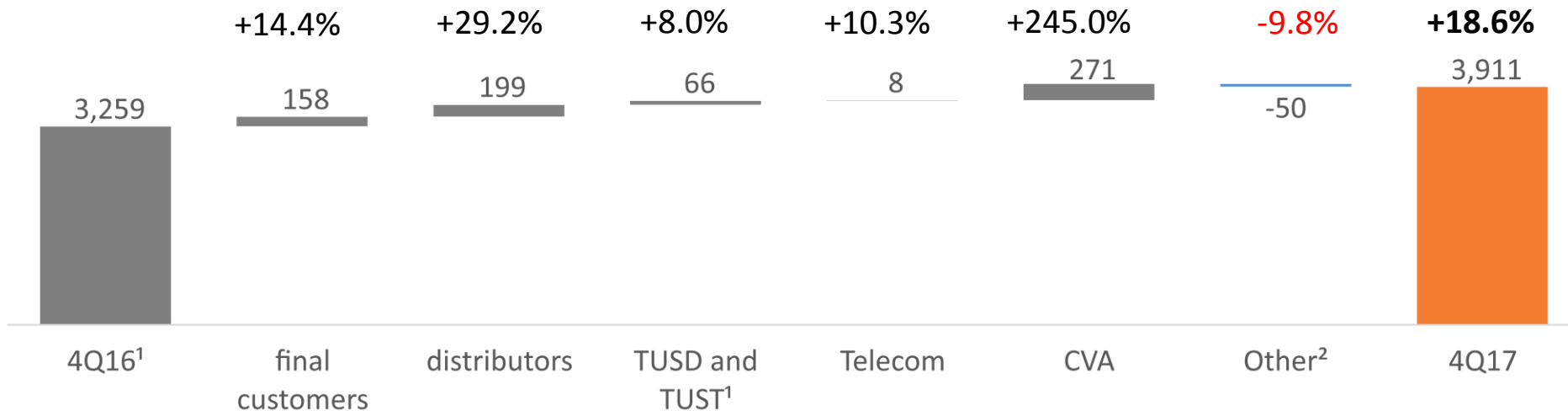
## EBITDA<sup>1</sup> Margin by Subsidiary (%)

	4Q17		
	GeT	Distribuição	Telecom
	38.4	5.7	23.9

<sup>1</sup>Consolidated EBITDA adjusted for the non-recurring events identified in Copel Distribuição and Copel GeT, according to previous slides and by: 4Q17 - provision for civil litigation registered at the Holding (R\$ 112 million) and reversal of provision and impairment at Compagas (R\$161 million); 2017 - provision for civil litigation (R\$114 million) and reversal of impairment at Compagas (R\$115 million).

## 19% Increase in Recurring Operating Revenue in the Quarter

R\$ million



- ✓ TPP Araucária's Dispatch;
- ✓ Adjustment of the energy tariff (TE) by 10%;
- ✓ Growth of 4% in total volume of energy sold;
- ✓ Growth of 5% in the grid market;
- ✓ Expansion of Telecom's customer base;
- ✓ Increase in PLD and GSF;

\* Amounts subject to rounding..

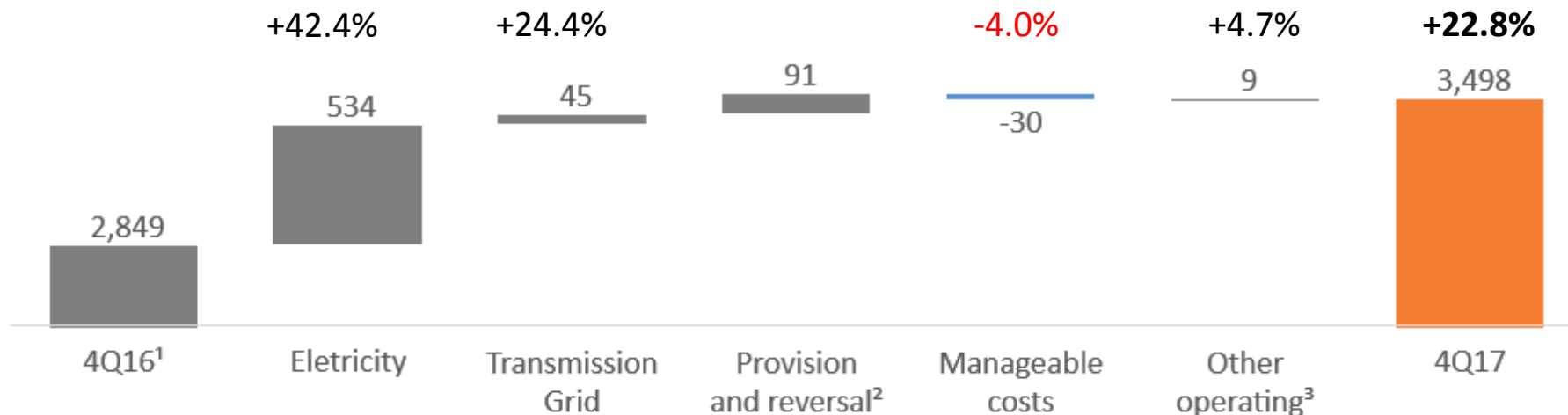
<sup>1</sup> Adjusted by positive effect of R\$38.3 million related to the re-measurement of RBSE in 4Q16.

<sup>2</sup> Considers construction revenue, fair value of the concession's assets, distribution of piped gas, and other operating revenues.

# Operating Costs and Expenses

R\$ million

## Recurring Operating Costs and Expenses of 19% in the quarter



### ✓ Hydrological Risk;

- ✓ GSF 69.3% (4Q17) vs. 88.3% (4Q16);

### ✓ PLD increased;

- ✓ R\$ 398.09/MWh (4Q17) vs. R\$ 162.82/MWh (4Q16);

- ✓ Adjustment of TUST and Itaipu's energy transmission tariff;

- ✓ Reduction of 281 employees in 2017;

\* Amounts subject to rounding.

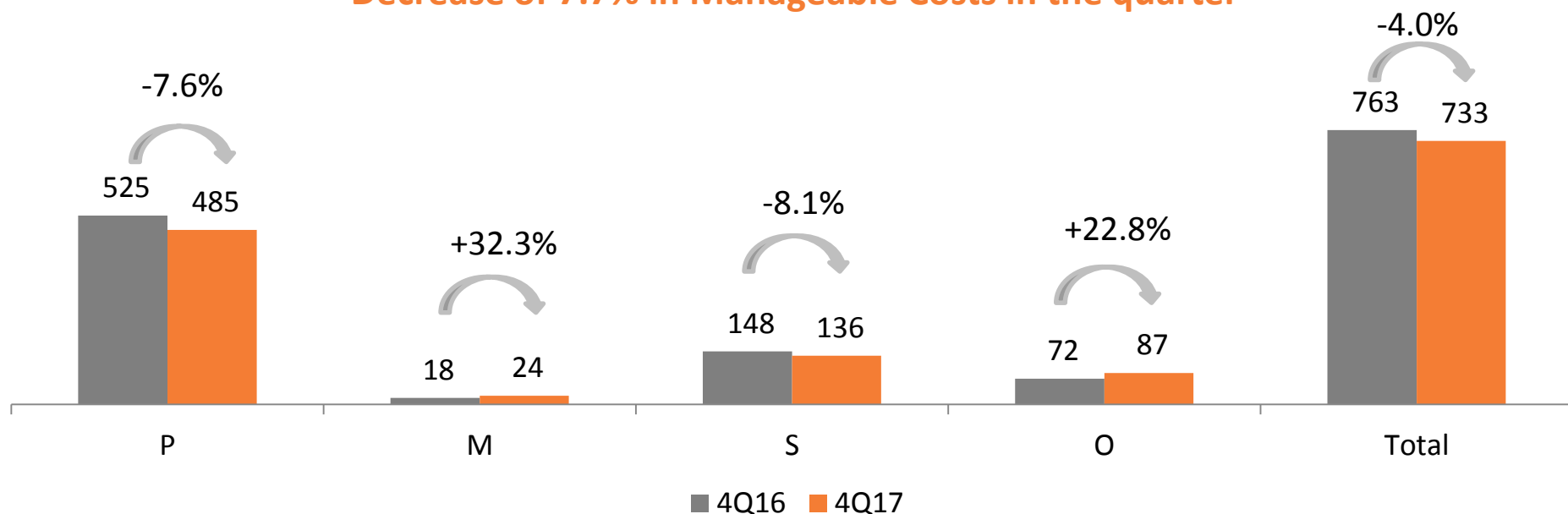
<sup>1</sup> Recurring cost adjusted by the negative impact of R\$598.8 million referring to the impairment and PECLD above the tariff coverage, and by the positive impacts of R\$38.3 million referring to RBSE remeasurement and R\$52.1 million referring to Sanepar.

<sup>2</sup> Adjusted for the negative impact of R\$172.7 million referring to provisions for litigation, PECLD above the tariff coverage and reversal of impairment in 4Q17 and the negative effect of R\$598.8 million referring to the provision for impairment and PECLD above coverage in 4Q16.

<sup>3</sup> Considers the cost of raw materials and inputs for the production of energy, natural gas and inputs for gas operation, depreciation and amortization, construction costs, costs of using water resources and inspection fees.

## Decrease of 7.7% in Manageable Costs in the quarter

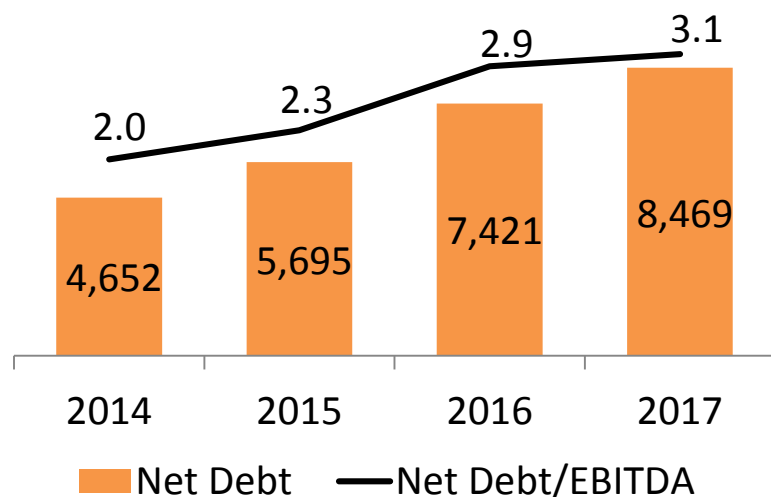
R\$ million



- ✓ 8% drop in personnel and managers;
- ✓ Salary Adjustment of 1.6% in October/17;
- ✓ Reduction of 281 employees in the last 12 months;
- ✓ Policy of not filling job vacancies;
- ✓ Inflation last 12 months of 2.94%;
- ✓ Review of third-party service contracts;

## Net Debt/EBITDA

R\$ million



## Debt Composition by Index

Index	Amount (R\$ milhões)	Part. %
CDI	7,042	71.6
TJLP	1,808	18.4
IPCA	546	5.6
Dollar	89	0.9
Other	346	3.5
Total	9,831	-

D/E (%)  
63.3%

Duration (years)  
4.3

Average Cost (weighted)  
8.7%

- ✓ EBITDA 12 months does not consider Equity in the Earnings of Subsidiaries;
- ✓ Growth of R\$1.0 billion in net debt (Dec.17 vs. Dec.16);
- ✓ Increase of R\$126 million in EBITDA 12 months;
- ✓ Renegotiation of covenant clause - does not consider guarantees and endorsements.

## Breakdown Net Income

R\$ million

Subsidiary	4Q17	4Q16	Var.%	2017	2016	Var.%
Copel GeT	84	(226)	(137)	739	822	(10)
Copel Dis	86	50	73	347	(180)	(292)
Copel Telecom	8	20	(59)	54	58	(7)
Other/Elimination	(18)	(114)	(84)	(22)	90	(125)
<b>Consolidated</b>	<b>160</b>	<b>(271)</b>	<b>(159)</b>	<b>1,118</b>	<b>790</b>	<b>42</b>
<b>Net Margin</b>	<b>4%</b>	<b>-8%</b>	<b>(150)</b>	<b>8%</b>	<b>6%</b>	<b>32</b>

## Net Margin by Subsidiary (%) – 4Q17

## Proposed Distribution of Dividends<sup>1</sup>

GeT	Distribuição	Telecom
10.2	3.3	8.1

IOC  
R\$ 266  
million

Dividends  
R\$ 23.4  
million

Total  
R\$ 289.4  
million

<sup>1</sup> to be deliberated in AGM



## Relações com Investidores

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