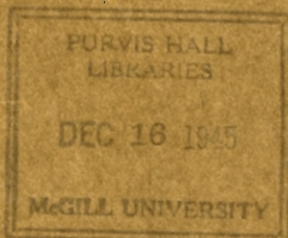


**BRAZILIAN
TRACTION
LIGHT AND POWER
COMPANY
LIMITED**

**TWENTY-FOURTH ANNUAL REPORT
FOR THE YEAR ENDED
31ST DECEMBER 1936**



Brazilian Traction, Light and Power Company, Limited.

(Incorporated under the Laws of the Dominion of Canada.)

AUTHORIZED SHARE CAPITAL.

ORDINARY SHARES	7,600,000 shares of No Par Value, subject to increase up to a total of 7,933,333 shares of No Par Value by conversion of Preference Shares.
PREFERENCE SHARES	100,000 shares of the Par Value of \$100 each, convertible into Ordinary Shares of No Par Value on the basis of 3 Preference Shares for 10 Ordinary Shares. (Approximately 96% of these shares have been converted at the date of this report.)

Board of Directors.

MILLER LASH, K.C., *President.*

E. R. WOOD, *Vice-President.*

H. MALCOLM HUBBARD, *Vice-President.*

WALTER GOW, K.C., *Vice-President.*

SIR ALEXANDER MACKENZIE, K.B.E.

RIGHT HON. SIR THOMAS WHITE, G.C.M.G.

SIR JOHN AIRD.

C. D. MAGEE.

R. C. BROWN, *Vice-President.*

A. W. K. BILLINGS, *Vice-President.*

H. H. COUZENS, *Vice-President.*

D. B. HANNA.

J. W. MCCONNELL.

A. P. HOYT.

S. G. CROWELL.

Secretary and Treasurer.

A. W. ADAMS.

Assistant Secretaries.

D. H. CROMAR.

W. D. HOOPER.

Bankers.

THE CANADIAN BANK OF COMMERCE,
TORONTO, NEW YORK AND LONDON.

THE BANK OF SCOTLAND,
EDINBURGH AND LONDON.

LEOYDS BANK LIMITED, LONDON.

Solicitors.

BLAKE, LASH, ANGLIN & CASSELS, TORONTO.

Auditors.

CLARKSON, GORDON, DILWORTH & NASH, TORONTO.

Offices.

HEAD OFFICE 25 KING STREET WEST, TORONTO 2, CANADA.

LONDON AGENTS CANADIAN & GENERAL FINANCE CO., LIMITED,
3 LONDON WALL BUILDINGS, E.C. 2.

Brazilian Traction, Light and Power Company, Limited.

TWENTY-FOURTH ANNUAL REPORT
 OF THE
 BOARD OF DIRECTORS TO THE SHAREHOLDERS
 For the Year ended 31st December, 1936.

THE Board of Directors beg to submit their Twenty-fourth Annual Report and Accounts, together with a report by the President on the enterprises in Brazil.

The revenue of the Company resulting from the year's operations was as follows:

Revenue under contracts with Operating Companies - - - -	\$6,446,979.39	
Interest on Investments and other Miscellaneous Income - - -	189,395.29	
		\$6,636,374.68
General and Administration Expenses - - - - -		392,486.49
Net Revenue - - - - -		\$6,243,888.19
Four Quarterly Dividends on Preference Shares - - - - -	\$ 23,604.00	
Dividends on Ordinary Shares:		
30 cents per share paid 15th July, 1936 (the first cash dividend since 1st March, 1932) - - - - -	\$2,106,497.64	
40 cents per share declared December, 1936, payable 30th January, 1937 - - - - -	2,809,088.87	4,915,586.51
Balance - - - - -		\$1,304,697.68

The net revenue shown in the above statement (less the dividends paid on the preference shares), is equivalent to

approximately 88½ cents per share on the outstanding ordinary share capital at the end of the year.

The following comparative statement shows the combined earnings and charges of the operating companies and of this Company, and the resulting net income of this Company for the past four years.

EXCLUDING INTER-COMPANY ITEMS.	Year ended 31st December			
	1933.	1934.	1935.	1936.
Gross Earnings from Operation - - - -	\$28,469,704	\$30,692,415	\$30,221,757	\$32,197,610
Miscellaneous Revenue of Operating Companies - - - - -	426,827	539,166	357,637	196,070
Total Revenue of Operating Companies -	\$28,896,531	\$31,231,581	\$30,579,394	\$32,393,680
Less: Operating Expenses - - - - -	\$12,973,647	\$14,616,593	\$14,144,485	\$14,507,503
Charge for Depreciation and Renewals - - - - -	7,720,803	8,067,847	8,008,054	8,286,742
Bond Interest - - - - -	3,335,902	3,435,104	2,000,103	1,984,786
Sinking Funds and other Charges -	907,776	884,102	674,406	667,670
Provision for General Amortization -			500,000	500,000
Total Charges of Operating Companies -	\$24,938,128	\$27,003,646	\$25,327,048	\$25,946,701
Balance being Revenue to Brazilian Traction, Light & Power Company, Limited -	\$ 3,958,403	\$ 4,227,935	\$ 5,252,346	\$ 6,446,979
Interest on Temporary Investments - -	\$ 70,032	\$ 63,209	\$ 77,419	\$ 96,978
Miscellaneous Income - - - - -	190,178	191,065	211,987	92,417
	\$ 260,210	\$ 254,274	\$ 289,406	\$ 189,395
Gross Revenue, Brazilian Traction, Light & Power Company, Limited - - - -	\$ 4,218,613	\$ 4,482,209	\$ 5,541,752	\$ 6,636,374
General and Administration Expenses - -	\$ 339,658	\$ 346,710	\$ 331,514	\$ 392,486
Provision for General Amortization - -	450,000	500,000		
Total Charges, Brazilian Traction, Light & Power Company, Limited - - - -	\$ 789,658	\$ 846,710	\$ 331,514	\$ 392,486
Net Revenue, Brazilian Traction, Light & Power Company, Limited - - - -	\$ 3,428,955	\$ 3,635,499	\$ 5,210,238	\$ 6,243,888

As will be seen by reference to the statistics appended to this report increases in the volume of business were again recorded during 1936 in all services of the operating companies. As in the preceding two years the earnings were affected by the reduced

temporary rates in certain of the services referred to in previous reports.

There was no change of importance during the year in the exchange regulations as described in last year's report and general control of exchange was continued through the Bank of Brazil with restrictions as to the buying of exchange in quantities.

There was a slight improvement during 1936 in the exchange value of the milreis quoted on the free market, the rates on such market at the close of the year for sight drafts on New York and London being respectively 5.95 cents and 2-29/32d. as compared with 5.48 cents and 2-43/64d. at the close of 1935. There has been a further improvement thus far in 1937.

All payments have been punctually made to date under the agreement dated 29th June, 1933, referred to in previous reports, between the Bank of Brazil on behalf of the Government and N. M. Rothschild & Sons, providing for the liquidation in sterling by monthly instalments over six years, of certain milreis accumulations deposited with the Bank of Brazil by the participants in the arrangement including our companies.

The situation referred to in previous reports with regard to the rates for those services for which the authorities in Brazil arbitrarily fixed temporary rates following the abrogation by decree of all contractual clauses providing for rates variable with exchange, remains unsettled and the Board again regret to report that due to conditions beyond the control of the companies concerned no effective progress has been made towards readjustment.

The current assets and liabilities of the operating companies in Brazil were valued at the end of the year in dollars at the closing free market sight rate for exchange on New York. The combined earnings in dollars of the operating companies for the year which are published monthly and appear in total in the tabulated statement on page 4 of this report, represent the milreis

figures calculated at arbitrary rates of exchange fixed each month having regard to the exchange position.

Out of the year's revenue there has been set aside by the operating companies the sum of \$8,286,742 for depreciation of their physical properties, also the sum of \$500,000 has been provided for general amortization.

The cash expenditure on the properties of the operating companies during the year amounted to approximately \$12,000,000, representing additions, improvements and replacements essential to the proper carrying on of the services. The necessary adjustments have been made in plant and depreciation accounts in respect of works renewed or replaced.

During the past year Mr. H. H. Couzens came to the final conclusion, though very reluctantly, that for health and family reasons he must ask to be relieved of his duties in Brazil and with the utmost regret the Board felt they must accede to his wishes. Accordingly Mr. Couzens has severed his connection with the several subsidiary companies operating in Brazil but is continuing as a director and vice-president of this Company and his experience and advice remain available and are being constantly utilized. The Board wish to express their great appreciation of the very able manner in which Mr. Couzens has carried on his important duties in Brazil.

Your Directors wish to record their appreciation of the valuable services rendered by Mr. Bernard F. Browne who, due to ill health, has retired from active service with the subsidiary companies in Brazil, but the benefit of his knowledge of the affairs of The City of Santos Improvements Company, Limited extending over a period of many years and of the gas enterprises in Rio de Janeiro and São Paulo will fortunately be still available in an advisory capacity.

Your Directors desire to express their continued sense of appreciation of the loyal and efficient services rendered by all

of the executive officers, heads of departments and other officials of the operating companies in Brazil.

A map showing the operating companies' properties in Brazil and statistics and charts showing the growth of the different services are also appended.

By Order of the Board,

A. W. ADAMS,
Secretary.

TORONTO, CANADA,
May 4th, 1937.

REPORT OF THE PRESIDENT.

*To the Board of Directors of the Brazilian Traction,
Light and Power Company, Limited.*

TRANSPORTATION.

No progress was made in the negotiations for the reform of the companies' transportation franchises to which reference has been made in previous reports.

Tramways.

Sundry minor track extensions were constructed and certain track removed, with the result that at the end of the year there was a net increase of slightly more than a quarter of a mile of track in operation.

25 passenger cars were added to the companies' tramway rolling stock, the cars being built in the companies' shops.

Buses.

During the year a number of new bodies of improved design were built in the companies' shops and put into service in Rio de Janeiro. The combined fleet at the end of the year numbered 164 vehicles, an addition of 4.

SHOPS AND STORES.

The companies still continue the policy of extending the scope of manufacture in the shops, thereby increasing employment in Brazil and reducing still further the importation of manufactured articles required for the various services operated by the companies.

ELECTRIC LIGHT AND POWER.

Generating Plants.

At the Serra development near São Paulo work has progressed steadily, the Rio Grande reservoir having been completed. This reservoir has an area of 50 square miles and with a head of

2,350 feet at the Serra plant gives a useful storage of 1,700,000,000 K.W.H. Work is also proceeding on the rectification of the Pinheiros River and its affluents, the Rio Grande and Guarapiranga and all the necessary steps are being taken to keep pace with the growth of the load in the areas served by the company.

A 54,000 H.P. unit has been added to the Ilha dos Pombos plant on the Parahyba River.

Distribution System.

During the year the connected transformer capacity was increased by the addition of 77,490 K.V.A., bringing the total up to 1,134,061 K.V.A. The construction of the new duct lines and extensions of the underground cable system during the year increased the totals to 1,187.72 and 1,280.4 miles respectively.

The mileage of transmission lines in service at the end of the year totalled 1,886.82 miles. Overhead distribution lines showed an increase of 1,206.49 miles, the total mileage in service at the end of the year being 23,528.54 miles.

Net additions to the number of poles set amounted to 8,073, the total at the end of the year being 192,409.

In the Federal District of Rio de Janeiro 875 electric lamps were added to the public illumination system, bringing the total number connected at the end of the year to 31,932.

In the city of São Paulo the net gain in electric lamps for public illumination was 1,337, the total number in service at the end of the year being 16,261. At the end of the year the total number of gas lamps in the public illumination service in the city was 837, a decrease of 764 during the year.

In December, 1936 a contract was signed between the Central Railway of Brazil, the important Federal Government railway and The Rio de Janeiro Tramway, Light and Power Company, Limited for the supply of electrical energy for the

operation of the newly electrified portion of its main lines running out of the city of Rio de Janeiro. This contract is for 12,000 K.V.A. initially but may be increased to 25,000 K.V.A.

GAS.

In the Rio de Janeiro gas works the improvements in connection with the plant for the production and purification of gas, coke grading and handling facilities referred to in the previous report were continued. Extensions during the year include a further 2 miles of 14-inch high pressure mains and 10½ miles of low pressure distributing mains.

In São Paulo the work commenced in the previous year on the coal store was completed. Improved facilities were installed for loading and distributing coke. A new artesian well was put in hand and the tar plant modernized. Approximately 6 miles of distributing mains were laid.

On July 30th the contract dated 23rd October, 1929 granted by the state of São Paulo to The San Paulo Gas Company, Limited for the renewal of the concession for the supply of gas to private consumers, and to that company and The São Paulo Tramway, Light and Power Company, Limited for the public illumination of the city of São Paulo was transferred by the state government to the municipality.

In the Santos area the rapid growth of the adjoining municipal district of São Vicente continued and approximately 5½ miles of mains were laid, of which 1 mile was high pressure.

TELEPHONES.

The increase in the number of telephones in service during 1936 was 16,818.

In the Federal District of Rio de Janeiro the new Sul (26) exchange building, the extensions to the Central (22) and Norte (43) exchange buildings and the installations in Sul and Norte of automatic equipment for 7,000 lines each, referred to in last year's report, were completed. With the above substitution of

the old Norte and Sul manual exchanges only two of that type remain in service in Rio de Janeiro. At the same time the equipment in the automatic satellite Ramos (48-6) was increased from 800 to 1,600 lines and a new building constructed on land owned in Bangú to house the local magneto exchange now in rented premises.

In the state of Rio de Janeiro the manual equipment in Nietheroy was increased to a capacity of 4,760 subscribers lines by the addition of 700 lines, and property was purchased in Macahé for use as an exchange. In Barra Mansa a building was constructed and new local and toll switchboard, repeaters and carrier equipment installed. In Nova Iguassú an additional building was erected on the same site as the local exchange to accommodate toll line equipment. Increased magneto equipment was installed at Rio Bonito.

In the state of Minas Geraes exchange buildings were commenced in Varginha and São Sebastião do Paraizo and the local plants reconstructed in Bicas, Muzambinho, Rio Branco and São João Nepomuceno.

In the city of São Paulo the Jardim automatic exchange, referred to in last year's report, was completed and put into service in February. At the Central automatic exchange, facilities were provided for the Ypiranga satellite and placed in service in November. At Belemzinho a building was constructed to accommodate repeater and carrier terminal equipment for the São Paulo-Rio toll lines. A new general office building was commenced on the site of the old office building in Rua 7 de Abril to provide proper facilities for the work of the São Paulo division.

In the state of São Paulo a new building was completed at Caçapava and the apparatus previously installed at Guaratinguetá transferred thereto. During the year new plants were constructed and placed in service at Ribeirão Pires and Garça.

The number of automatic telephones in service on the company's system at the end of the year was 99,988, an increase

of 26,314 over 1935. During the year, throughout the area served by the company, toll line extensions placed in service totalled 2,019.57 miles, underground conduit constructed 155.4 miles, underground cable laid 64.2 miles and 81 miles of aerial cable strung. The net increase in the number of poles set at the end of the year was 14,358.

The international radio telephone service was by agreement with the local authorities made available to three additional municipalities in the state of São Paulo, namely Lorena, Caçapava and Tremembé.

GENERAL.

The combined companies' services continued to show substantial growth. Compared with 1935 there was an increase in passengers carried by the transportation services of 7.17% and in kilowatt-hours sold an increase of 10.34% while the gas sales and telephone services showed increases of 6.35% and 11.28% respectively.

The Federal Government has contracted with a Brazilian firm for the necessary additional supply of potable water for the Federal District, this being taken from the discharge of the company's power plant at Ribeirão das Lages.

Official Brazilian foreign trade statistics for the year 1936 show a net balance of trade in Brazil's favour expressed on a gold basis of £9,003,523 as against £5,580,734 in 1935, an increase of £3,422,789 or 61.33% while expressed on a sterling paper basis the corresponding figures were £14,811,589 and £9,049,193 an increase of £5,762,396 or 63.68%. This favourable result is due to the large increase in exports which this year attained an all time record in tonnage and milreis value and was 18.35% higher in sterling gold value than in 1935, whereas imports increased only 9.6%.

Exports of raw cotton from Brazil in 1936 continued to show increasing gains both in volume and value, there being an increase over the 1935 figures of 61,683 tons or 44.49% and

£2,232,000 gold or 42.73%. Expressed as a percentage of Brazil's total exports the volume was 6.44% and the sterling gold value 19.08% in 1936, the corresponding figures for the preceding year being 5.02% and 15.82% respectively.

Shipments of oranges, cocoa, hides and other Brazilian products during the year also showed considerable increase compared with the year 1935.

The quantity of coffee exported during the year amounted to 14,185,506 bags, a decrease of 1,143,285 bags or 7.46% as compared with 1935 and 541,667 bags or 3.68% under the average shipped during the past 10 years. Due however, to improved prices in 1936 the total value of coffee exported during the year in sterling gold shows an increase over 1935 of £412,000 or 2.37%. Expressed as a percentage of Brazil's total exports, coffee represented in volume 27.38% in 1936, 33.3% in 1935 and 48.54% in 1933. In gold value coffee represented 45.52% of the total exports from Brazil in 1936, 52.63% in 1935 and 73.12% in 1933. From these figures it will be seen that whilst coffee still occupies first place in Brazil's exports the increased exportation of other products, particularly cotton, is gradually reducing its predominant position. The policy of eliminating surplus stocks of coffee was continued, 3,731,154 bags having been destroyed during the year, bringing the total quantity eliminated up to December 31st, 1936 to 39,532,486 bags.

In the last two reports reference was made to the probable effect of recent constitutional and legislative changes in Brazil on the development or operation with foreign capital of certain industries including utilization of water power resources. Some of these changes are being studied by committees of the Chamber of Deputies and it is hoped that more moderate views will prevail.

MILLER LASH,

April 23rd, 1937.

President.

AUDITORS' REPORT.

To the Shareholders of the Brazilian Traction, Light and Power Company, Limited:

We have audited the Head Office accounts of the Brazilian Traction, Light and Power Company, Limited, The Rio de Janeiro Tramway, Light and Power Company, Limited (and its subsidiary, Brazilian Telephone Company), The São Paulo Tramway, Light and Power Company, Limited, São Paulo Electric Company, Limited (and its subsidiary, The San Paulo Gas Company, Limited), The City of Santos Improvements Company, Limited and Brazilian Hydro Electric Company, Limited, and have examined the certified reports and statements of Messrs. McAuliffe, Davis, Bell & Co., Chartered Accountants, in connection with all the subsidiary companies above enumerated except The City of Santos Improvements Company, Limited, in respect of which company we have examined the certified report and statement of Messrs. Deloitte, Plender, Griffiths & Co., Chartered Accountants, covering the capital and revenue accounts and provisions for depreciation in Brazil for the year ended 31st December, 1936. We have obtained all the information and explanations which we have required. Subject to the foregoing we report that, in our opinion, the attached Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the combined companies' affairs at that date, according to the best of our information, the explanations given to us and as disclosed by the books of the companies.

The net revenues of the operating companies owned or controlled by Brazilian Traction, Light and Power Company, Limited, after provision for or payment of all losses, expenses and charges including depreciation, bond interest and sinking funds, as provided under contracts with them, are payable to and are included in the profit and loss account of the Brazilian Traction, Light and Power Company, Limited.

CLARKSON, GORDON, DILWORTH AND NASH, }
Chartered Accountants, } *Auditors.*

Toronto, April 30th, 1937.

CONSOLIDATED BALANCE SHEET OF
BRAZILIAN TRACTION, LIGHT AND POWER COMPANY, LIMITED,
 THE RIO DE JANEIRO TRAMWAY, LIGHT AND POWER COMPANY, LIMITED,
 (and its Subsidiary, BRAZILIAN TELEPHONE COMPANY),
 THE SÃO PAULO TRAMWAY, LIGHT AND POWER COMPANY, LIMITED,
 SÃO PAULO ELECTRIC COMPANY, LIMITED,
 (and its Subsidiary, THE SAN PAULO GAS COMPANY, LIMITED),
 THE CITY OF SANTOS IMPROVEMENTS COMPANY, LIMITED and
 BRAZILIAN HYDRO ELECTRIC COMPANY, LIMITED.

31st December, 1936.

ASSETS.	
Capital Account -	
Properties, Plant and Equipment, Construction Expenditure, at cost, including interest during construction, etc. - - - - -	\$244,080,287.51
Cost of Shares and Securities of and Advances to Companies owned or controlled by Subsidiary Companies, including premium paid on Shares of Subsidiary and Sub-subsidiary Companies acquired - - - - -	85,197,905.75
Rights, Franchises, Contracts, Goodwill, etc. - - - - -	\$40,727,408.23
Discount and Issue Expenses on Bonds and Debentures - - - - -	4,628,586.50
	45,355,991.73
	\$374,634,187.99
Sinking Fund Holdings, at cost -	
São Paulo Electric Company, Limited, First Mortgage Bonds - - - - -	1,951,815.30
Current Assets—	
Stores in hand and in transit, including construction material - - - - -	\$ 9,121,552.41
As determined and certified by the management, at prices not exceeding cost.	
Sundry Debtors and Debit Balances after provision for doubtful accounts - - - - -	7,185,051.28
This account includes amount of deposit, less instalments paid, under the so-called "Rothschild agreement" (Brazilian Government plan for liquidating in sterling during 6 years from August 1933 certain milreis accumulations awaiting remittance).	
Temporary Investments in Bonds of the Dominion of Canada at book value - - - - -	4,452,447.75
(Market value, \$4,598,837.50)	
Cash - - - - -	18,990,911.96
	39,749,963.40
	\$416,335,966.69
Note: Current assets and liabilities of the operating companies in Brazil are included in dollars at the closing "free market" sight rate of exchange at the end of the year.	\$416,335,966.69

LIABILITIES.

Capital Stock- issued and outstanding-			
7,028,056 Ordinary Shares of no par value - - - - -		\$179,312,281.28	
3,934 Six Per Cent. Cumulative Preference Shares of the par value of \$100 each - -		393,400.00	
In addition to the above, 16,011 Preference Shares have been transferred to the Secretary on behalf of the Company in respect of the conversion of 96,066 Preference Shares into Ordinary Shares.			
Shares of Subsidiary and Sub-subsidiary Companies outstanding -			
32 Ordinary Shares of the par value of \$100 each - - - - -	\$ 3,200.00		
14,543 Six Per Cent. Cumulative Preference Shares of £10 each (£145,430) -		707,759.33	
200,000 Six Per Cent. Cumulative Preference Shares of £1 each (£200,000) -		973,333.33	1,684,292.66
Total Capital Stock outstanding - - -			\$181,389,973.94
Funded Debt- (Secured by Trust Deeds)			
The Rio de Janeiro Tramway, Light and Power Company, Limited			
Five per cent. 50-Year Mortgage Bonds (1st April, 1958) --Balance			
after Sinking Fund Redemptions (£3,561,524) - - - - -		\$17,332,748.47	
Five per cent. 22-Year Bonds (1st October, 1950) (£271,163) Unsecured	1,319,661.15		\$ 18,652,409.62
The São Paulo Tramway, Light and Power Company, Limited—			
Five per cent. Perpetual Consolidated Debenture Stock (£821,917) - - - - -			3,999,996.05
São Paulo Electric Company, Limited--			
Five per cent. 50-Year First Mortgage Bonds (1st January, 1962) (£2,000,000) - - -			9,733,333.33
The City of Santos Improvements Company, Limited--			
Five per cent. Tramways Debentures (1st December, 1938)			
Balance after Sinking Fund Redemptions (£10,000) - - - - -		48,666.67	
In addition, there are bonds outstanding, chiefly in sterling, of companies owned or controlled by a subsidiary company, equivalent to \$6,830,607 at par of exchange, on which the interest and sinking fund charges for the year amounting to \$407,837 are provided out of the revenue of the subsidiary company.			32,434,405.67
Current Liabilities			
Sundry Creditors - - - - -		\$ 9,944,566.60	
Dividend on Ordinary Shares declared December, 1936, payable 30th January, 1937 - -		2,809,088.87	
Bond, Debenture and Share Warrant Coupons and Dividend Cheques outstanding - - -		224,616.69	
Accrued Charges on Funded Debt - - - - -		546,845.66	
Credit Balances (Provisions for Contingencies and Insurance Funds for Injuries and Damages) - - - - -		4,055,168.14	17,580,285.96
Reserves -			
*Provisions for Depreciation and Renewals (balance after meeting renewals to date) - - - - -		\$76,907,446.86	
Sinking Fund Reserves - - - - -		7,937,572.94	
General Amortization Reserves - - - - -		17,482,076.48	
General Reserves - - - - -		51,568,373.51	\$153,895,469.79
Profit and Loss - Balances 31st December, 1936 - -			
Brazilian Traction, Light and Power Company, Limited - - - - -		\$30,890,419.23	
Subsidiary Companies - - - - -		145,412.10	31,035,831.33
			184,931,301.12
			\$416,335,966.69

*This Reserve includes Provision for Depreciation and Renewals of physical assets of companies owned or controlled by subsidiary companies.

On behalf of the Board:
MILLER LASH, }
WALTER GOW, } *Directors.*

BRAZILIAN TRACTION, LIGHT AND POWER COMPANY, LIMITED.

PROFIT AND LOSS ACCOUNT for the year ended 31st December, 1936.

Revenue under contracts with operating companies after payment of or provision for all their charges and expenses including Depreciation, Bond and Debenture Interest and Sinking Funds - - - - -	\$6,446,979.39	
Interest on Temporary Investments - - - - \$ 96,977.82		
Miscellaneous Income - - - - - 92,417.47	189,395.29	
	\$6,636,374.68	
General and Administration Expenses (including \$38,186.28 covering remuneration of counsel, solicitors and legal advisers and executive officers of Brazilian Traction, Light and Power Company, Limited) - - - - -	392,486.49	
	\$6,243,888.19	
Balance transferred to Profit and Loss Surplus Account - - -		\$6,243,888.19

Note—

Remuneration of Directors including payments by subsidiary companies (excluding executive officers) \$60,496.55.
 Remuneration of counsel, solicitors and legal advisers and executive officers in Brazil and elsewhere of subsidiary and associated operating companies \$443,635.23.

PROFIT AND LOSS SURPLUS ACCOUNT, 31st December, 1936.

Balance, 31st December, 1935 - - - - -	\$29,585,721.55	
Transferred from Profit and Loss Account - -	\$6,243,888.19	
Less Dividends:		
Preference Shares - - - - - \$ 23,604.00		
Ordinary Shares:		
30 cents per share paid 15th July, 1936 - - - - -	2,106,497.64	
40 cents per share declared 10th December, 1936, payable 30th January, 1937 - - - - -	2,809,088.87	4,939,190.51
		1,304,697.68
Balance, 31st December, 1936 - - - - -		\$30,890,419.23

STATISTICS OF COMBINED COMPANIES.

SERVICE	TRACTION				
	1932.	1933.	1934.	1935.	1936.
<i>Tramways:</i>					
Total Track (miles) - - - - -	531.44	531.34	533.46	545.15	545.44
Rolling Stock:					
Passenger Cars - - - - -	1,926	1,930	1,934	1,937	1,962
Freight and Service Cars - - - -	321	320	310	311	301
<i>Funicular Railway:</i>					
Total Track (miles) - - - - -	2.56	2.56	2.56	2.56	2.56
Rolling Stock:					
Electric Locomotives - - - - -	4	4	4	4	4
Passenger Cars - - - - -	4	4	4	4	4
Freight and Service Cars - - - -	2	2	2	2	2
<i>Steam Railway (Cubatão):</i>					
Total Track (miles) - - - - -	13.13	13.13	13.13	13.13	13.20
Rolling Stock:					
Steam Locomotives - - - - -	5	5	4	3	3
Passenger Cars - - - - -	2	2	2	2	2
Freight and Service Cars - - - -	42	42	42	42	42
<i>Gasolene Buses:</i>					
Route (miles) - - - - -	185.96	188.36	193.15	194.29	177.30
Gasolene Buses - - - - -	193	173	166	160	164
Car Miles Run—Tramways - - - -	57,802,768	59,942,811	62,856,916	64,358,950	68,822,189
Car Miles Run—Funicular Railway -	15,732	15,282	15,438	16,043	16,413
Car Miles Run—Gasolene Buses - -	7,889,125	6,874,452	7,165,010	7,335,277	8,027,038
Car Miles Run—Total - - - - -	65,707,625	66,832,545	70,037,364	71,910,270	76,925,640
Area Served (square miles approximate) -	151	151	151	154	154
Population Served (approximate) - - -	3,068,400	3,193,500	3,204,850	3,262,540	3,415,600
Total Passengers Carried - - - - -	728,134,991	753,786,219	782,406,381	823,796,758	882,882,798

ELECTRIC LIGHT AND POWER

Kilowatt Hours Sold - - - - -	821,164,791	903,467,487	1,013,977,127	1,119,893,018	1,235,689,195
Capacity of Generating Plants (K.W.) - -	317,599	317,739	321,484	321,484	367,934
Total Connected Load (K.W.) - - - -	730,109	744,091	783,083	797,396	870,182
Total Consumers - - - - -	348,783	366,094	387,808	413,526	442,057
Transmission Lines (miles of circuit) - -	1,631.10	1,603.13	1,642.01	1,731.60	1,886.82
Distribution Lines (miles of wire) - - -	19,476.04	20,530.33	21,372.31	22,322.05	23,528.54
Area Supplied (square miles approximate) -	11,439	11,441	11,442	11,540	11,601
Population Served (approximate) - - - -	4,323,600	4,407,400	4,469,000	4,546,000	4,761,000

GAS

Gas Sold (cubic metres) - - - - -	96,225,888	102,014,183	105,289,685	113,143,923	120,328,276
Total Consumers - - - - -	78,432	83,208	89,042	96,963	106,448
Mains Laid (miles) - - - - -	1,044.77	1,056.37	1,073.17	1,099.18	1,118.59
Stoves, Water Heaters and Other Appliances - - - - -	112,948	116,966	120,688	131,417	144,013
Area Supplied (square miles approximate) -	93	93	93	96	96
Population Served (approximate) - - - -	2,030,000	2,030,000	2,133,000	2,206,300	2,341,300

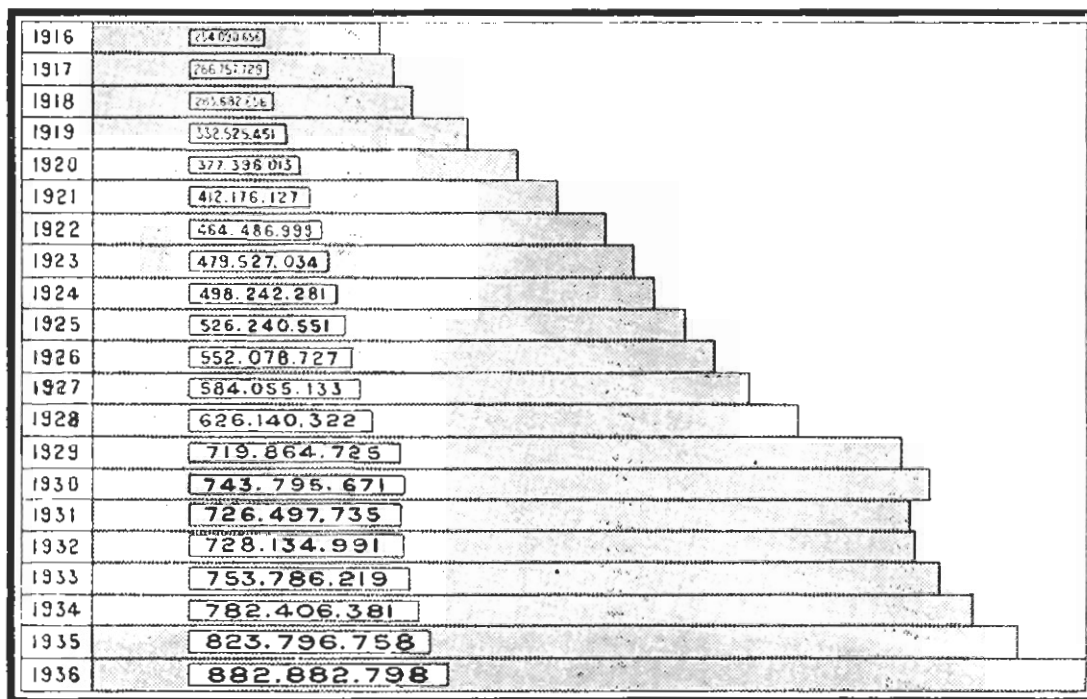
WATER

Water Sold (cubic metres) - - - - -	9,436,287	9,660,211	9,970,876	10,487,893	10,801,942
Total Consumers - - - - -	17,454	17,725	18,274	19,121	20,066
Trunk Mains Laid (miles) - - - - -	38.18	38.68	38.68	38.68	38.68
Distribution Mains Laid (miles) - - - -	243.61	248.08	224.69	231.87	239.57
Area Supplied (square miles approximate) -	52	52	52	52	53
Population Served (approximate) - - - -	165,000	165,000	170,000	170,000	179,000

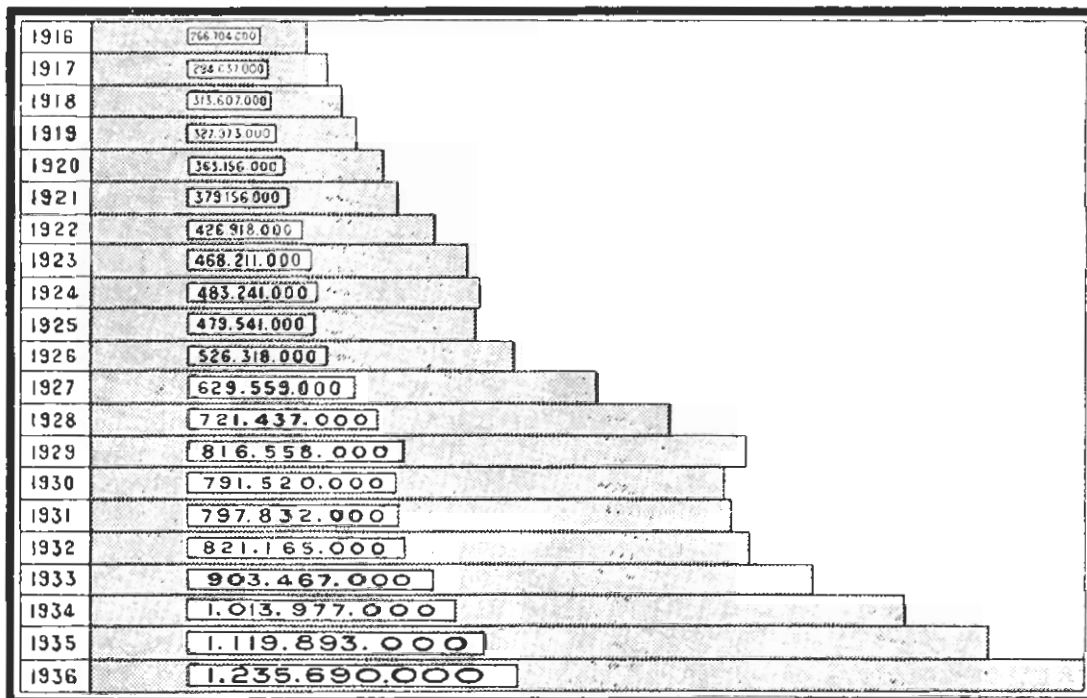
TELEPHONES

Total Number of Telephones in Service -	113,388	122,253	134,886	149,034	165,852
Average Daily Calls - - - - -	1,438,300	1,630,888	1,886,773	2,195,476	2,487,875
Wire Strung (miles) - - - - -	518,000	530,934	594,147	669,999	783,942
Pole Lines (miles) - - - - -	5,767	5,617	5,734	5,865	6,158
Area Served (square miles approximate) -	84,639	85,946	85,946	85,946	85,946
Population Served (approximate) - - - -	9,229,000	9,372,000	9,447,000	9,673,000	9,781,000

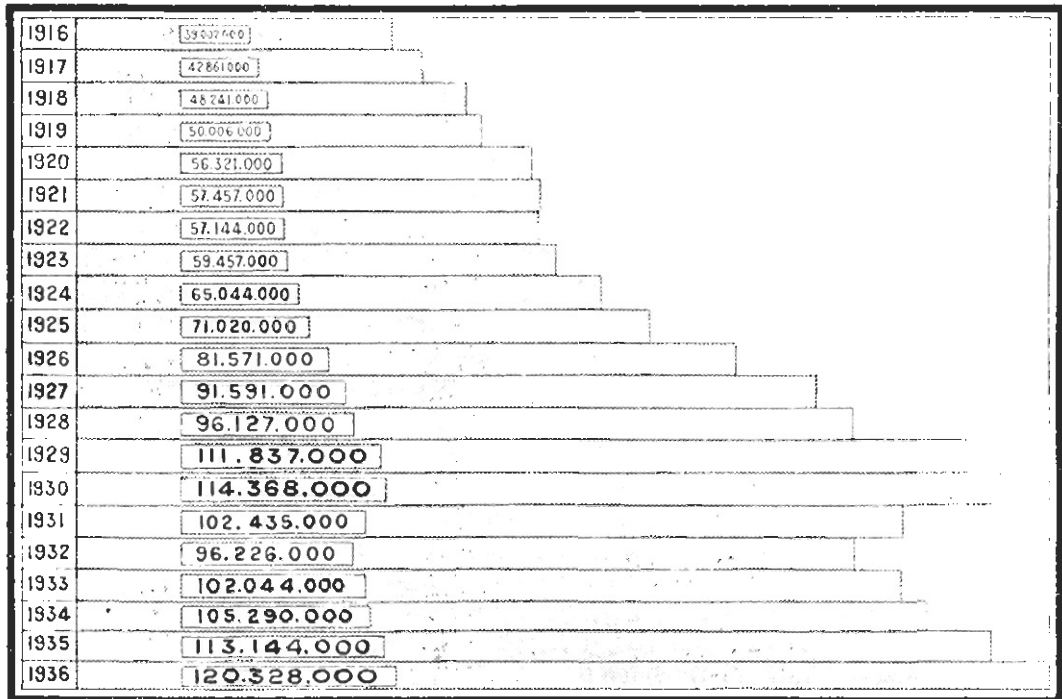
TRACTION SERVICES-PASSENGERS CARRIED



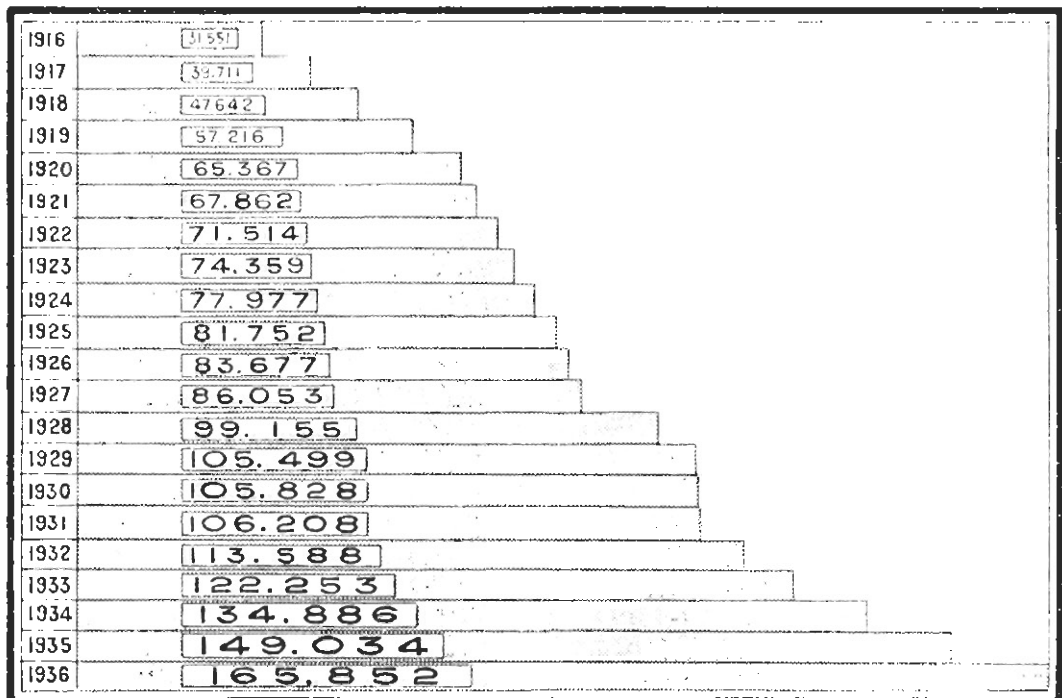
SALES OF ELECTRICAL ENERGY-K.W.HRS.



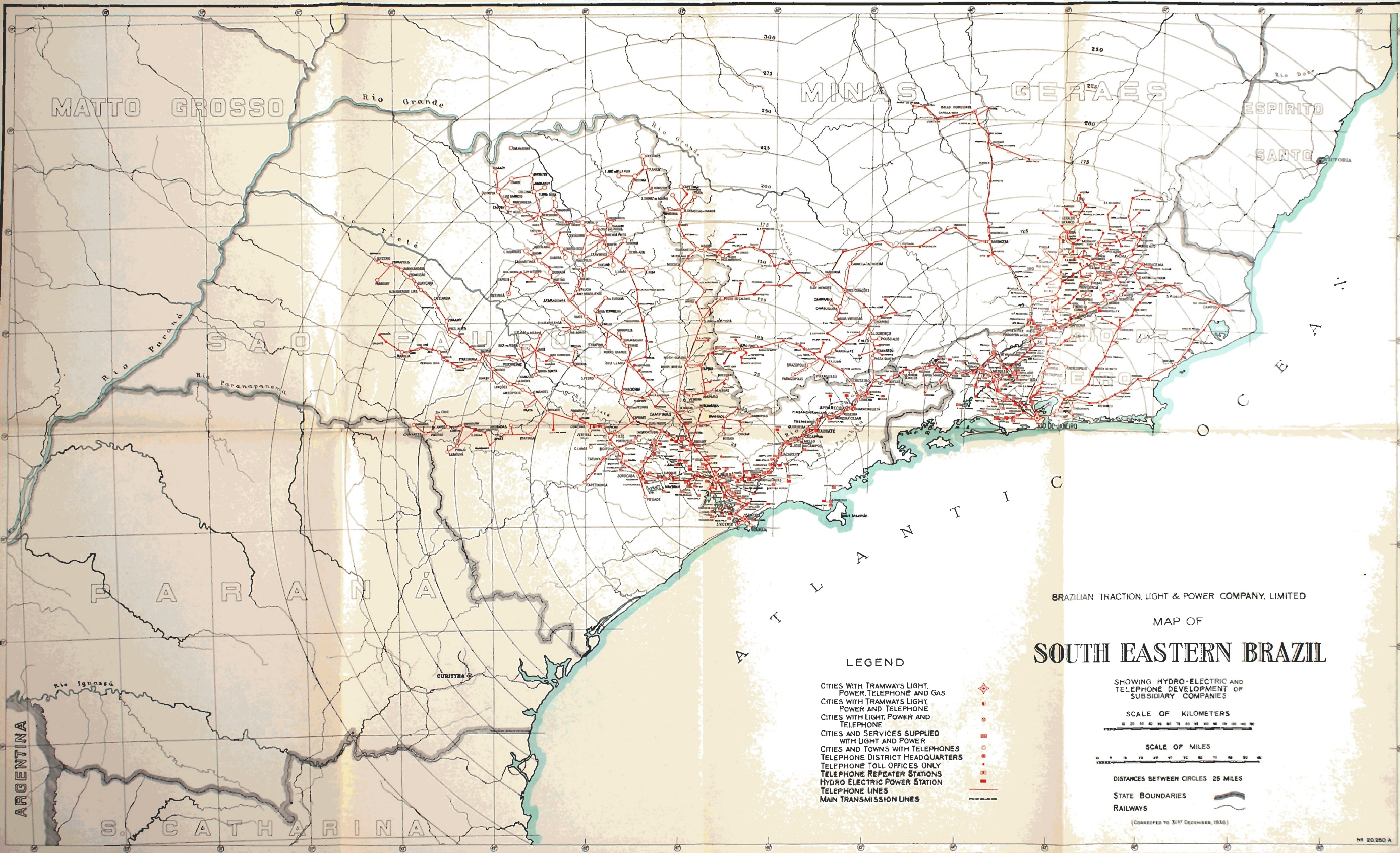
GAS SALES-CUBIC METRES



NUMBER OF TELEPHONES IN SERVICE







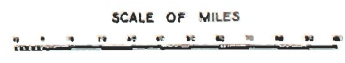
BRAZILIAN TRACTION, LIGHT & POWER COMPANY, LIMITED

MAP OF
SOUTH EASTERN BRAZIL

- LEGEND**
- CITIES WITH TRAMWAYS LIGHT, POWER, TELEPHONE AND GAS
 - CITIES WITH TRAMWAYS LIGHT, POWER AND TELEPHONE
 - CITIES WITH LIGHT, POWER AND TELEPHONE
 - CITIES AND SERVICES SUPPLIED WITH LIGHT AND POWER
 - CITIES AND TOWNS WITH TELEPHONES
 - TELEPHONE DISTRICT HEADQUARTERS
 - TELEPHONE TOLL OFFICES ONLY
 - TELEPHONE REPEATER STATIONS
 - HYDRO ELECTRIC POWER STATION
 - TELEPHONE LINES
 - MAIN TRANSMISSION LINES



SHOWING HYDRO-ELECTRIC AND TELEPHONE DEVELOPMENT OF SUBSIDIARY COMPANIES



DISTANCES BETWEEN CIRCLES 25 MILES

STATE BOUNDARIES
RAILWAYS

(CORRECTED TO 31ST DECEMBER, 1935)

