# COPASA MG
# Earnings Presentation
# 1Q15









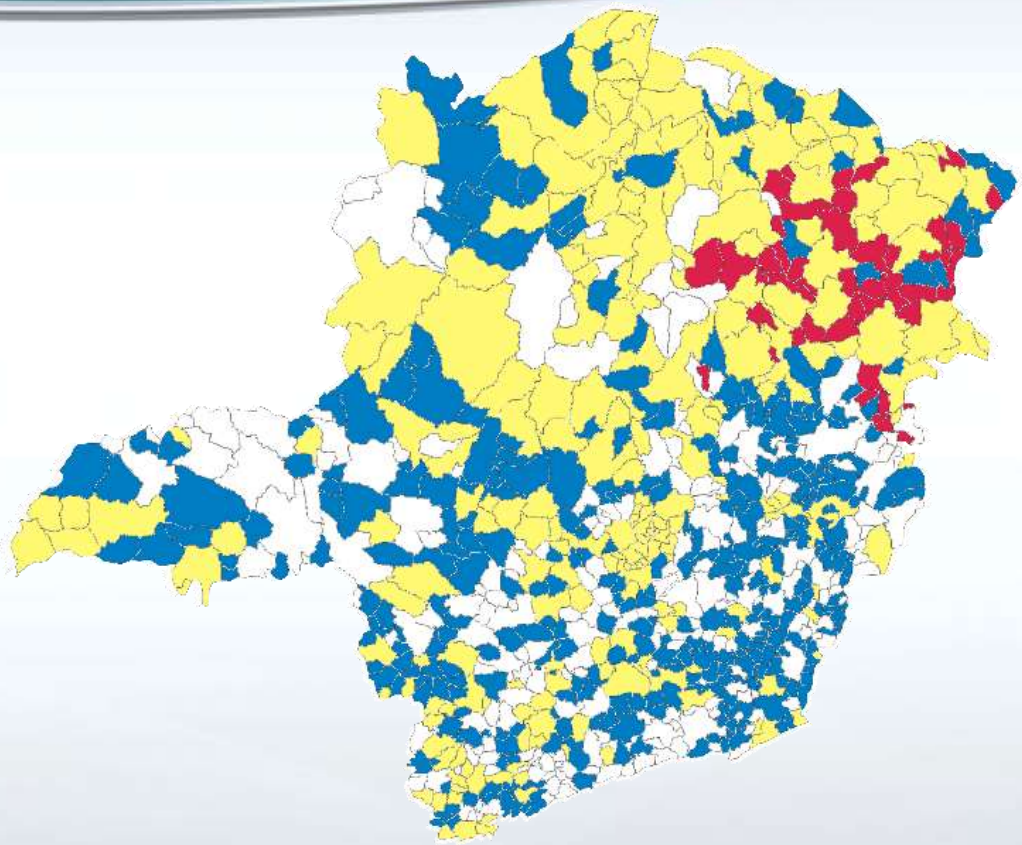







COPASA

# Operational Performance



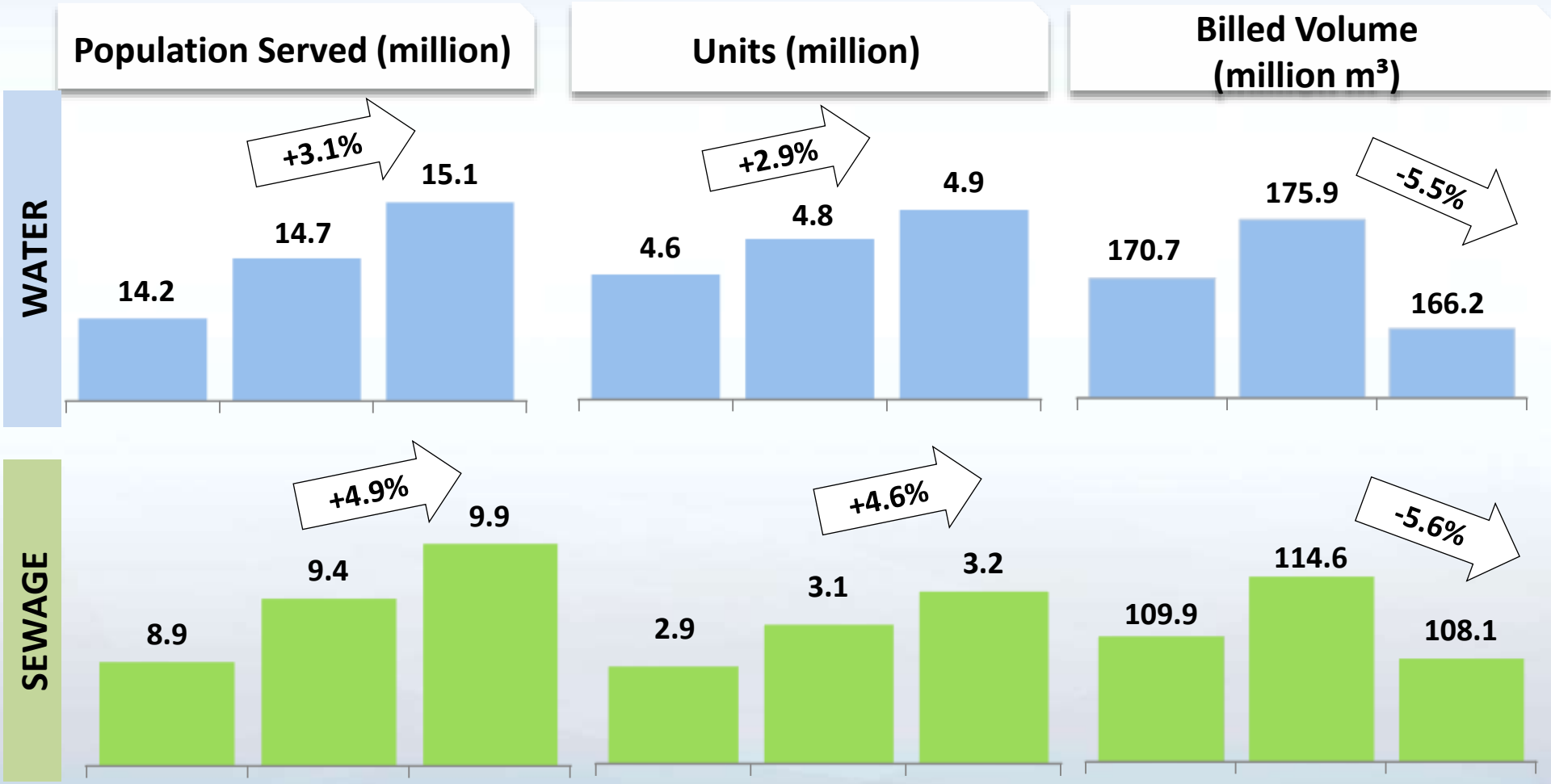
**Present in 635 of the 853 municipalities of Minas Gerais**

- 347 Concessions (Water)
- 288 Concessions (Water + Sewage)
- 218 Not covered by COPASA
- COPANOR

The numbers include concessions by COPASA MG and subsidiary COPANOR.

# Operational Performance

## 1Q13 vs 1Q14 vs 1Q15

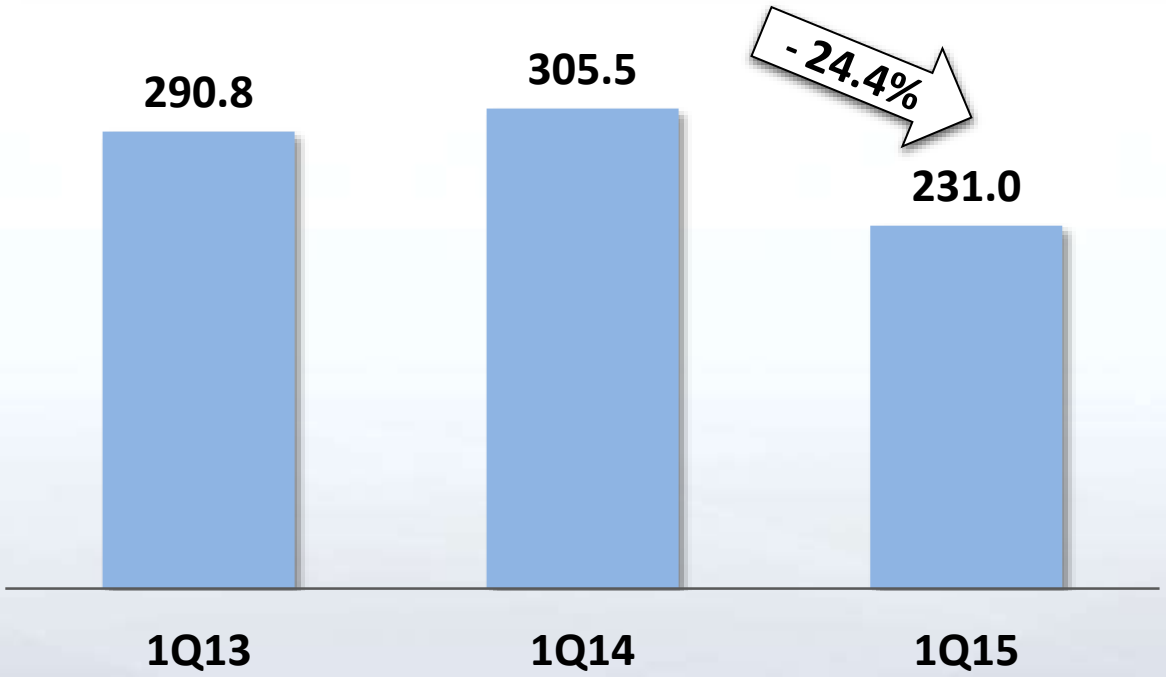



• Consolidated data (includes cities operated by COPANOR).

# Operational Performance

## Operational Cash Generation

### Adjusted EBITDA* (R$ million)

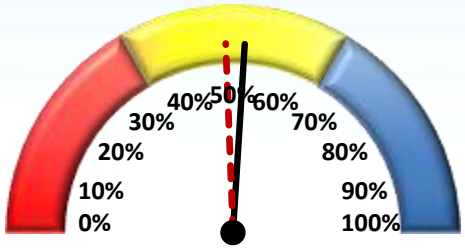



*Adjusted EBITDA excludes construction revenue/costs. Although construction revenue does not have any immediate cash effect. it impacts the fiscal year in which it is recognized. considering that it is part of the calculation base for the payment of interest on equity/dividends and employees' profit sharing.

# Operational Performance

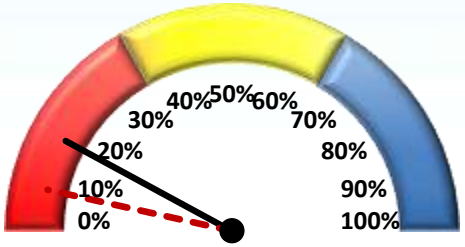
## Reservoir levels

Rio Manso



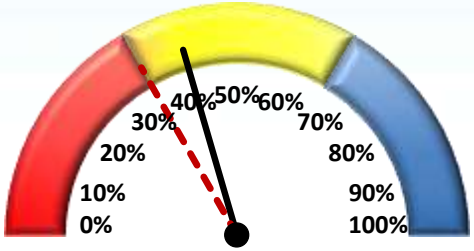

+3.2%

Serra Azul



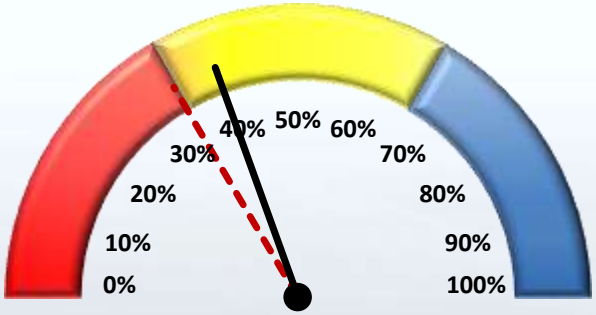

+8.9 %

Vargem das Flores




+7.5 %

Paraopeba System




+6.0 %

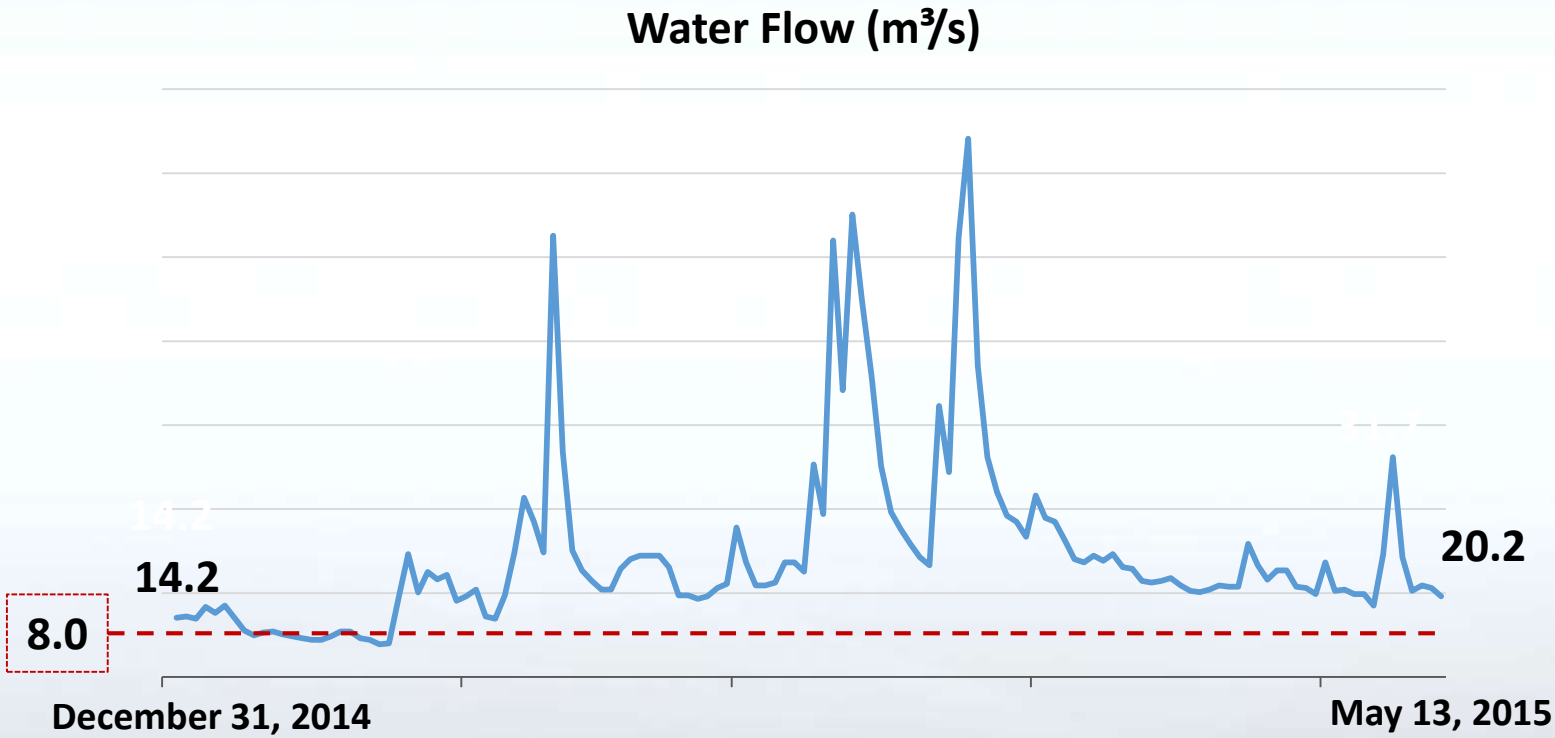
42% of Metropolitan Region Supply

December 31, 2014 — May 13, 2015

Source: COPASA Transparente May 13. 2015

# Operational Performance

## Das Velhas River




50% of Metropolitan Region Supply

# Operational Performance

| CAPEX (R$ million) | | | |
|---|---|---|---|
| | **1Q13** | **1Q14** | **1Q15** |
| **Water** | 53.0 | 70.4 | 51.7 |
| **Sewage** | 95.8 | 133.8 | 61.2 |
| **Other** | 2.6 | 9.3 | 1.9 |
| **Total** | 151.4 | 213.5 | 114.8 |

**Planned for 2015: R$ 600 million.**

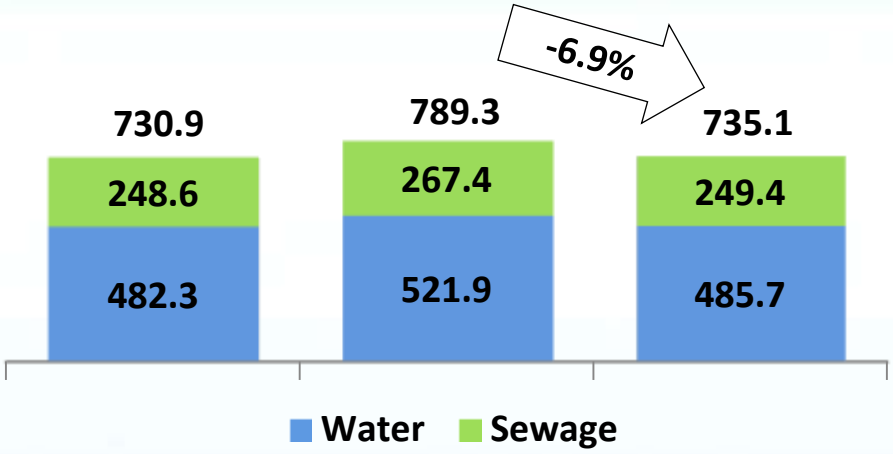
# Financial Performance
# 1Q15

COPASA

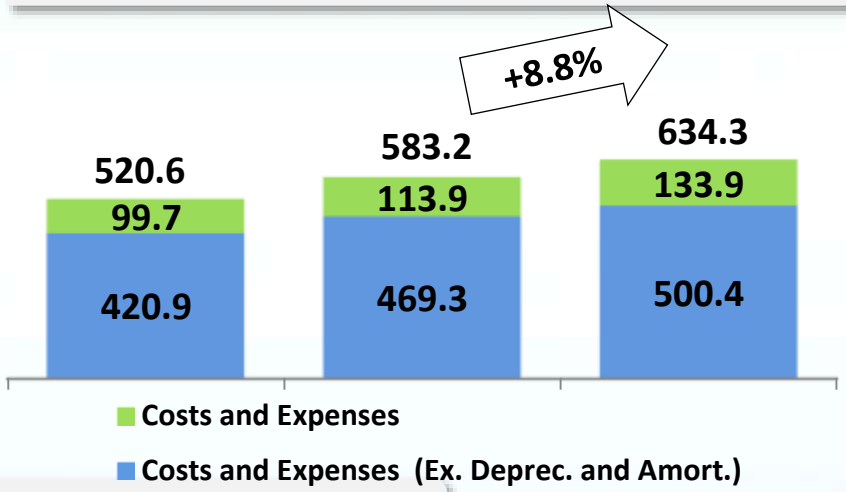
# Financial Performance

## 1Q13 vs 1Q14 vs 1Q15

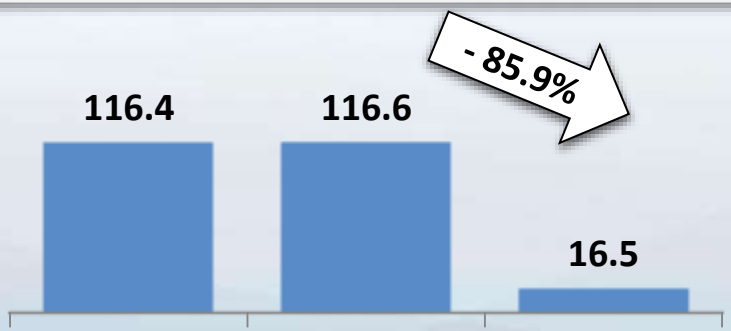
### Net Operating Revenue (R$ million)




### Costs and Expenses* (R$ million)




### Net Income (R$ million)




*Cost of services rendered + selling and administrative expenses

# Financial Performance

## Shareholders' Remuneration

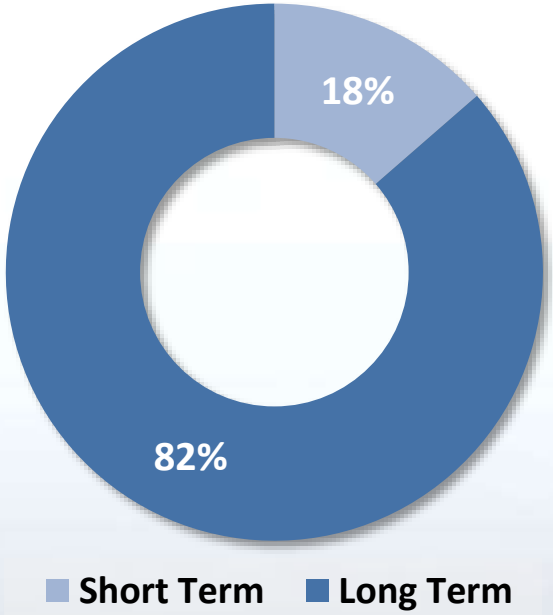
**Financial Year 2015**

- **Mandatory amount of 25% of Net Income distributed as Interest on Equity (IOE);**
- **Quarterly distributed;**
- **The date of payment will be defined in the Annual Shareholders' Meeting that approves the Financial Statements for the fiscal year of 2015.**

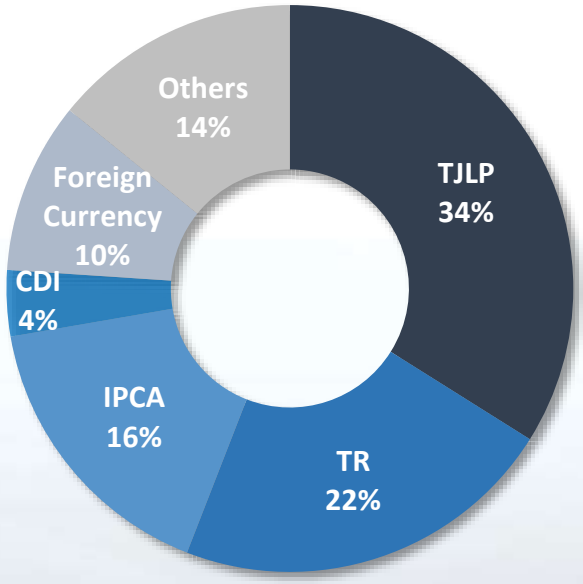
# Financial Performance

## Gross Debt: R$ 3.5 billion[1]

**Position: March/2015**



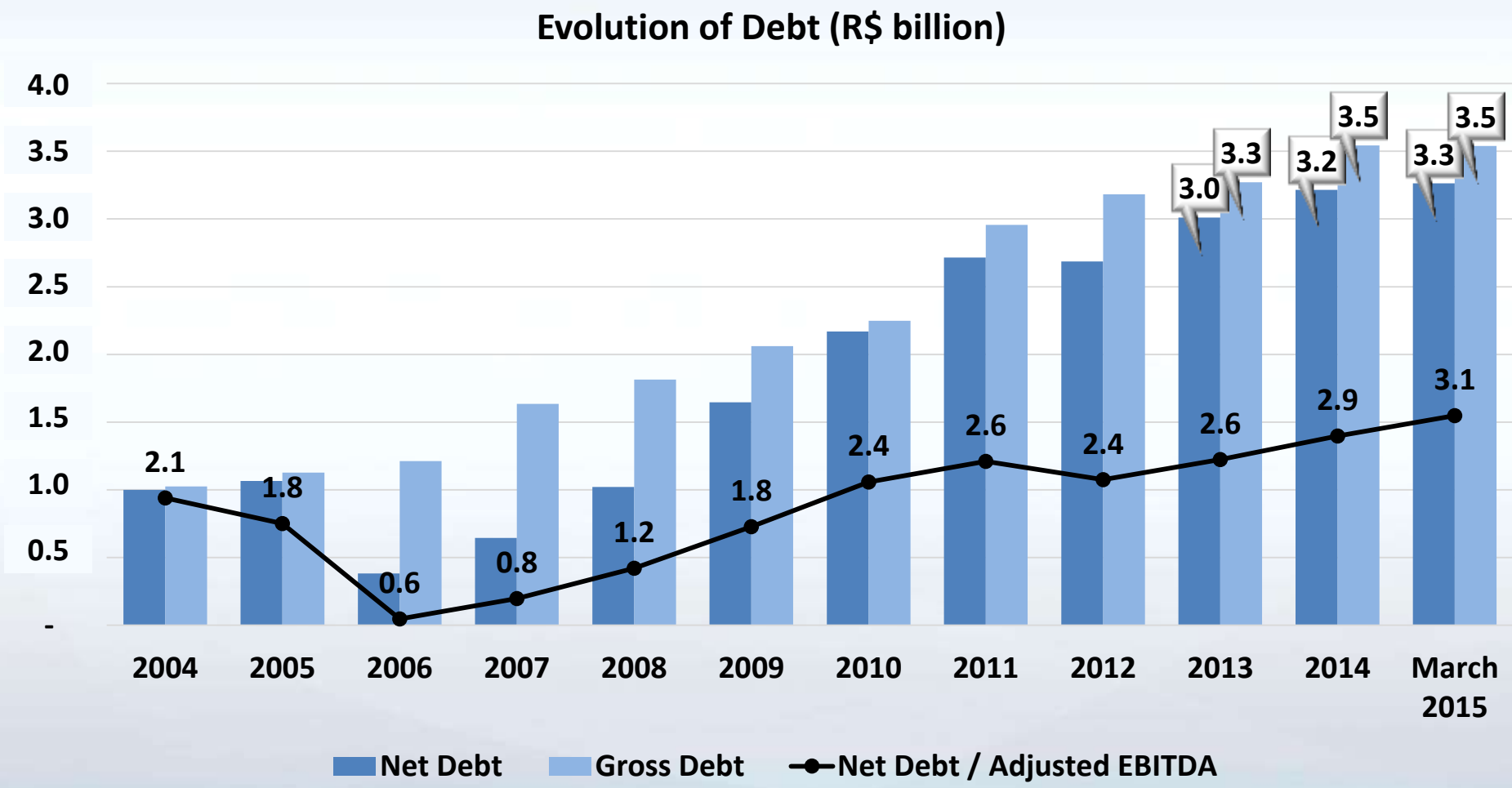

## Debt Indexes




## Average Rate: 7.58% a.a[2]

1. As of March 31, 2014, the Company had R$ 610.7 million in funds contracted from BNDES and Caixa Econômica Federal (CEF), to be disbursed and recorded in liabilities as investments are made. The Company also had a loan contracted with the KfW in the amount of € 23.9 million.
2. The average rate of these loans was 7.58% p.a., while some funding lines also had their balances pegged to specific indices, such as TR, IPCA, INPC, CDI, US dollar and euro, as shown in debt chart from Earnings Release 1Q15.

# Financial Performance





*Disclaimer:*

This document may contain future considerations on COPASA's business prospects. These are mere projections. being. therefore. entirely based on COPASA's management expectations regarding the future of the business. Such forward-looking statements are subject to risks and uncertainties which depend on factors including economic. political. financial and commercial conditions in the markets where we operate. Investors are hereby advised that these forecasts are no guarantee of future performance since they involve risks and uncertainties.

COPASA

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