COPASA MG
Earnings Presentation
3Q14







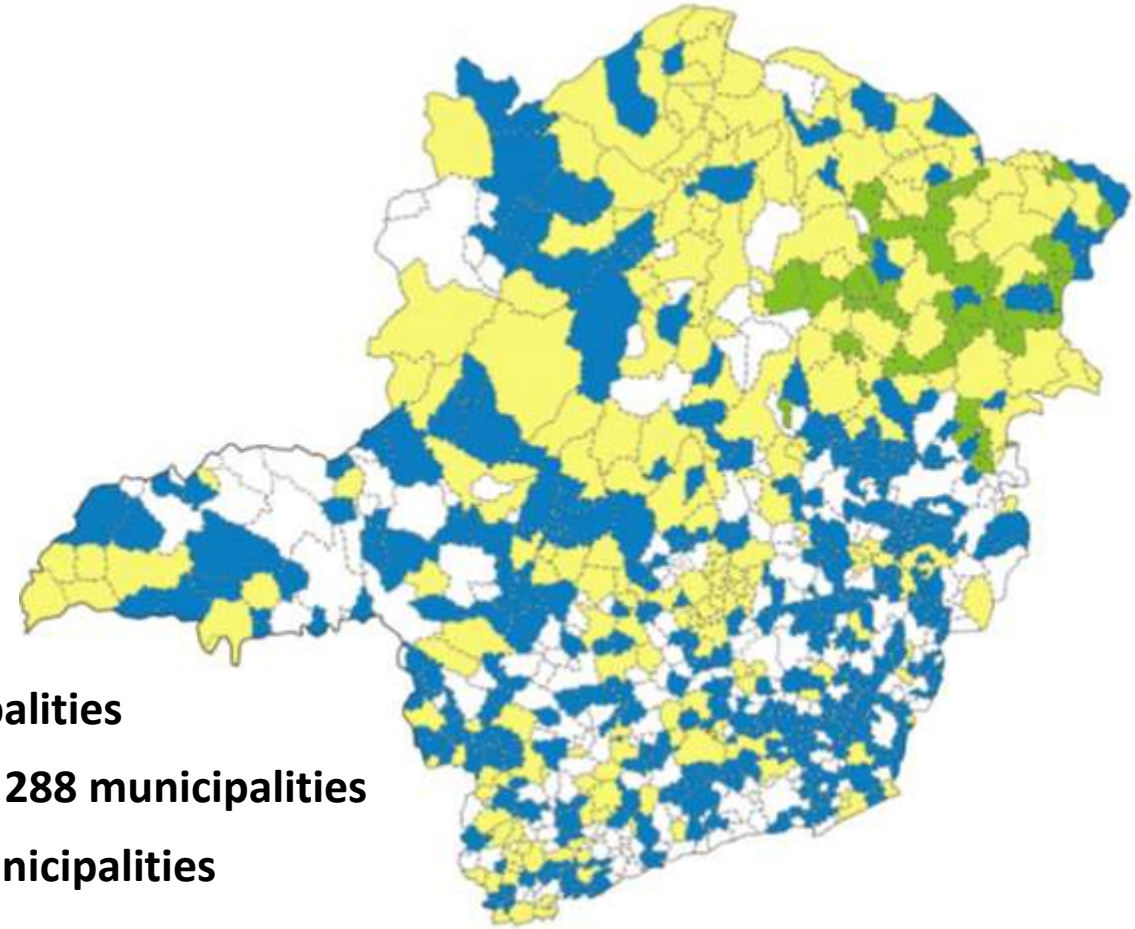




COPASA

Overview

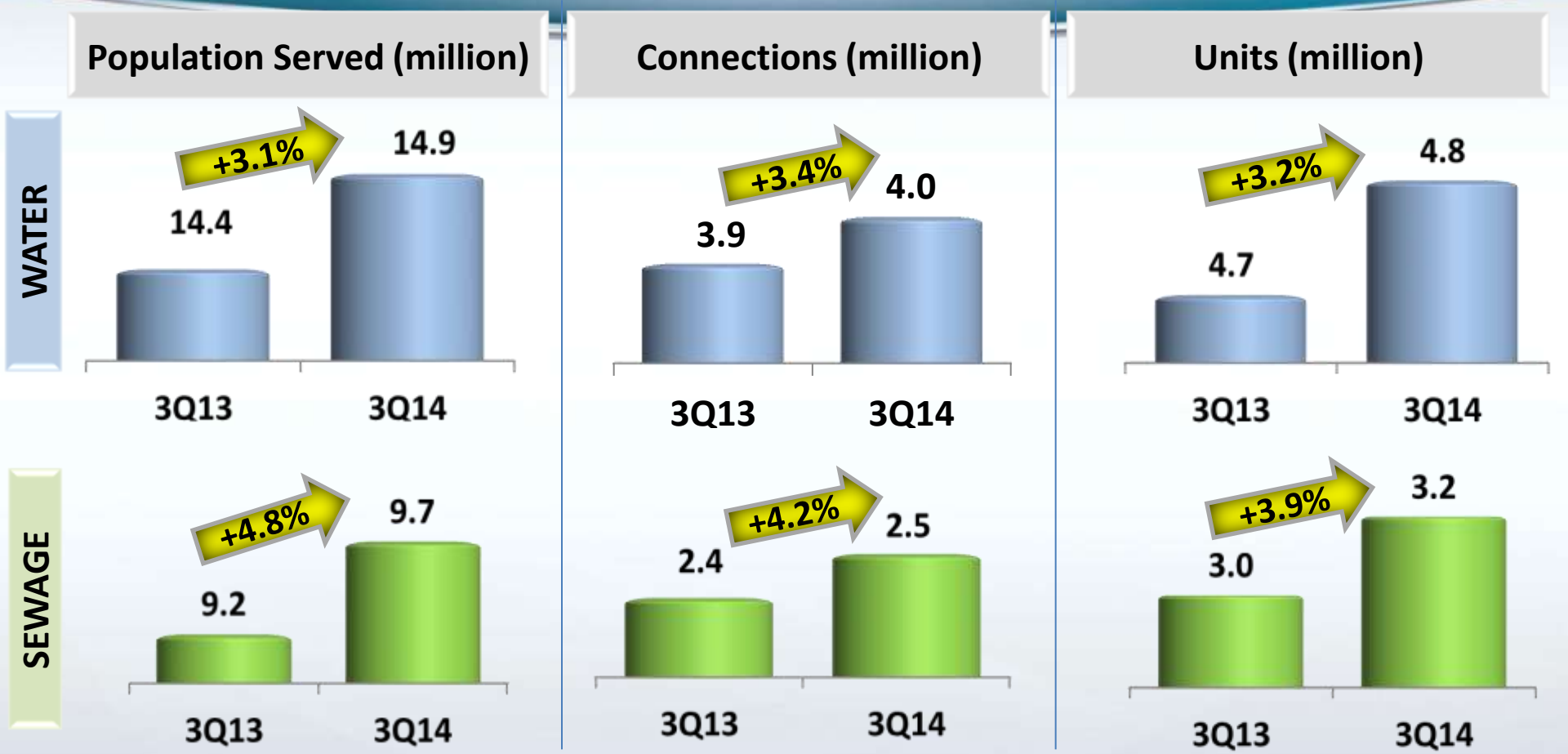
Present in 631 of the 853 municipalities of Minas Gerais



- Water concessions: 343 municipalities
- Water and sewage concessions: 288 municipalities
- Not covered by COPASA: 222 municipalities
- COPANOR

The numbers include concessions by COPASA MG and subsidiary COPANOR.

Overview



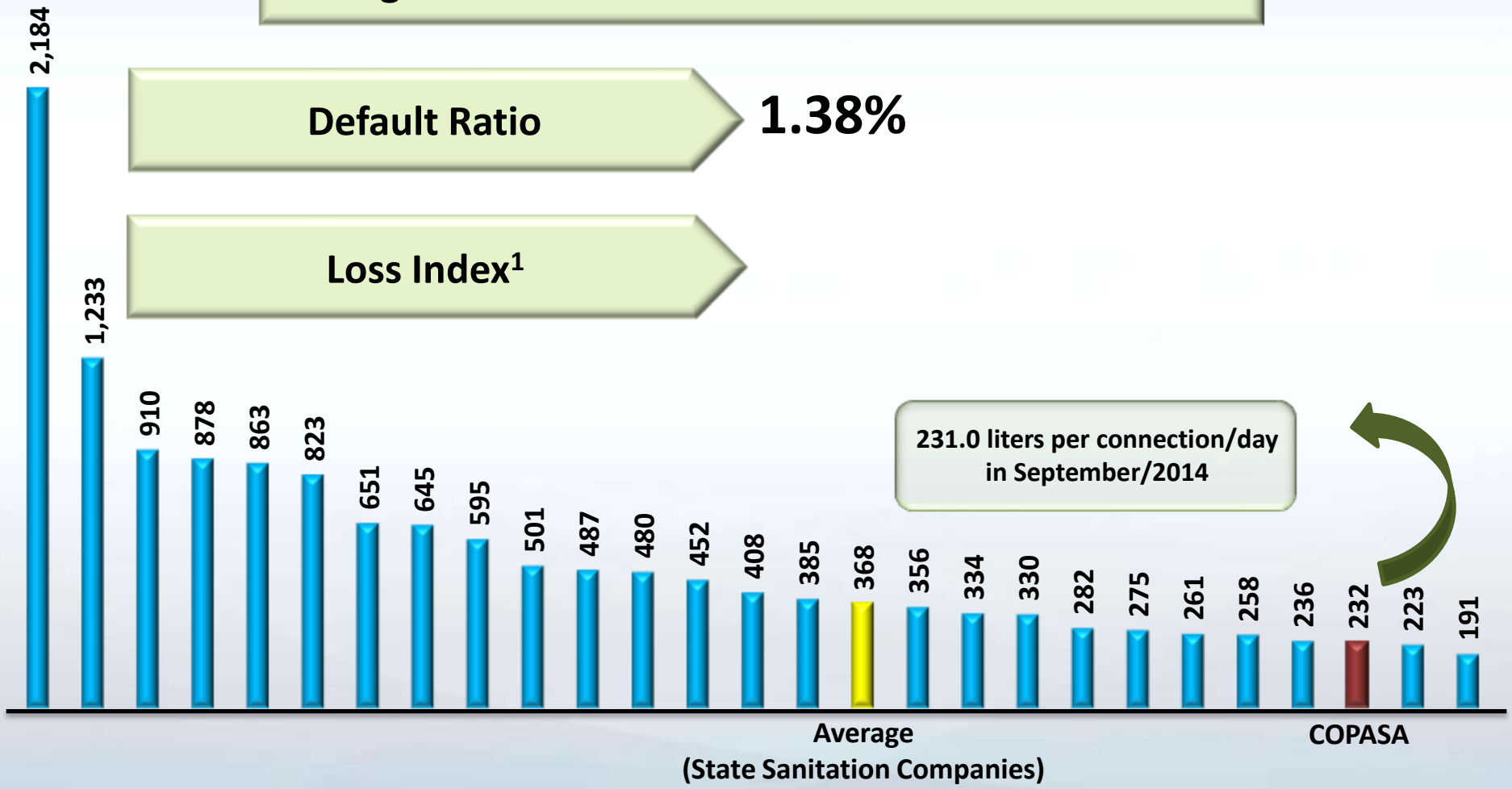
- Consolidated data (includes cities operated by COPANOR).
- Variation is calculated by considering the number with all decimal places.
- Connections: link between the company's pipeline and the customer's building.
- Unit: subdivision of a building.
  (E.g.: a 10 apartment building has 1 connection and 10 units)

Operational Efficiency

Recognized as one of the lowest indices in the sector

Default Ratio **1.38%**

Loss Index[1]



1 - Source: SNIS 2012 (National Sanitation Data System)

Investments

CAPEX (R$ million)			
	Projected 2014	**Accomplished 3Q14**	**Accomplished 9M14**
Water	353	64	218
Sewage	611	134	429
Others	19	7	26
Total	**983**	**205**	**673**

Shareholders' Remuneration

- **Financial Year 2014: 35% of Net Income distributed as Interest on Equity (IOE);**
- **Payout defined annually by the Board of Directors;**
- **Quarterly payments.**

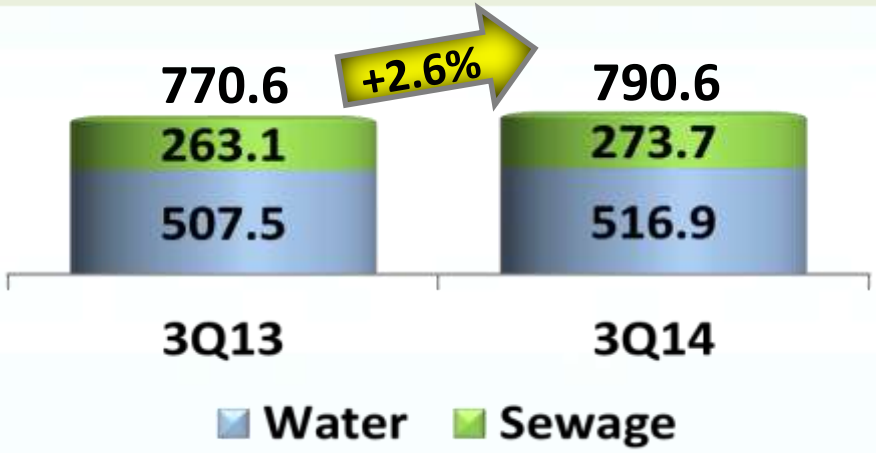
2013	**R$ 139.6 million (R$ 1.1697 per share);**
1Q14	**R$ 34.8 million (R$ 0.2913 per share);**
2Q14	**R$ 33.4 million (R$ 0.2797 per share);**
3Q14	**R$ 32.7 million (R$ 0.2745 per share);**

Financial Performance
3Q14

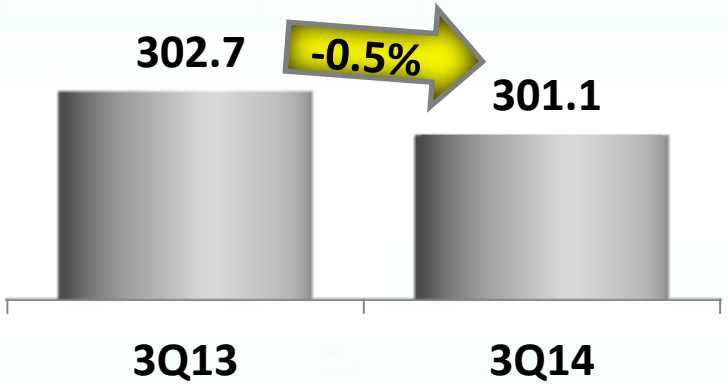
COPASA

Cash Generation

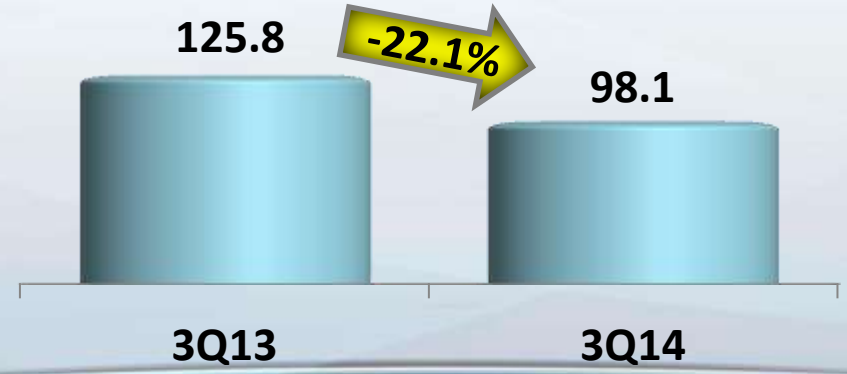
Net Operating Revenue (R$ million)



Adjusted EBITDA (R$ million)



Net Income (R$ million)



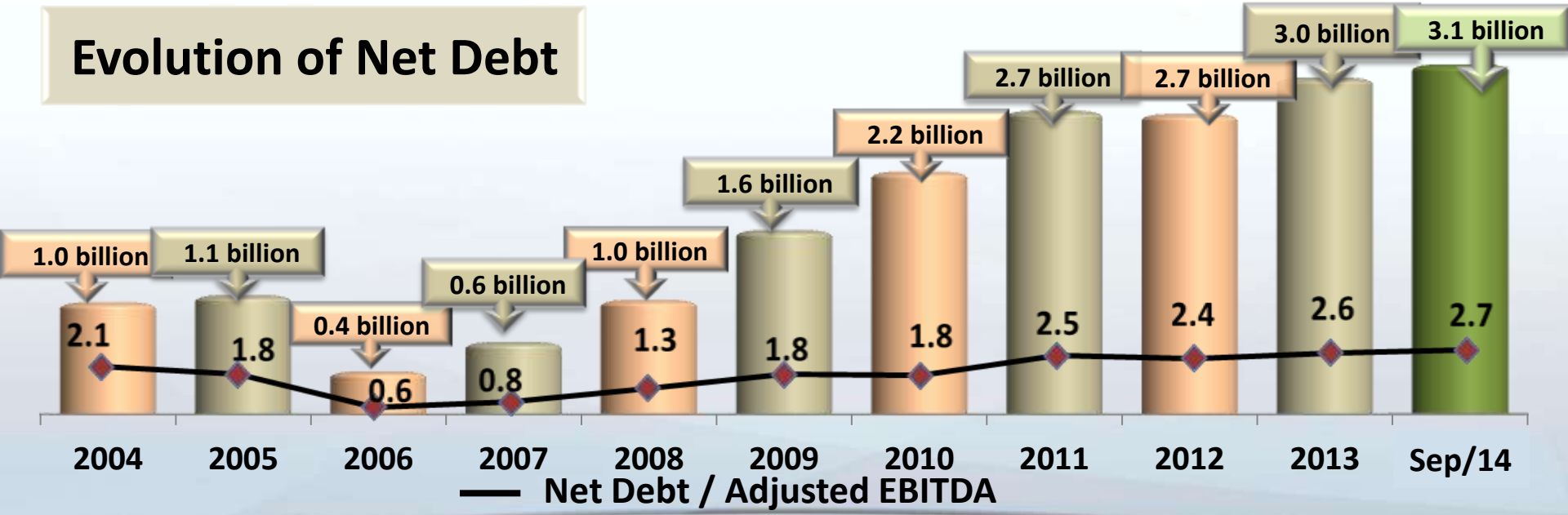
Indebtedness

Gross Debt:
R$ 3.3 billion

Position: September/2014

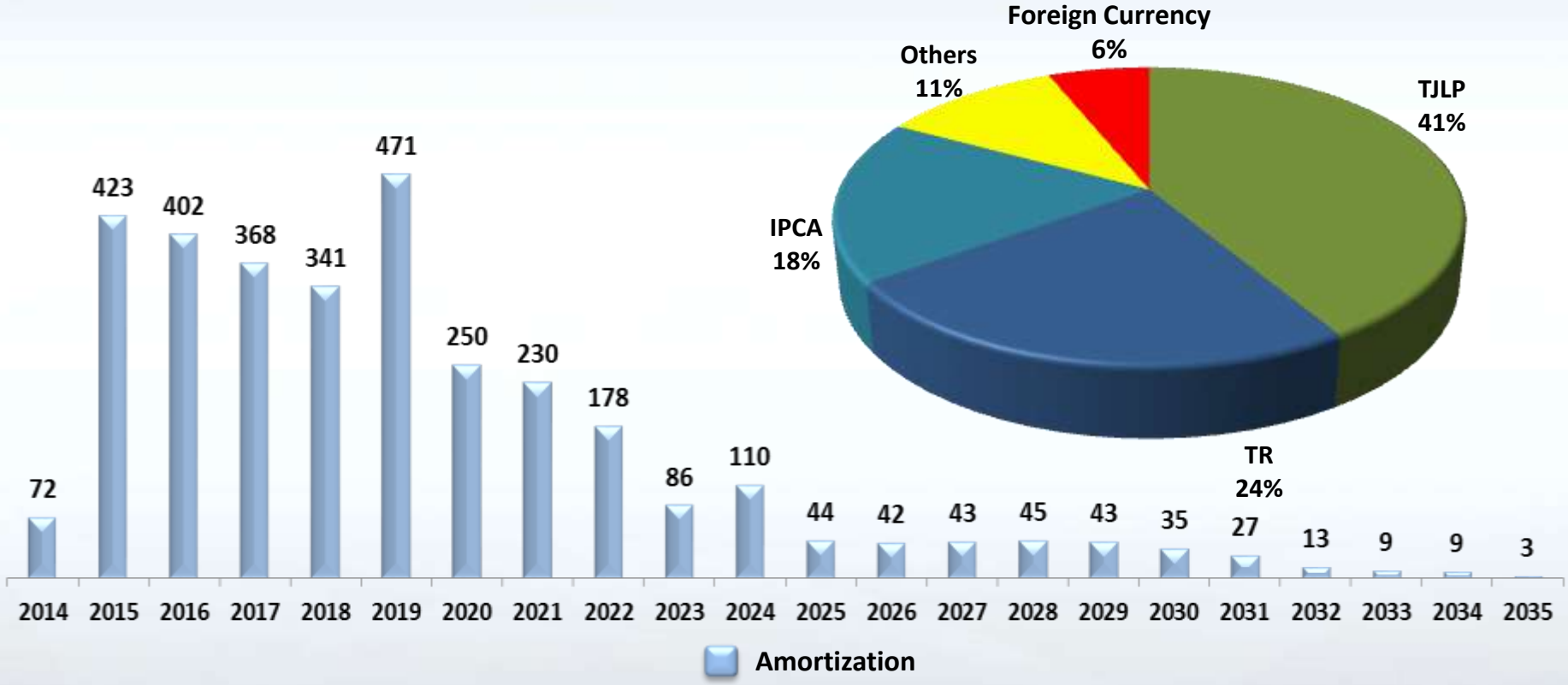


Evolution of Net Debt



Indebtedness

Amortization Schedule (R$ million)[1] and Debt Indexes



Average rate : 7.50% p.a[2]

1. As of September 30, 2014, the Company had R$ 810.2 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 € 55.8 million.
2. The average rate of these loans was 7.50% p.a., while some funding lines also had their balances pegged to specific indices, such as TR, IPCA, IGPM, US dollar and euro, as shown in debt chart from Earnings Release 3Q14.



Onça Sewage Treatment Station

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.

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