

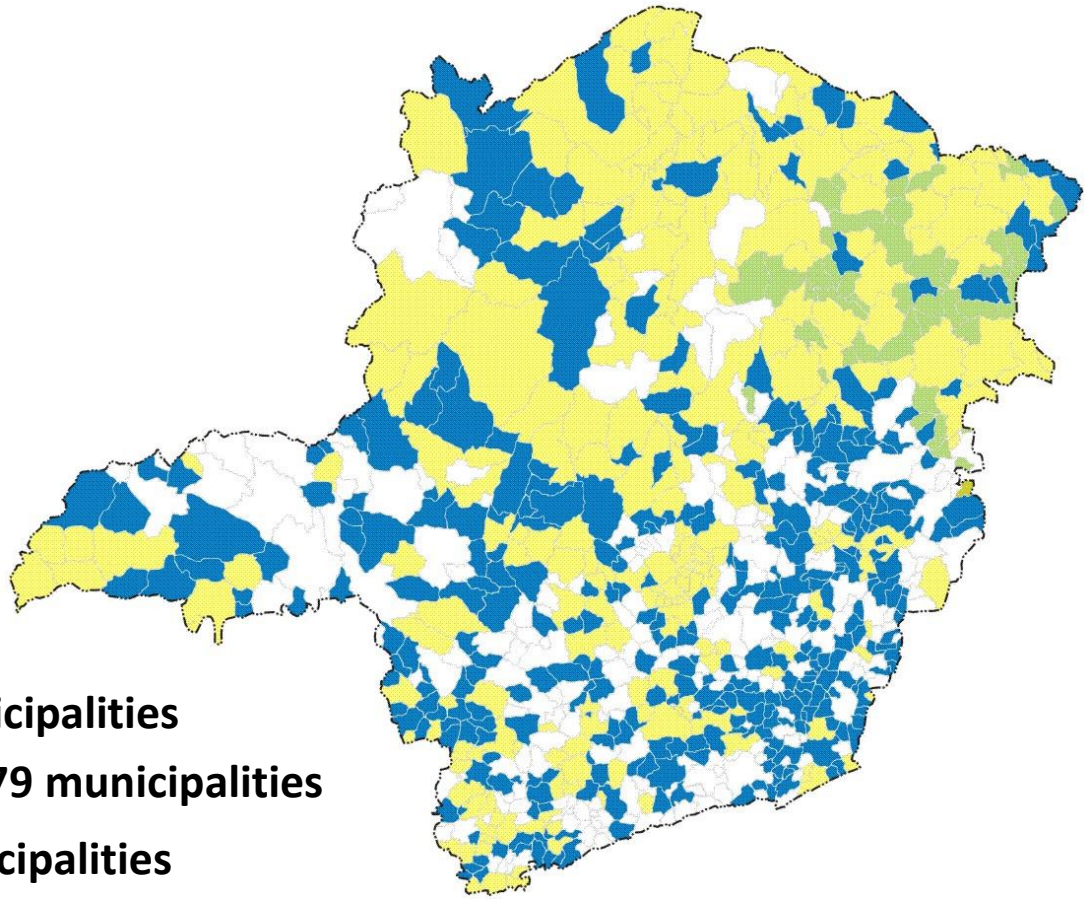
Earnings Release
1Q13

COPASA
A água de Minas

CSMG3 NOVO MERCADO BM&FBOVESPA
IBrX ÍNDICE BRASIL
Índice de Ações com Tag Along Diferenciado ITAG
Índice de Governança Corporativa Trade IGCT
Índice de Sustentabilidade Empresarial ISE 2013
Índice de Ações com Governança Corporativa Diferenciada IGC
ÁGUA DA GENTE
50 anos COPASA

OVERVIEW

Present in 625 of the 853 municipalities in Minas Gerais



- Water-only concessions : 346 municipalities
- Water and sewage concessions : 279 municipalities
- Not covered by COPASA: 228 municipalities
- COPANOR

Numbers include COPASA MG and subsidiary COPANOR.

ÁGUA DA GENTE



OVERVIEW

	1Q13[1]	1Q12[1]	Var (%)[2]
Population Served – Water (million)	14.2	13.7	3.4
Population Served – Sewage (million)	8.9	8.4	5.6
Water Connections (million)[3]	3.8	3.7	4.0
Sewage Connections (million)[3]	2.3	2.1	6.5
Water Units (million)[4]	4.6	4.4	3.9
Sewage Units (million)[4]	2.9	2.8	5.9
Water Network (1,000 km)	44.9	44.3	1.5
Sewage Network (1,000 km)	20.2	18.4	10.1

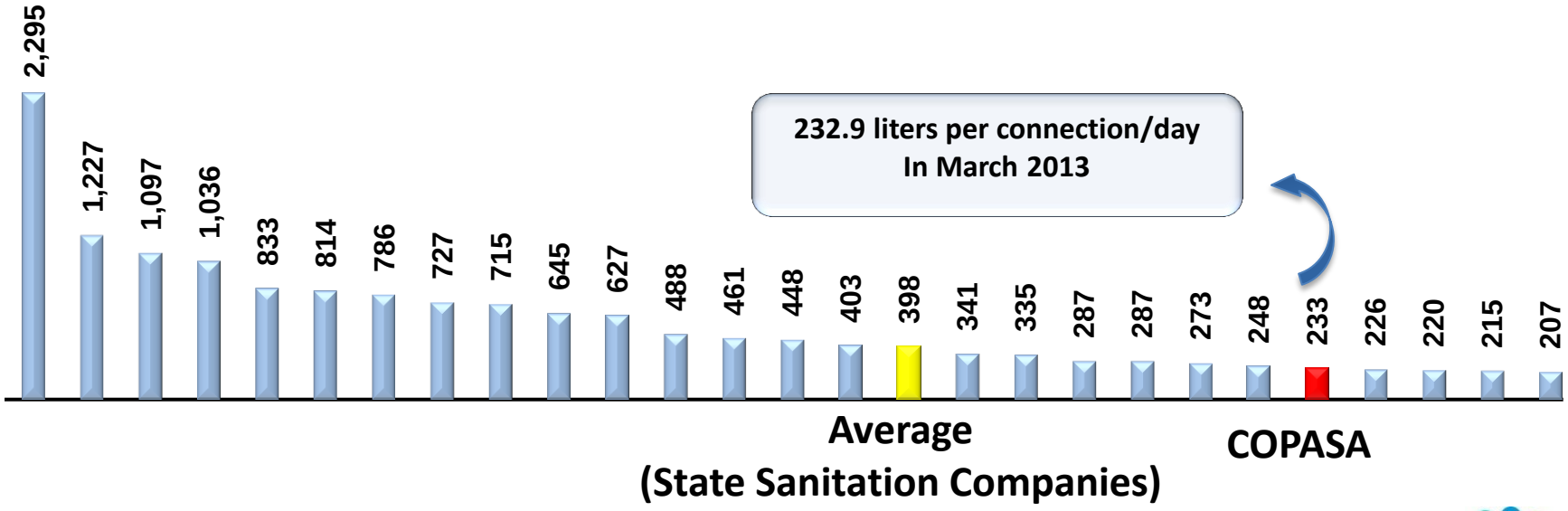
1 - Consolidated data (includes cities operated by COPANOR).
2 - Variation is calculated by considering the number with all decimal places.
3 - Connections: link between the company's pipeline and the customer's building.
4 - Unit: subdivision of a building.
(E.g.: a 10 apartment building has 1 connection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

ÁGUA DA GENTE

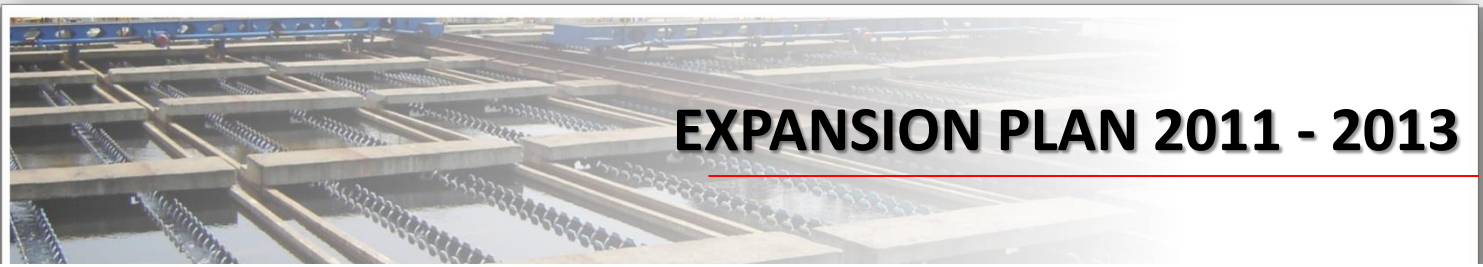
OPERATING EFFICIENCY

Default Ratio — one of the lowest in the sector — **1.33%**

Loss Index[1] — one of the lowest in the sector (liters per connection/day)



1 - Source: SNIS 2010 (National Sanitation Data System)



EXPANSION PLAN 2011 - 2013

Obtain sewage concessions in cities where COPASA owns water concessions

POPULATION OVER 15,000 INHABITANTS	
Nº of municipalities	31
Population (thousands)	1,500

- ✓ 8 concessions signed – 596,000 inhabitants
- ✓ 2 authorizing laws voted
- ✓ 21 concessions in negotiation

POPULATION UNDER 15,000 INHABITANTS	
Nº of municipalities	93
Population (thousands)	600

- ✓ 18 concessions signed – 99,000 inhabitants
- ✓ 34 authorizing laws voted
- ✓ 41 concessions in negotiation

Obtain water and sewage concessions in cities where COPASA does not own concessions

POPULATION OVER 15,000 INHABITANTS	
Nº of municipalities	31
Population (thousands)	1,400

- ✓ 31 concessions in negotiation

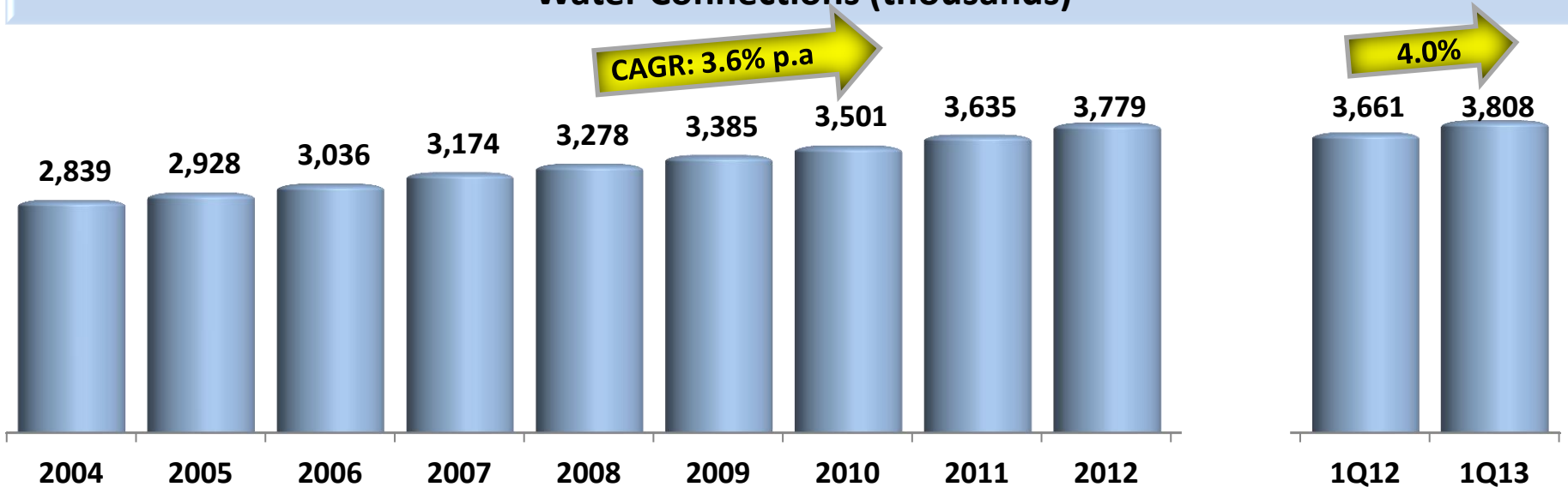


INVESTMENTS

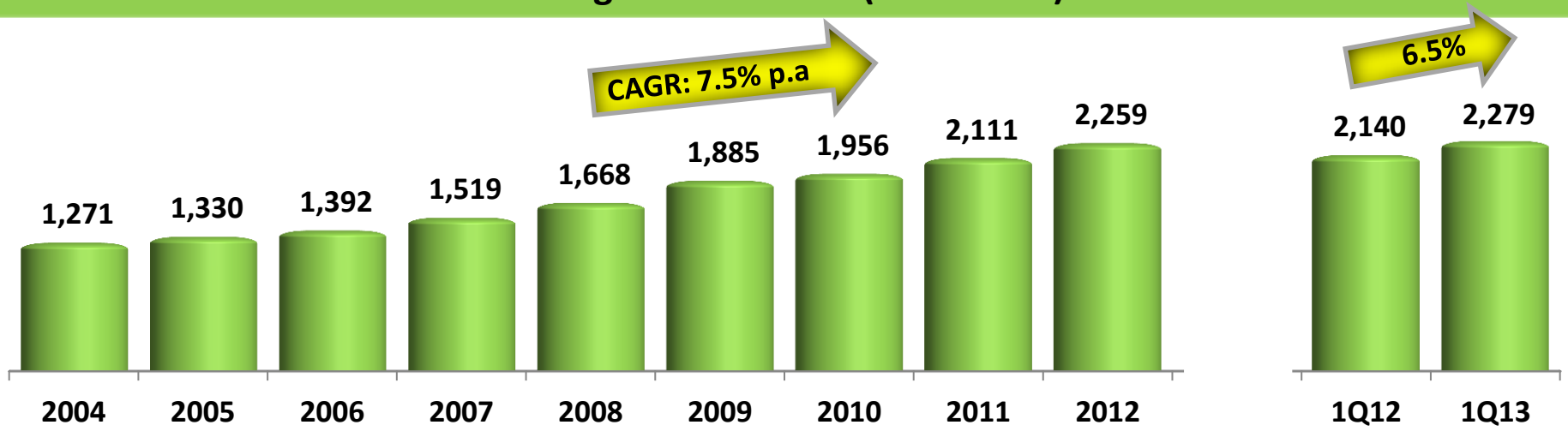
CAPEX (R$ million)		
	Projected 2013	Accomplished 1Q13
Water	257	53
Sewage	600	96
Others	43	2
Total	**900**	**151**

CUSTOMERS

Water Connections (thousands)



Sewage Connections (thousands)



TARIFF ADJUSTMENT 2013

Average Tariff Adjustments

2011	2012	2013
7.02%	4.34%	5.25%

Sewage Tariff

	% of the water tariff
Collected Sewage	50%
Collected and Treated Sewage	90%



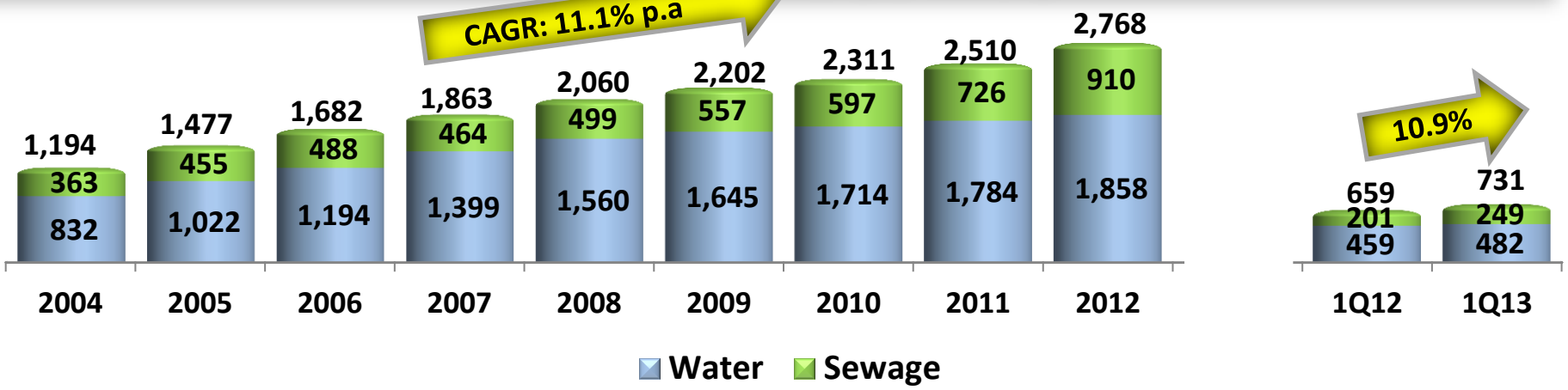
Financial Performance 1Q13

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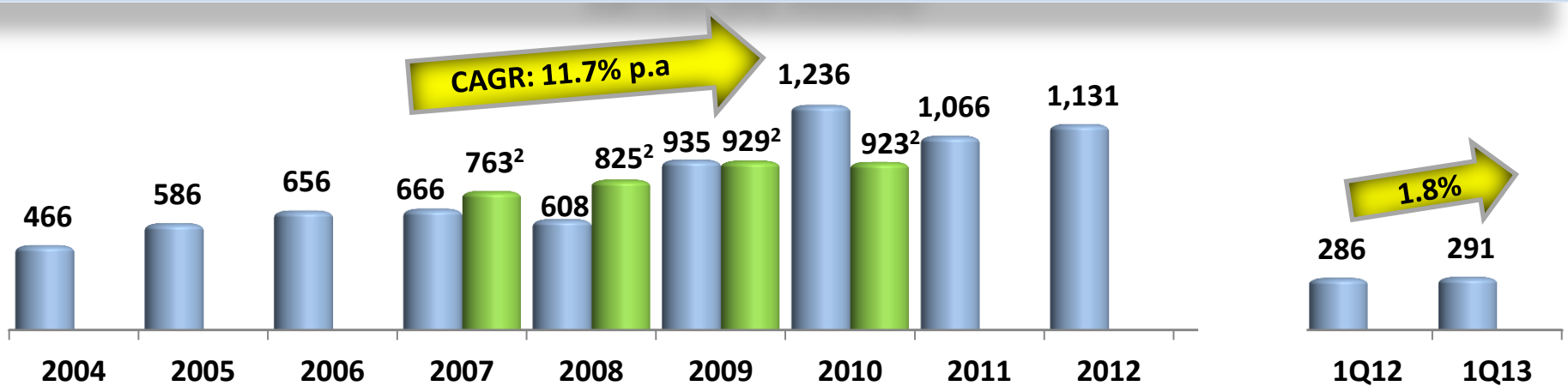
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CASH GENERATION

Net Operating Revenue (R$ million)[1]



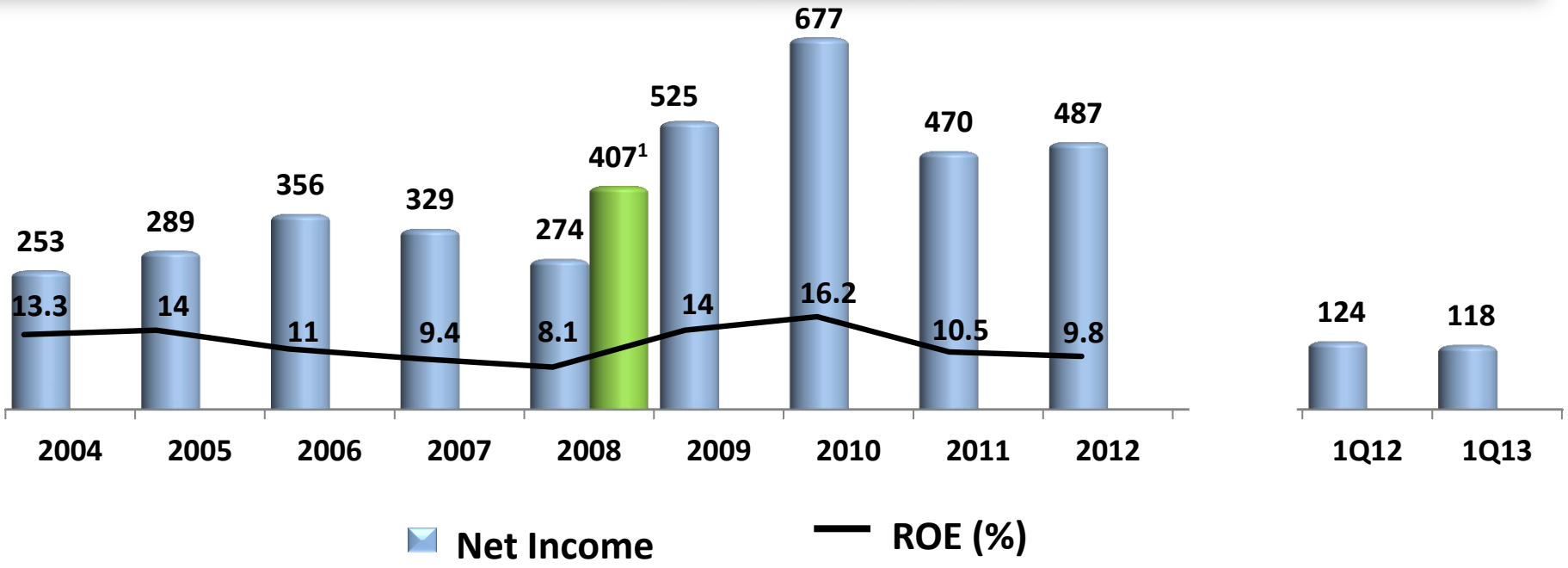
EBITDA (R$ million)[1]



1. Does not include Construction Revenues arising from the convergence into IFRS (Financial Statements from 2008 onwards) or Revenues from Finished Products.
2. EBITDA adjusted to non-recurring items.

INCOME

Net Income (R$ million)



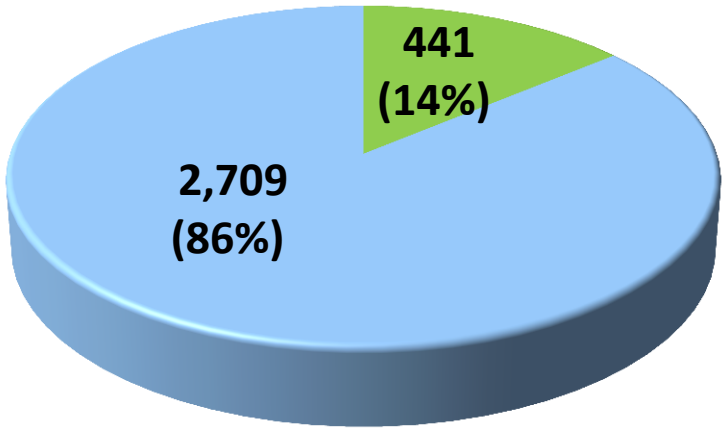
Dividends paid as Interest on Equity – IOE:

1Q13 R$ 38.1 million (R$ 0.3189 per share).

1. Amount reported in 2008 and subsequently changed to recognize tax debts.

INDEBTEDNESS

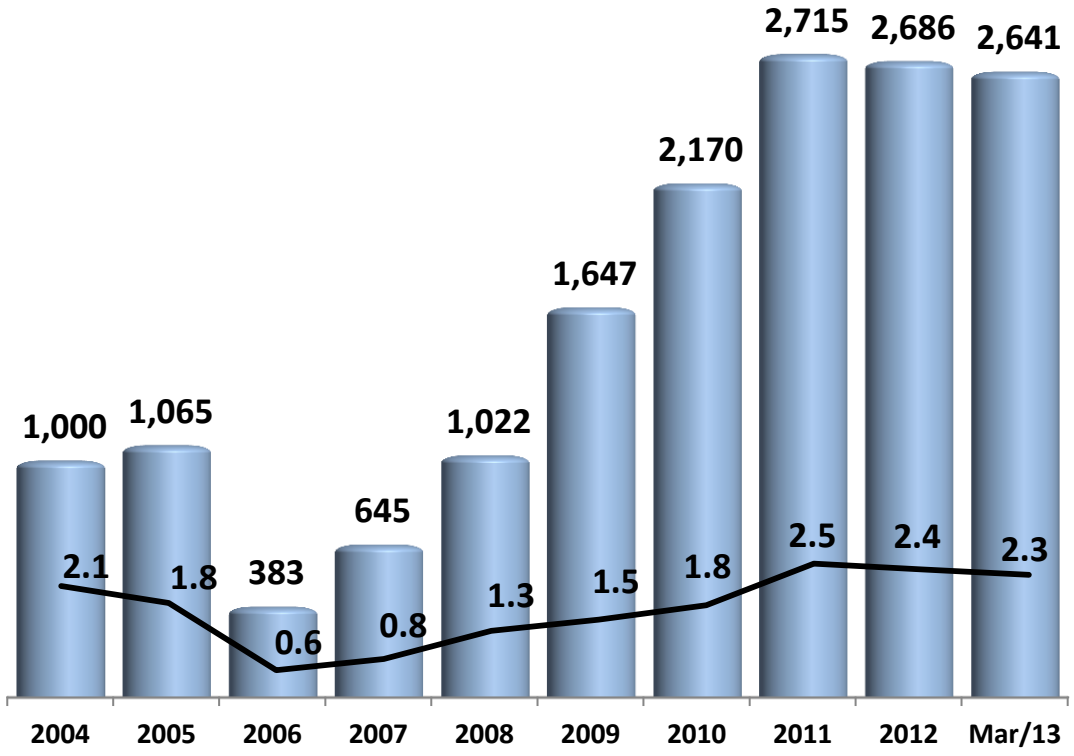
Gross Indebtedness (R$ million)



Total: R$ 3,150

Short Term Long Term

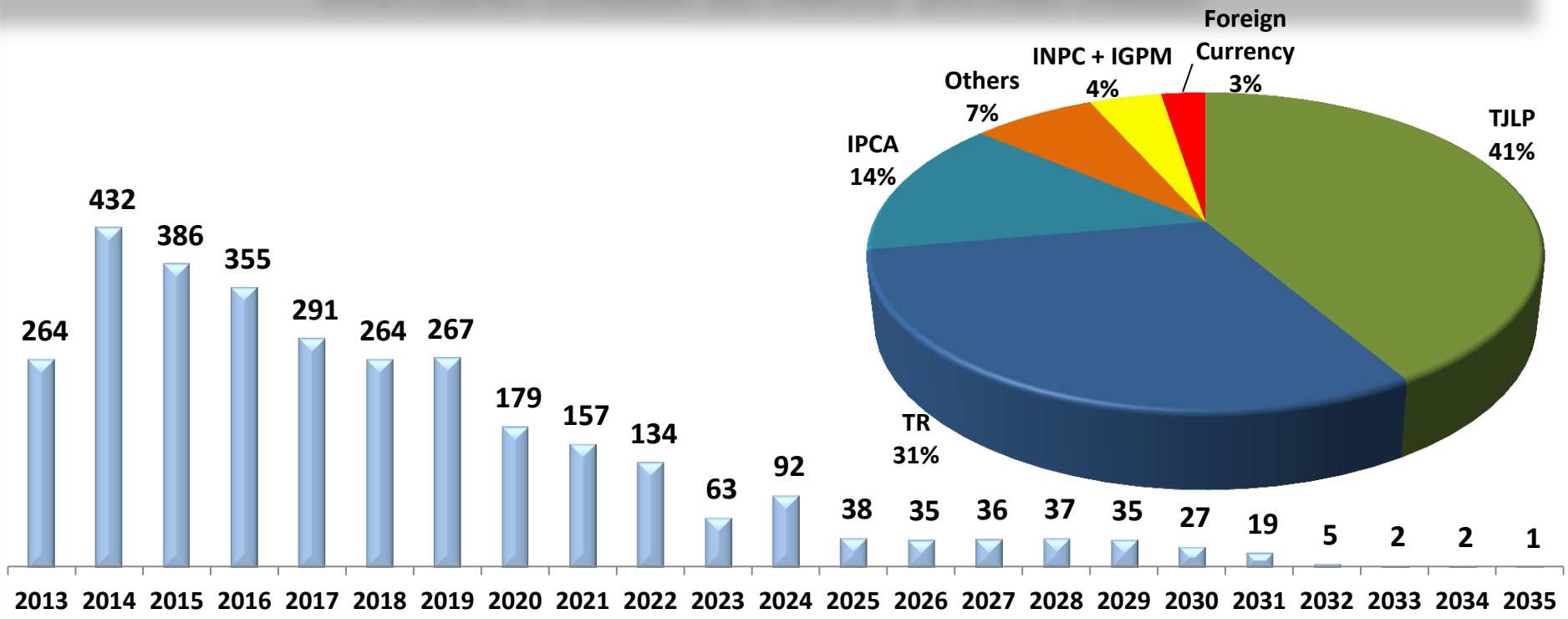
Net Debt (R$ million)



Position: March/2013

INDEBTEDNESS

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



Average rate: 7.69% p.a[2]

1. As of March 31, 2013, the Company had R$ 767.7 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 € 90.3 million. The Company also had a remaining balance of R$ 136 million referring to the 5th Issue of debentures which, although it has been released by the financial agent, is booked as restricted financial investment.
2. The average rate of these loans was 7.69% pa, 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 1Q13.



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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