

Earnings Release
3Q11

COPASA
A água de Minas

CSMG3
NOVO MERCADO
BM&FBOVESPA

IBrX ÍNDICE BRASIL

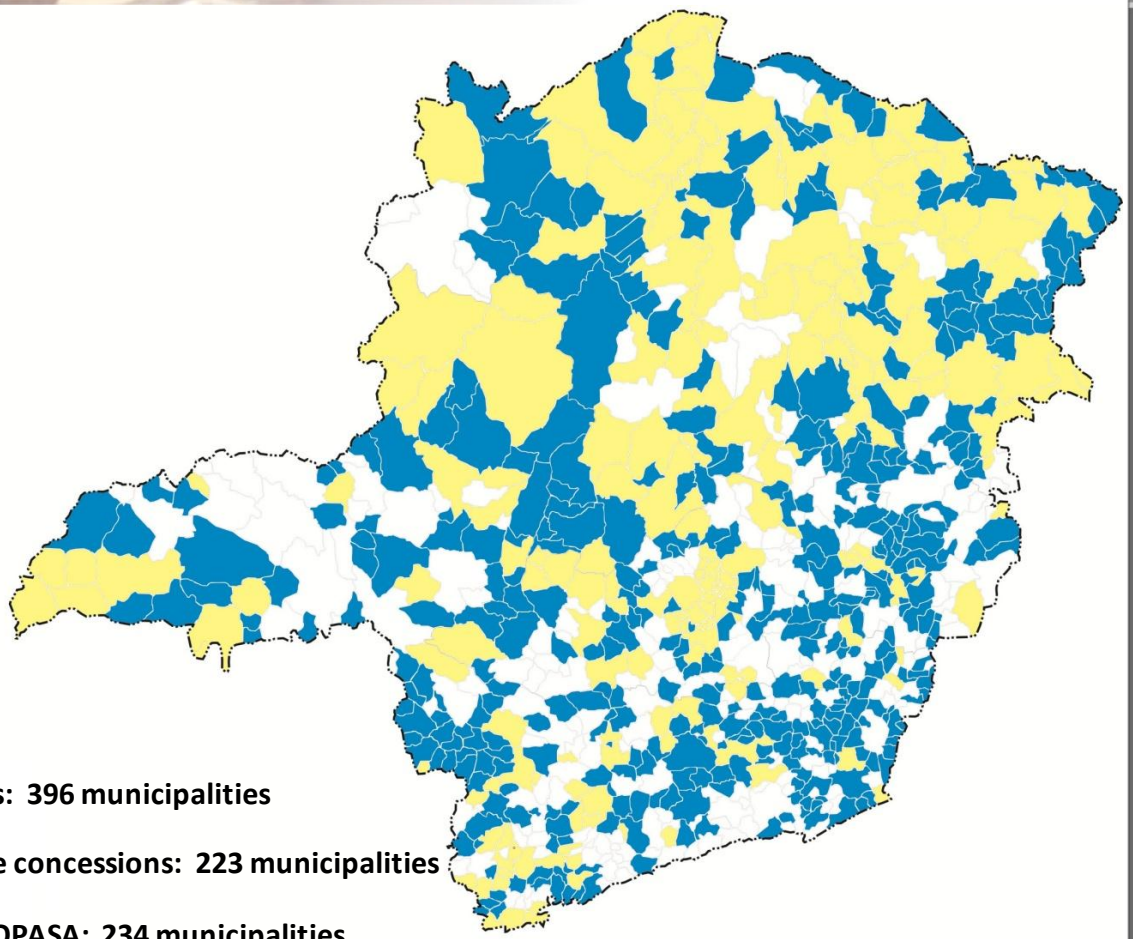
Índice de Ações com Tag Along Diferenciado ITAG

Índice de Governança Corporativa Trade IGCT

Índice de Ações com Governança Corporativa Diferenciada IGC

OVERVIEW

Present in 619 of the 853 municipalities in Minas Gerais



Water concessions: 396 municipalities

Water and sewage concessions: 223 municipalities

Not covered by COPASA: 234 municipalities

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OVERVIEW

	3Q11[3]	3Q10[3]	Var (%)[4]
Population Served – Water (million)	13.5	13.1	3.1
Population Served – Sewage (million)	8.1	7.7	5.6
Water Connections (million)[1]	3.6	3.5	3.6
Sewage Connections (million)[1]	2.0	1.9	5.7
Water Units (million)[2]	4.4	4.2	3.4
Sewage Units (million)[2]	2.6	2.5	5.0
Water Network (1,000 km)	43.5	42.9	1.4
Sewage Network (1,000 km)	16.8	16.2	4.0

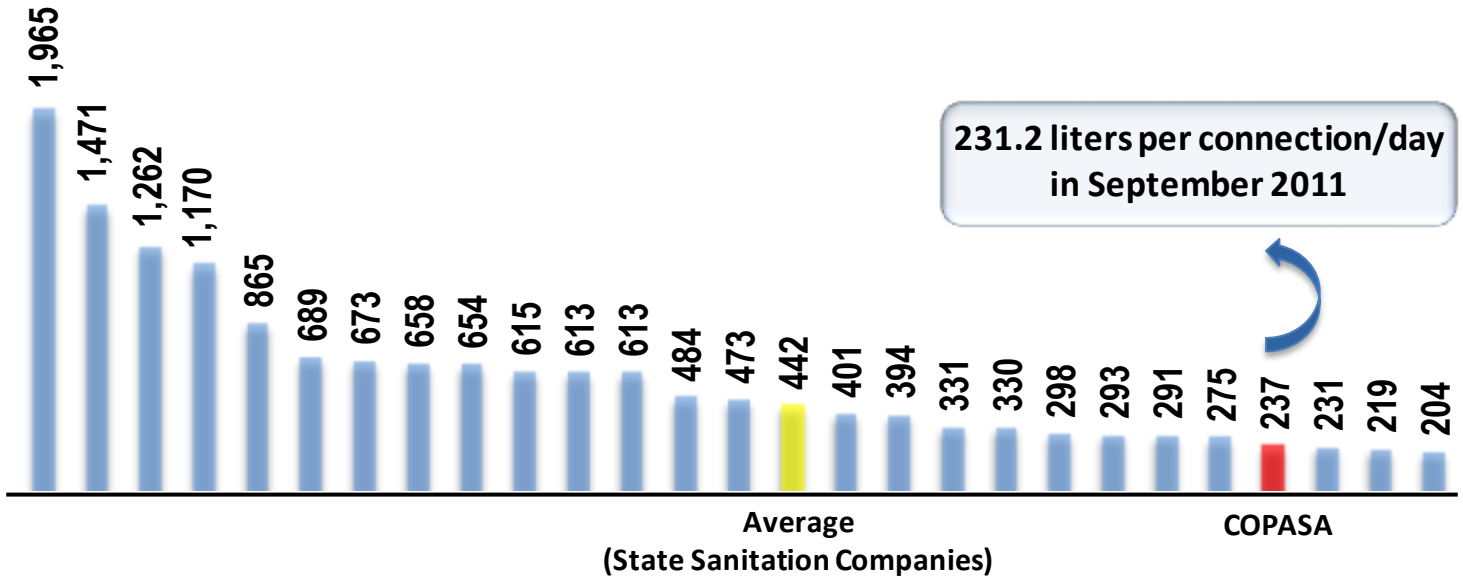
1 - Connections: link between the company's pipeline and the customer's building.
2 - Unit: subdivision of a building.
(E.g.: a 10 apartment building has 1 connection and 10 units)
3 - Consolidated data (includes cities operated by COPANOR).
4 - Variation is calculated by considering the number with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



OPERATING EFFICIENCY

Default Ratio — one of the lowest in the sector — **1.29%**

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



Source: SNIS 2009 (National Sanitation Data System)

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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

- ✓ 3 concessions signed – 359,000 inhabitants
- ✓ 3 authorizing laws voted
- ✓ 25 concessions in negotiation

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

- ✓ 4 concessions signed – 32,000 inhabitants
- ✓ 23 authorizing laws voted
- ✓ 66 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

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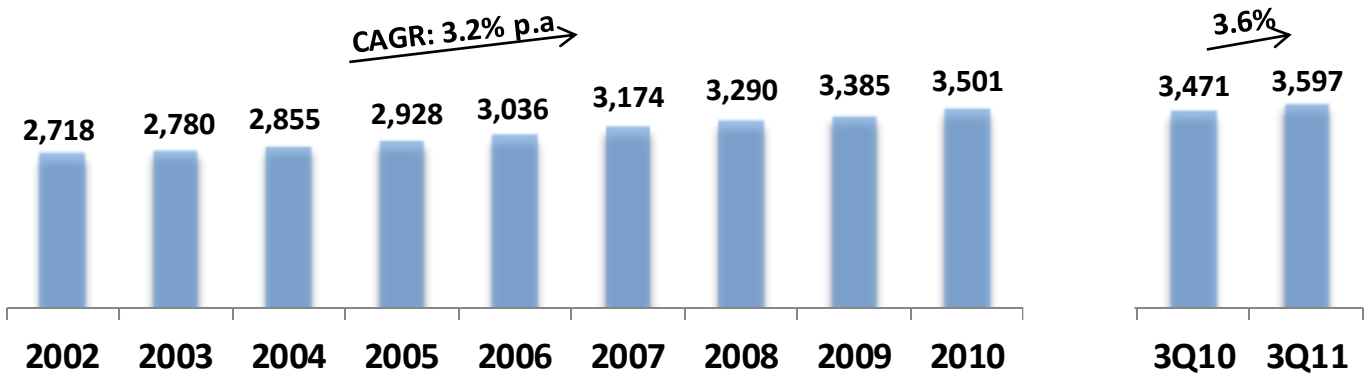
INVESTMENTS

CAPEX (R$ millions)			
	Estimate	Accomplished	
	2011	**3Q11**	**9M11**
Water	271	62	201
Sewage	462	97	270
Others	17	7	15
Total	**750**	**166**	**486**

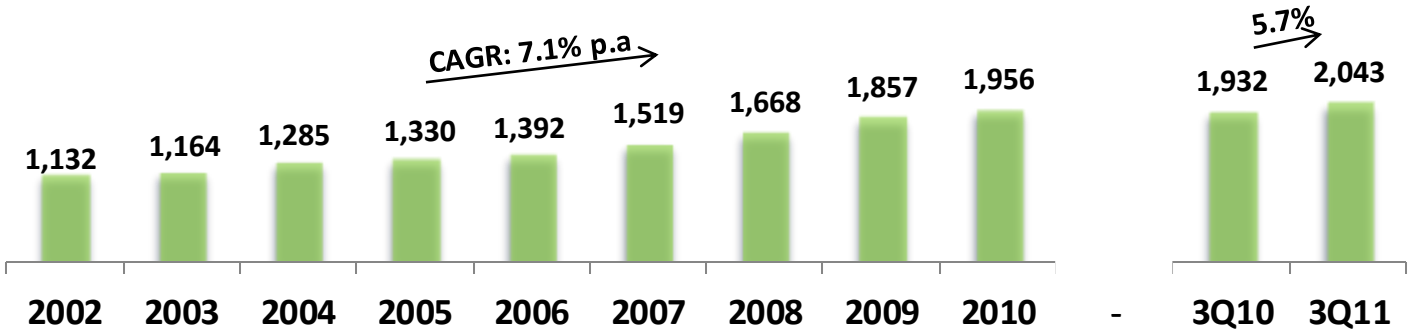


CUSTOMERS

Water Connections (thousands)



Sewage Connections (thousands)



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DIVIDEND POLICY

2011:
35% of Net Income, distributed as Interest on Equity – IOE.

1Q11	**R$ 39 million (R$ 0.34 per share). Payment date: May 23rd, 2011.**
2Q11	**R$ 41 million (R$ 0.36 per share). Payment date: August 26th, 2011.**
3Q11	**R$ 43 million (R$ 0.37 per share). Payment date: November 14th, 2011.**

RECOGNITION

PNQS - National Award for Quality in Sanitation



In 2011 COPASA MG and its Mid-East Operations Department were awarded with the PLATINUM Trophy – Level III, in the 750-point category. The North Operations Department was awarded with the DIAMOND Trophy – Level IV, in the 1000-point category.

In total, COPASA received
46 PNQS Trophies from 1999 to 2011



Financial Performance 3Q11

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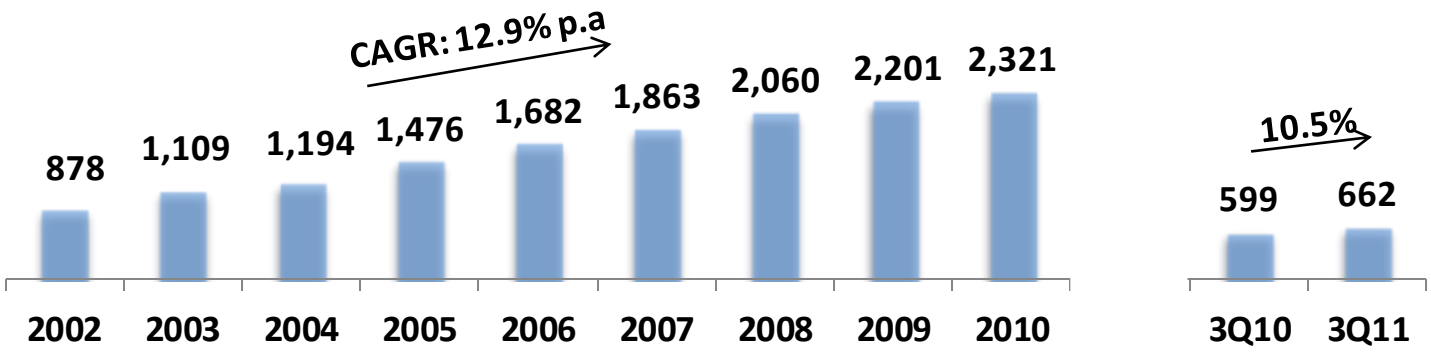
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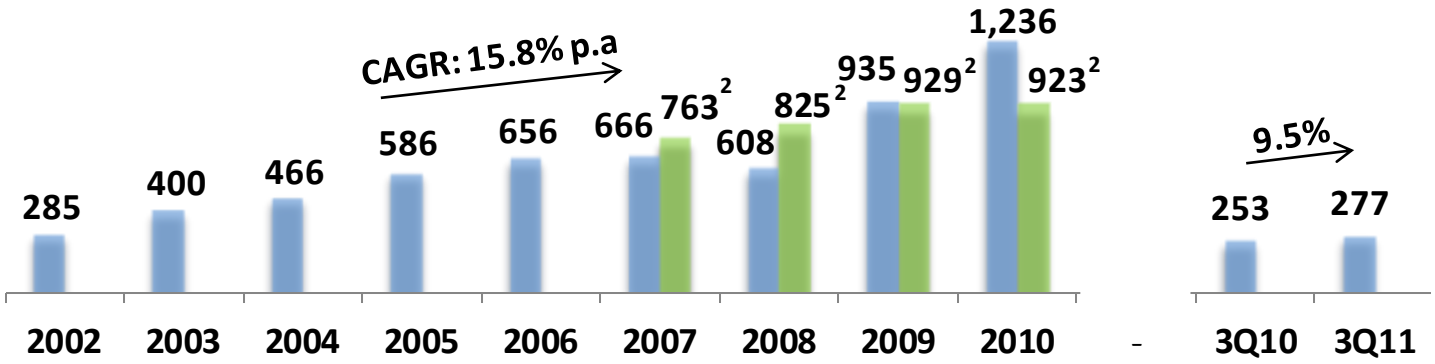
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CASH GENERATION

Gross Revenue (R$ million)[1]



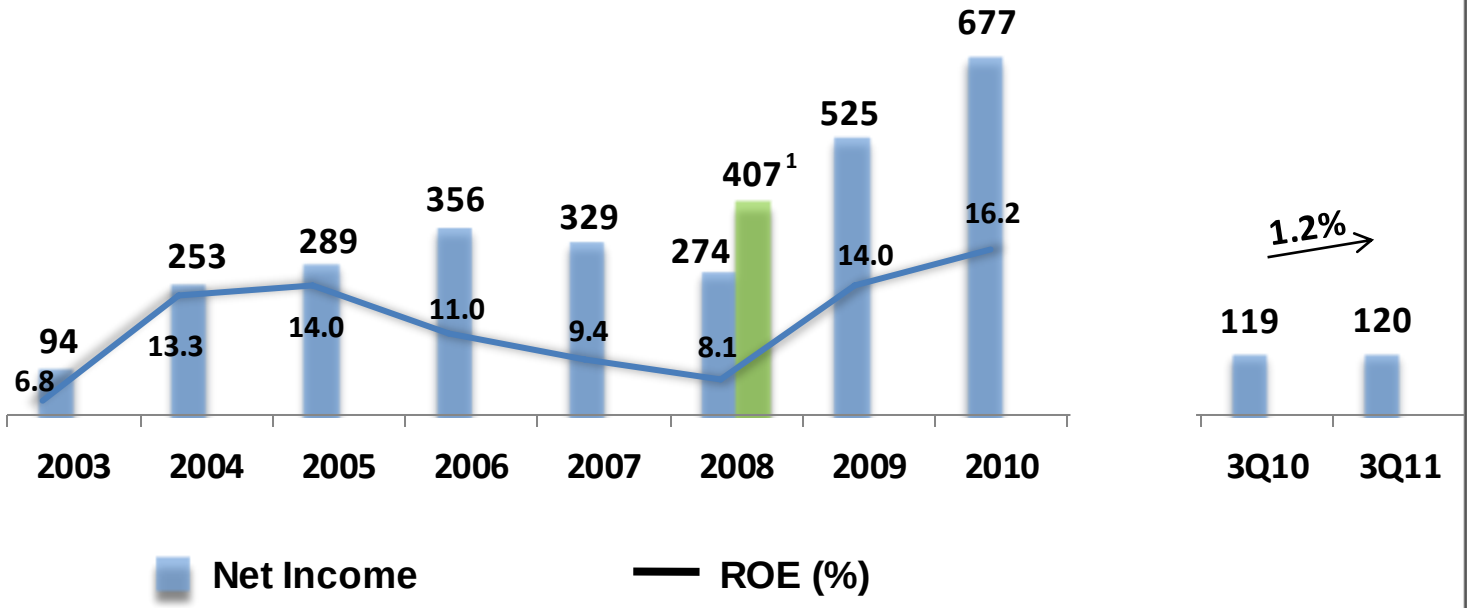
EBITDA (R$ million)



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

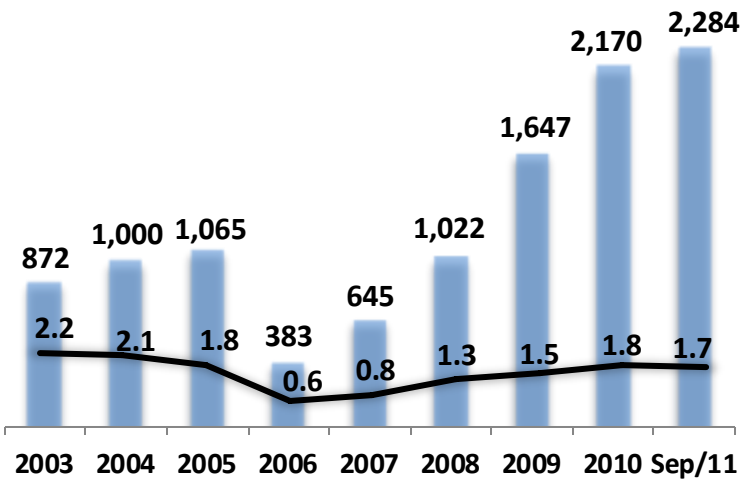
Net Income (R$ million)



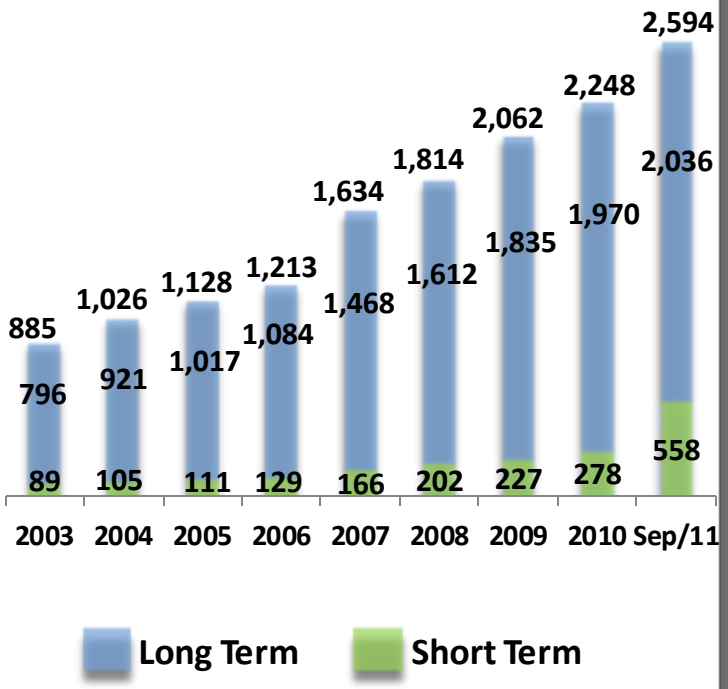
1. Amount reported in 2008 and subsequently changed to recognize tax debts.

INDEBTEDNESS

Net Debt (R$ million)

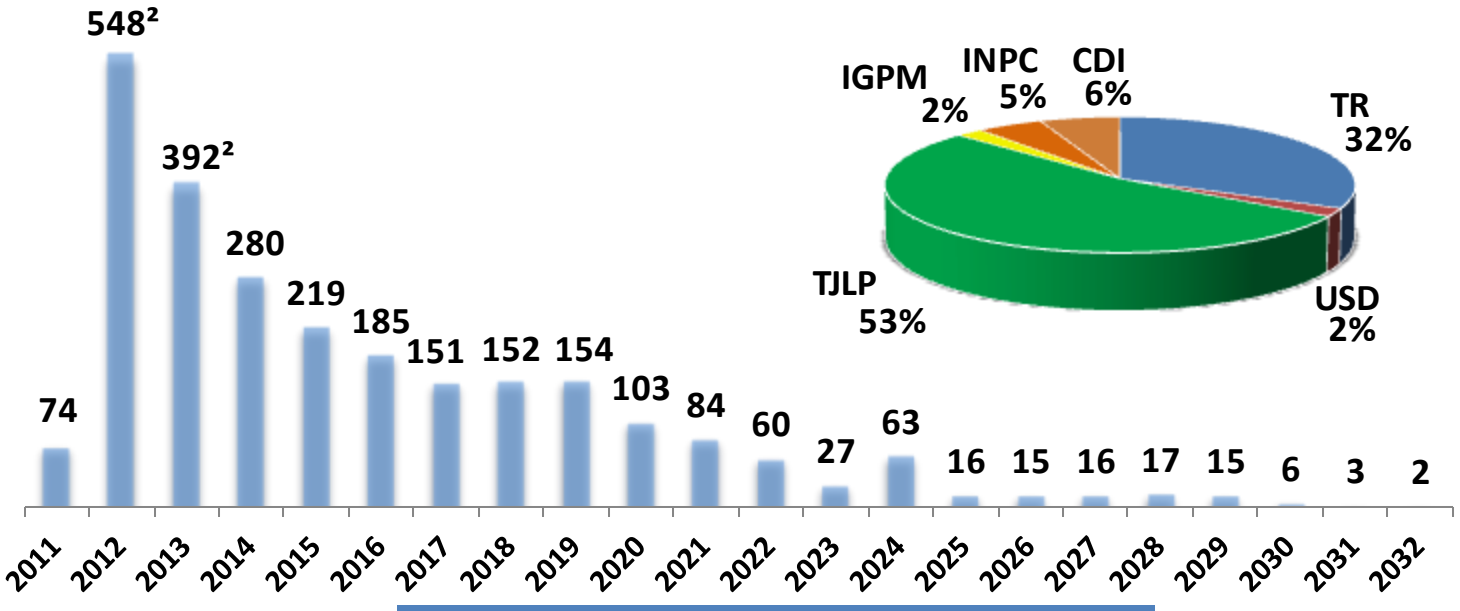


Gross Indebtedness (R$ million)



INDEBTEDNESS

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



Average rate: 8.6% p.a[3]

1. As of September 30th, the Company had R$ 1,272 million of funds contracted from the Government Severance Indemnity Fund (FGTS) and the Brazilian Development Bank (BNDES) to be disbursed and recorded in liabilities as investments are made. The average grace period remaining of these funds is 10 and 36 months respectively, with amortization terms of 240 and 180 months respectively, therefore they are not displayed in the chart. Additionally, the Board of Directors approved, on October 21st, 2011, the contracting of a long-term operation in the amount of R$ 400 million.
2. Including debentures convertible into shares, in the amount of R$ 140 million, 50% of which maturing by the end of May 2012, and the remaining by the end of May 2013. In the year 2012 are also included promissory notes in the amount of R$ 148 million, maturing in July 2012.
3. With the exception of contracts with BNDES, all loans still have their remaining balances pegged to specific indexes, such as TR, IGP-M, INPC, CDI, and USD forex.

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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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