

EARNINGS RESULTS

1Q09

1Q09 Highlights

- Net Operating Revenue was R$ 538 million, an increase of 15.1% comparing to 1Q08.
- EBITDA was R$ 251 million, a 31.2% increase against 1Q08.
- We signed two new sewage service concessions agreements, which have a combined population of 51,288 inhabitants and started the operation in the city of Ipuiúna.
- We renewed the water service concessions agreement of Arceburgo, Santos Dumont and São Pedro da União and started the operation in Goianá.
- Interest on Equity related to the first distribution of 2009 - R$ 37.2 million which will be paid up to 05/27/2009.

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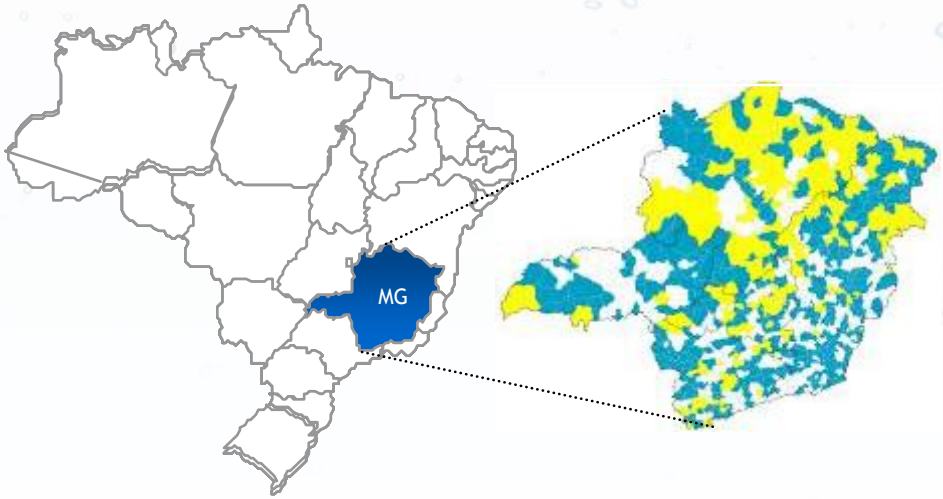
COPASA – Overview

COPASA has concessions to operate in 611 MG Municipalities



- Water and sewage concessions: 194 municipalities
- Water Concessions: 417 municipalities
- Not Covered: 242 municipalities

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COPASA – Overview

- Since 1963, providing water and sewage services in the State of Minas Gerais.
- COPASA operates within a natural monopoly with low operating risk

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	March 2009	March 2008	Chg (%)[3]
Population Attended – Water (Million)	**12.5**	**12.1**	**3.1**
Population Attended – Sewage (Million)	**7.1**	**6.3**	**12.2**
Connections [1] – Water (Million)	**3.3**	**3.2**	**2.8**
Connections [1] – Sewage (Million)	**1.7**	**1.5**	**11.6**
Water Units [2] – (Million)	**4.0**	**3.9**	**2.7**
Sewage Units [2] – (Million)	**2.3**	**2.1**	**9.7**
Water Network (Thousand Km)	**40.8**	**40.0**	**2.0**
Sewage Network (Thousand Km)	**14.9**	**13.8**	**8.0**

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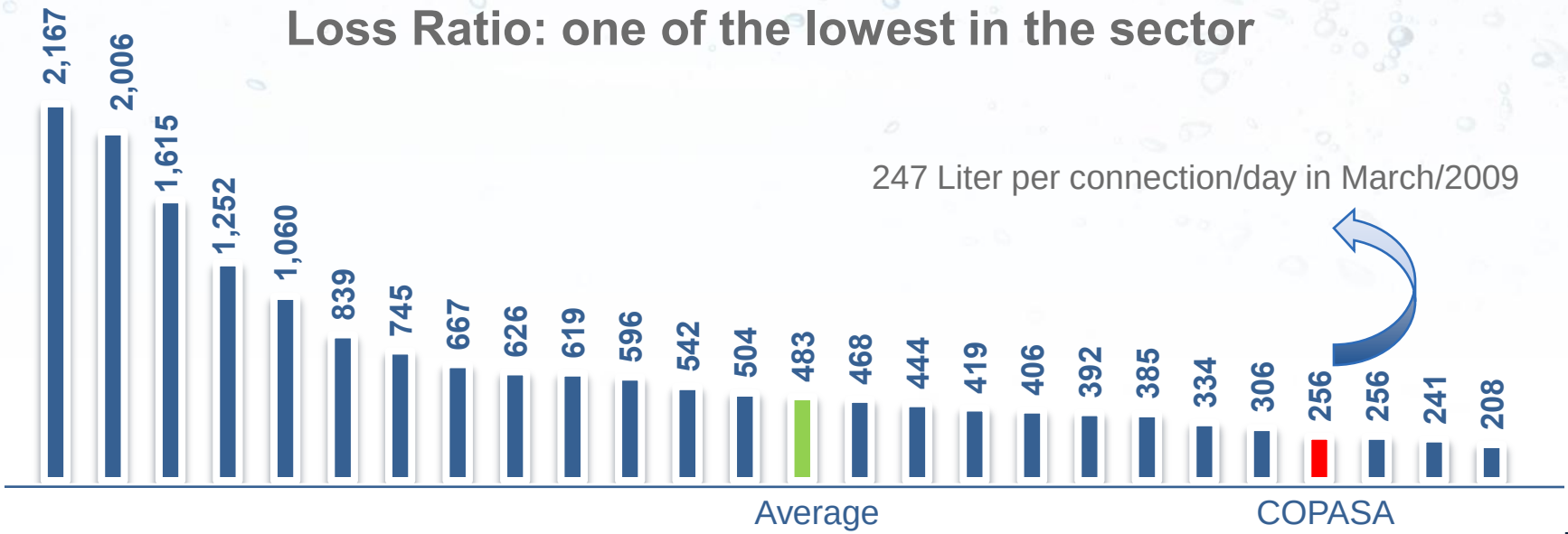
1 - Connection: link between the company's pipeline and the client building.
2 - Unit: subdivisions of a building.
I.E.: a 10 apartments building has 1 connection and 10 units.
3 -Variation is calculated by considering the full number with all decimal digits.

Operating Efficiency

Default Ratio: the lowest in the sector

Default Ratio	1.55%

Loss Ratio: one of the lowest in the sector



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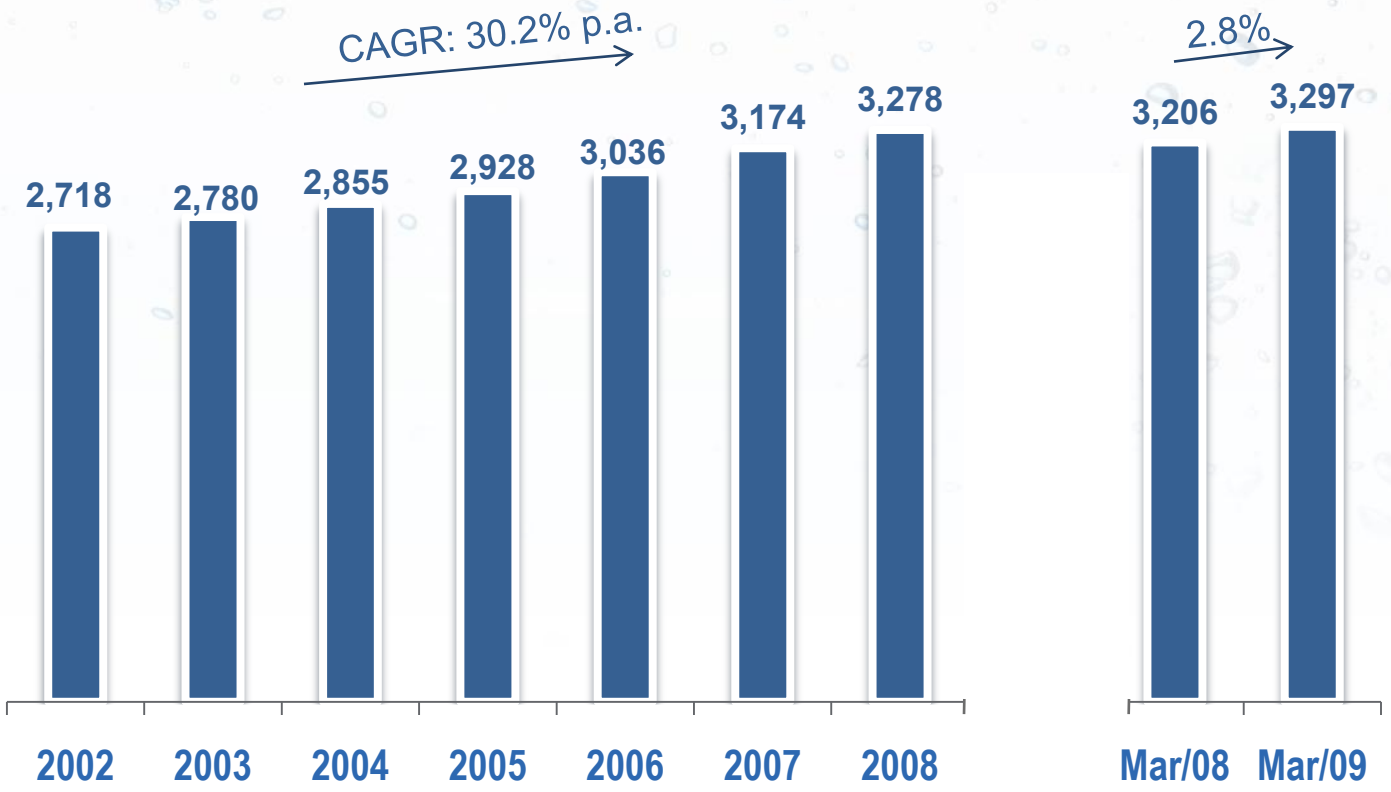
Customers

Water Connections (Thousand)



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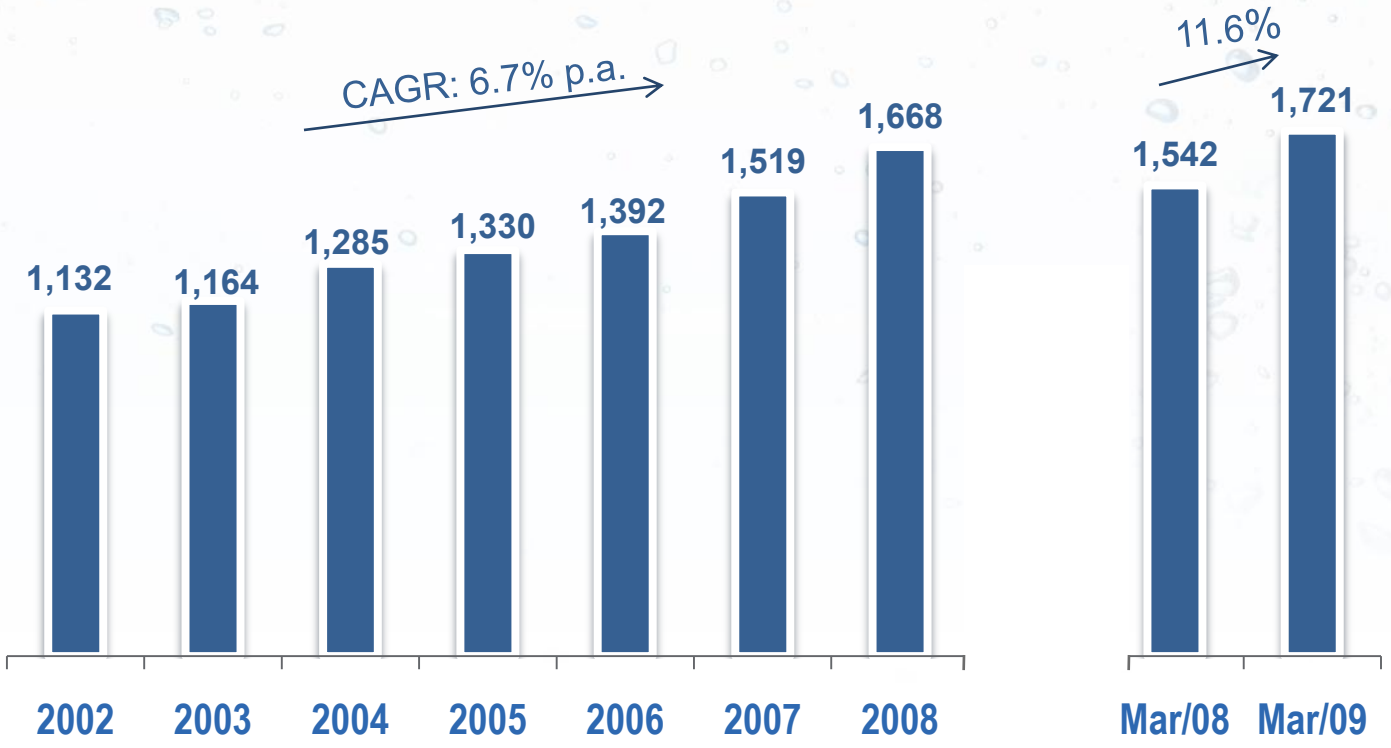
Costumers

Sewage Connections (Thousand)



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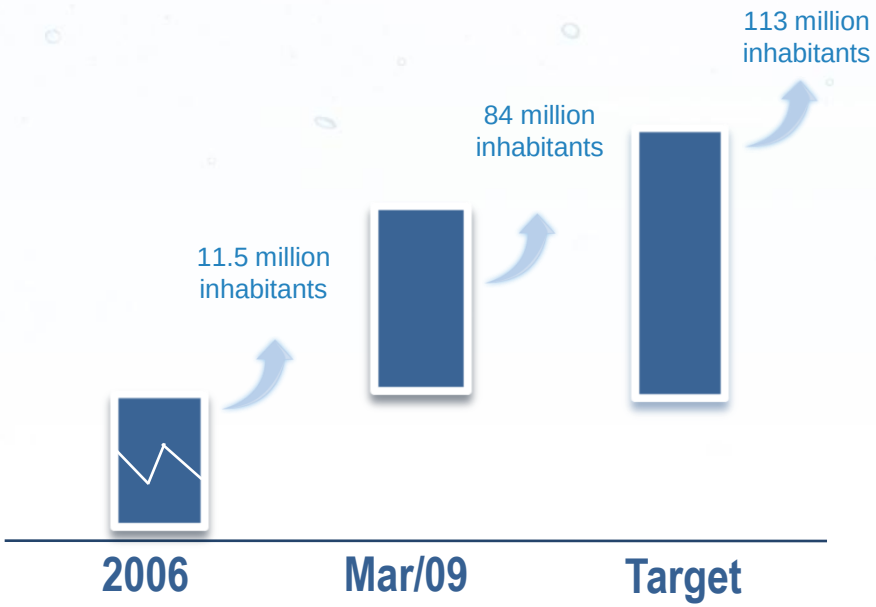
Growth Drivers

Operating all the concessions

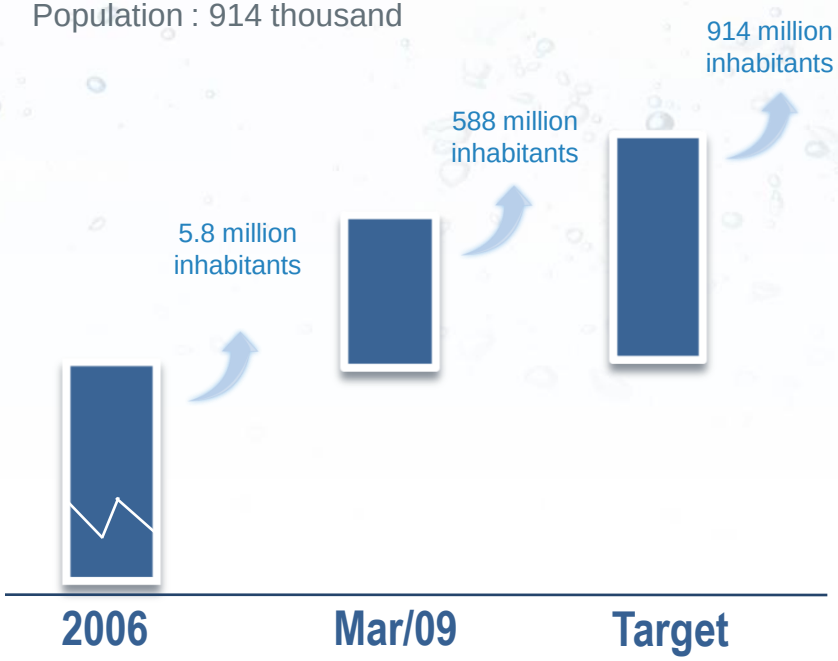
Water

Population: 113 thousand



Sewage

Population : 914 thousand



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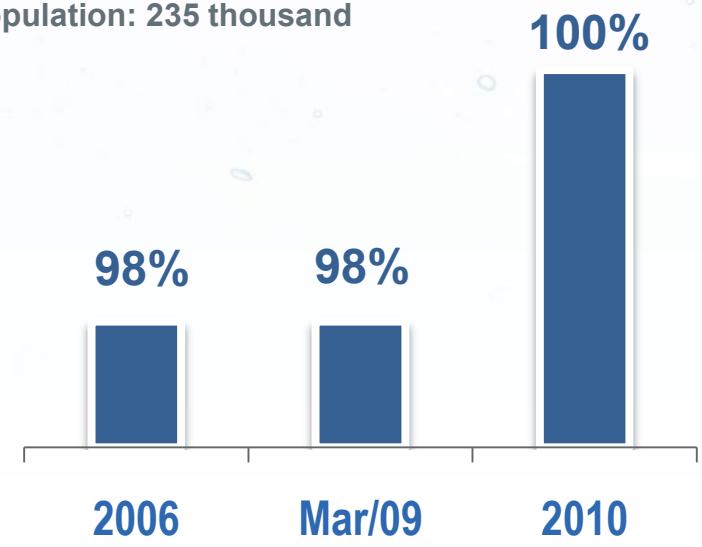
Growth Drivers

Increase in Coverage Ratio

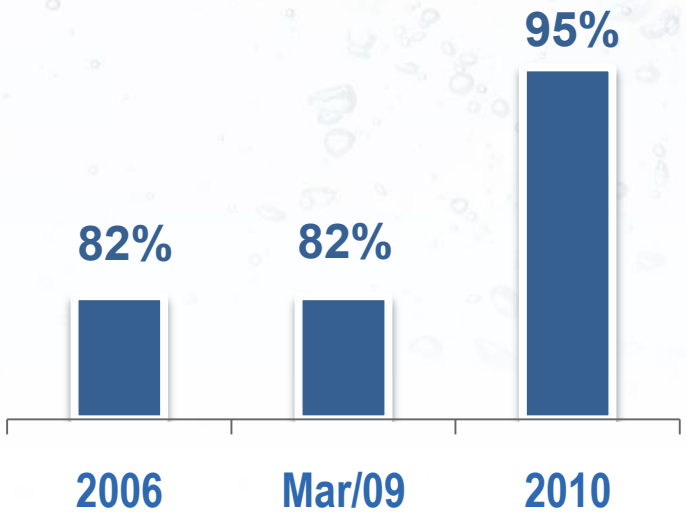
Water

Population: 235 thousand



Sewage

Population: 837 thousand



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Growth Drivers

Expansion of Sewage Concessions 1Q09

Municipalities with Water Concession and no Sewage Connection (03/31/2009)	417
Concession Municipalities with >15,000 inhabitants	51
Total Population (million)	1.90
Municipalities with < 15,000 inhabitants	108
Total Population (million)	0.61

# Municipalities	Status	Population (thousand)
07	Signed	59
07	Law voted	56
76	Negotiation	497
90	Total	612

# Municipalities	Status	Population (thousand)
14	Signed	473
06	Law voted	395
29	Negotiation	1,031
49	Total	1,899

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Growth Drivers

Expansion of Water and Sewage Concessions

Municipalities without Water and Sewage Concession (03/31/2009)	242
Municipalities with >15,000 inhabitants	33
Total Population (million)	1.50
Other Municipalities	209

# Municipalities	Status	Population (thousand)
02	Signed	69
-	Law voted	-
13	Negotiation	633
15	Total	702

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Investments

CAPEX 2009		
(R$ Million)	**2009 Projected**	**Actual Figures**
Water	339	**91**
Sewage	674	**87**
Others	32	**3**
Total	**1,045**	**181**

Planned CAPEX		
(R$ Million)	**2009**	**2010**
Current Concessions	**447**	**365**
Water	154	105
Sewage	261	228
Others	32	32
New Concessions	**598**	**480**
Water	185	151
Sewage	413	329
TOTAL	**1,045**	**845**

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Reajuste Tarifário

- **The State of Minas Gerais Court of Justice confirmed, on May 14, 2009, the tariff adjustment may occur when the Sanitation Regulatory Agency of the State will be created.**
- **The Bill proposing the creation of the Water and Sanitation Regulatory Agency of the State of Minas Gerais is in progress, with urgency, in the State Senate.**

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Política de Dividendos

- Distributed by means of interest on equity.

2009 Fiscal Year

- 35% Net Income in the period.
- Payment ⇨ within 60 (sixty) days of the Board of Directors' approval.
- 4Q09 Payment ⇨ will be established by the Ordinary Shareholders´ Meeting.

2010 Fiscal Year and Following years

- % distributed (not exceed 50%) ⇨ decided in the first quarter of each year by the Board of Directors and submitted to Shareholders´ Meeting.
- Payments ⇨ within 60 (sixty) days of the Board of Directors' approval.

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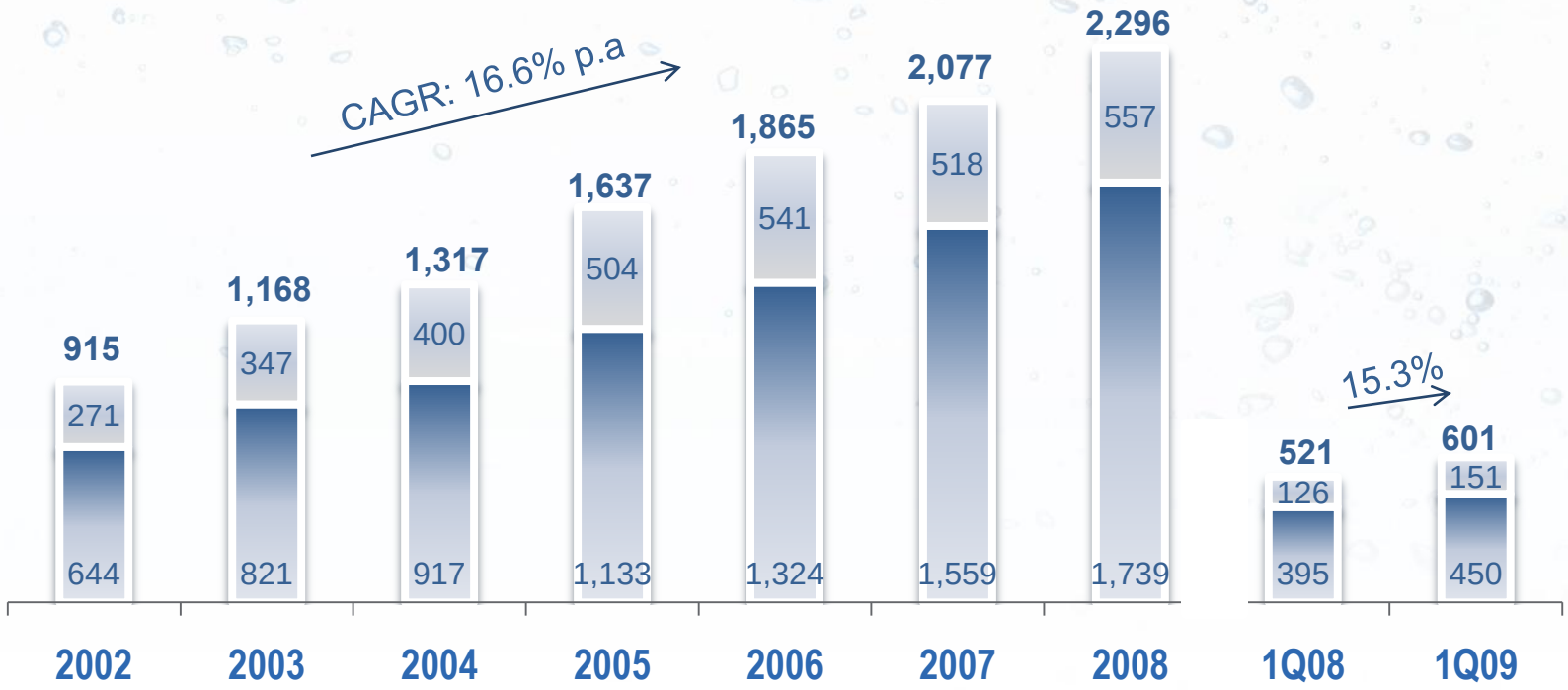
FINANCIAL RESULTS

Cash Generation

Gross Revenue (R$ Million)



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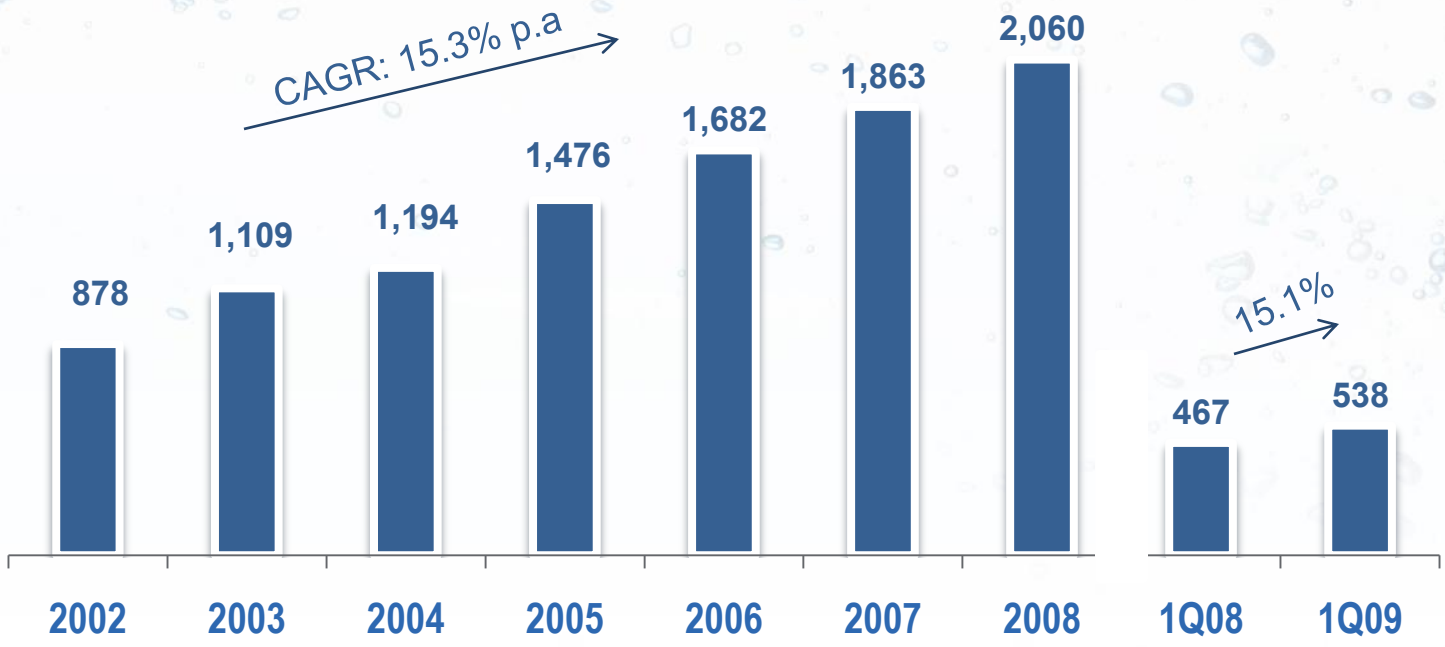
Cash Generation

Net Operating Revenue (R$ Million)



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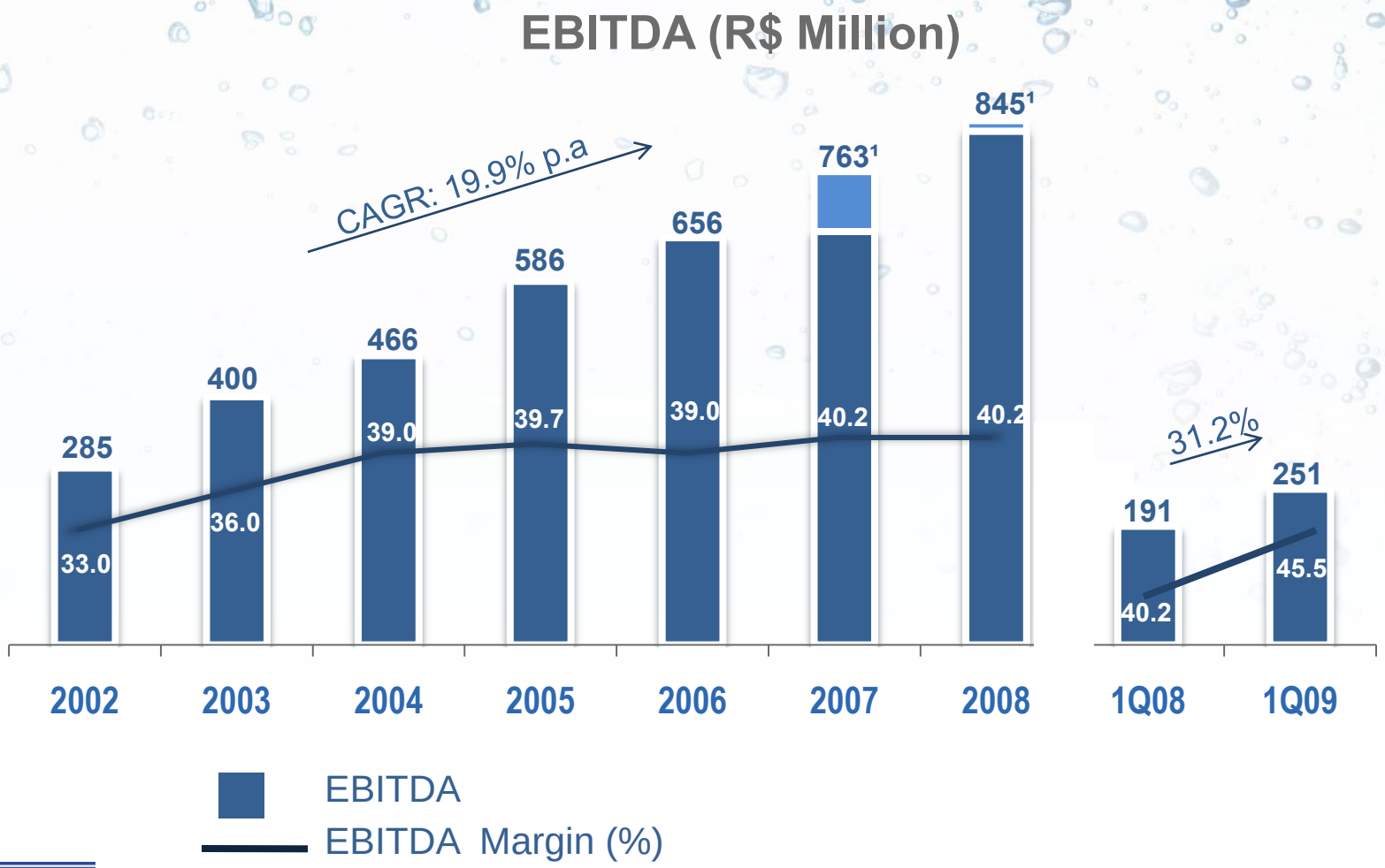
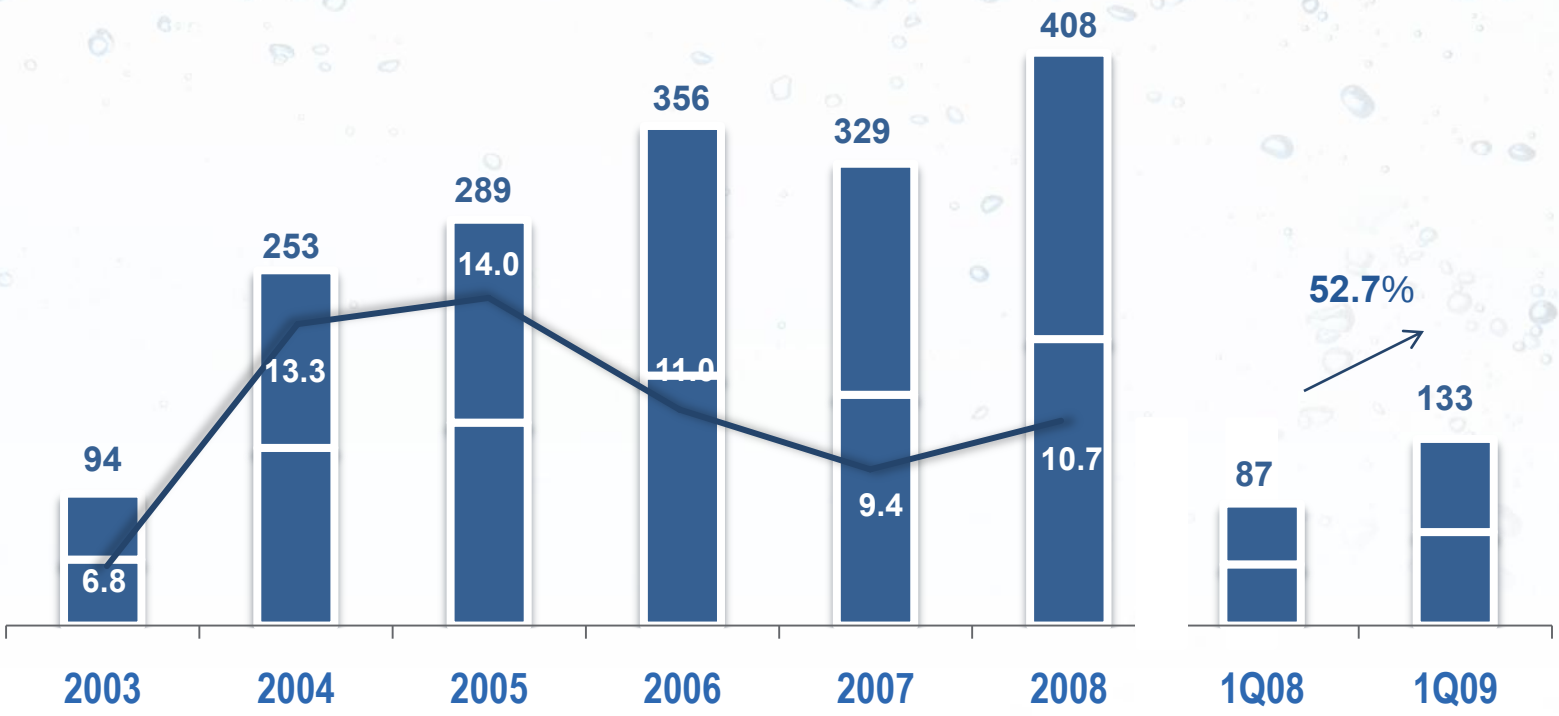
Cash Generation



1 - EBITDA and EBITDA Margin Adjusted by non-recurring expenses.

Profitability



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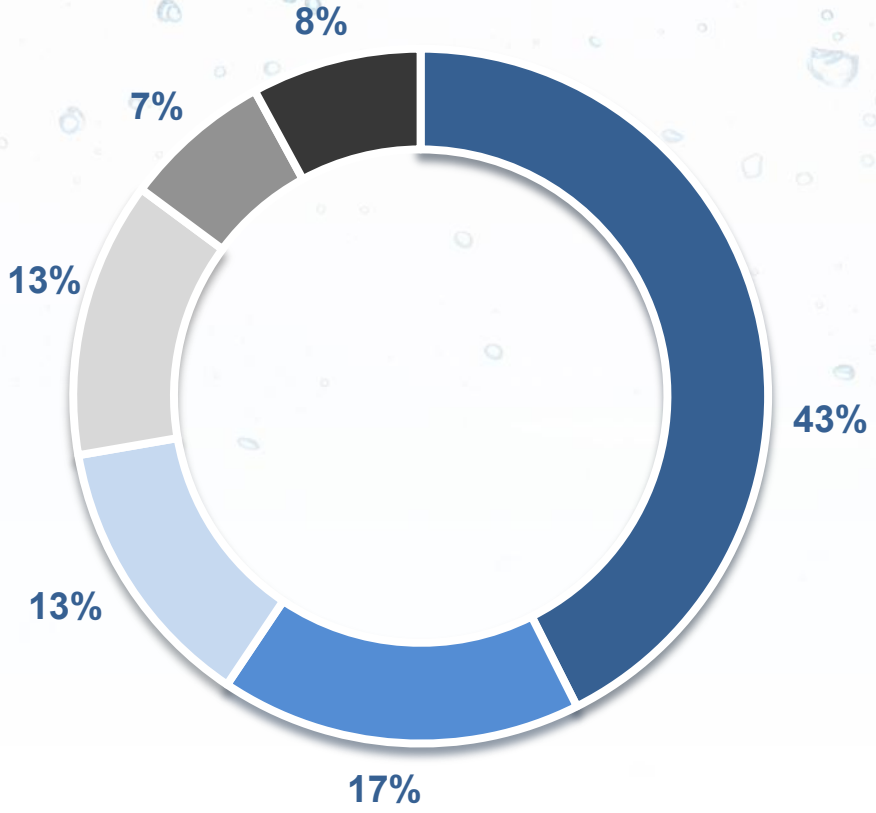
1Q09 Total Costs Breakdown



- Payroll
- Depreciation and Amortization
- Electric Power
- Outsourced Services
- Material
- Other Costs

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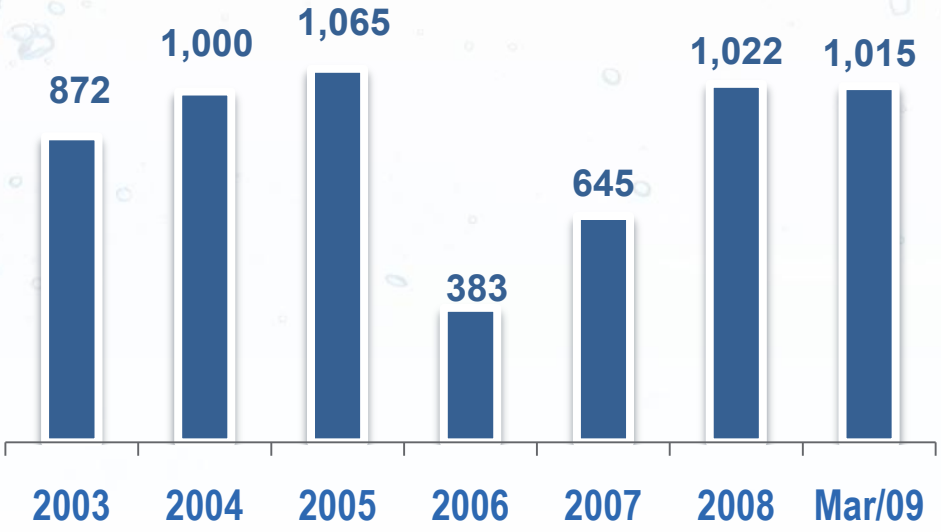
Indebtness

Net Debt (R$ Million)



Gross Debt (R$ Million)



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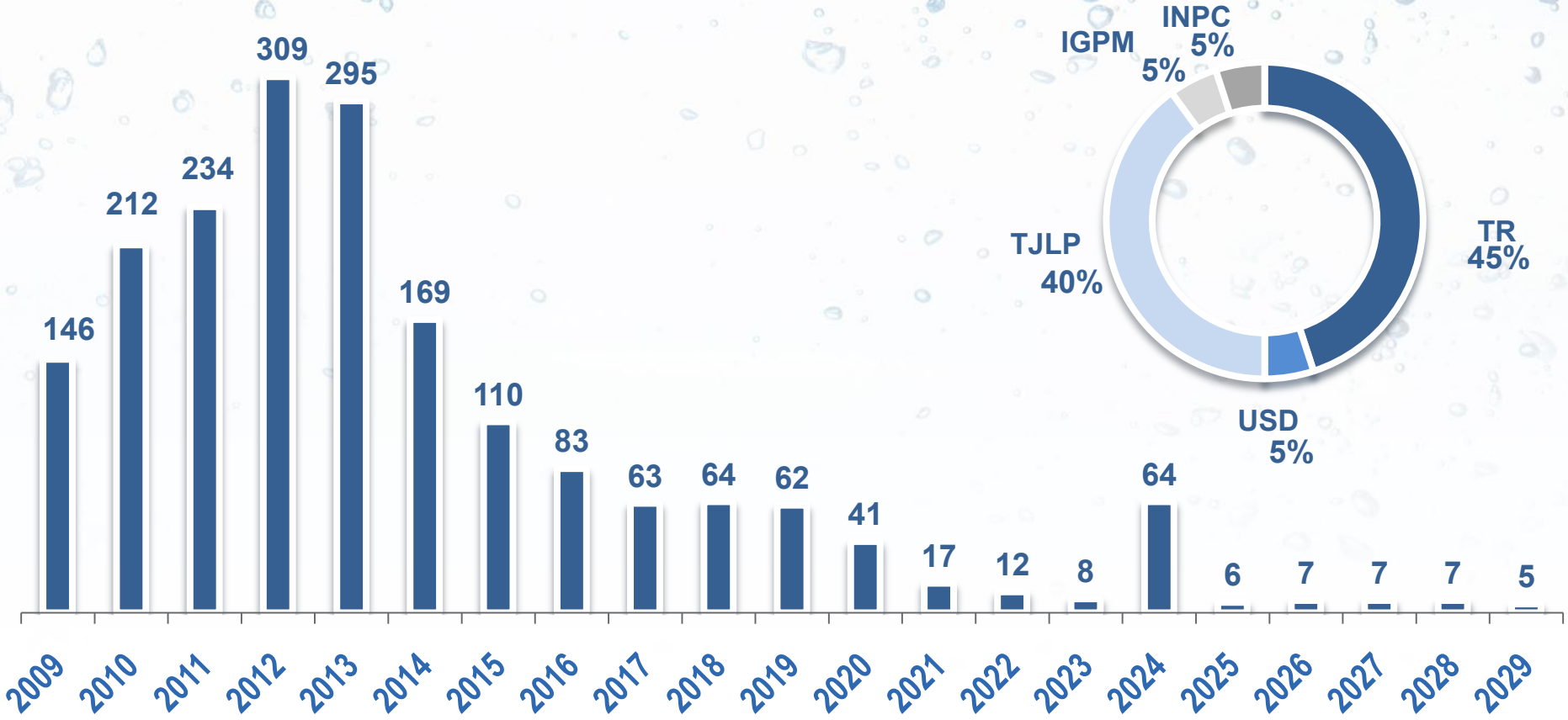
Indebtness

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



Real Average Cost of Debt: 5.2% p.a.

1- On March 31, 2009, the Company had R$ 1.1 billion of loans contracted from the Government Severance Indemnity Fund (FGTS) and the BNDES, to be disbursed and booked as liabilities according to the progress of the investments. The resources have average grace period remaining was 10 and 36 months, respectively, with amortization terms of 20 and 15 years, respectively and they are not in the graphic.

Disclaimer

This document may contain future considerations on COPASA's business prospects. These are mere projections and, therefore, based entirely 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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