COPASA MG
Earnings Presentation
2013















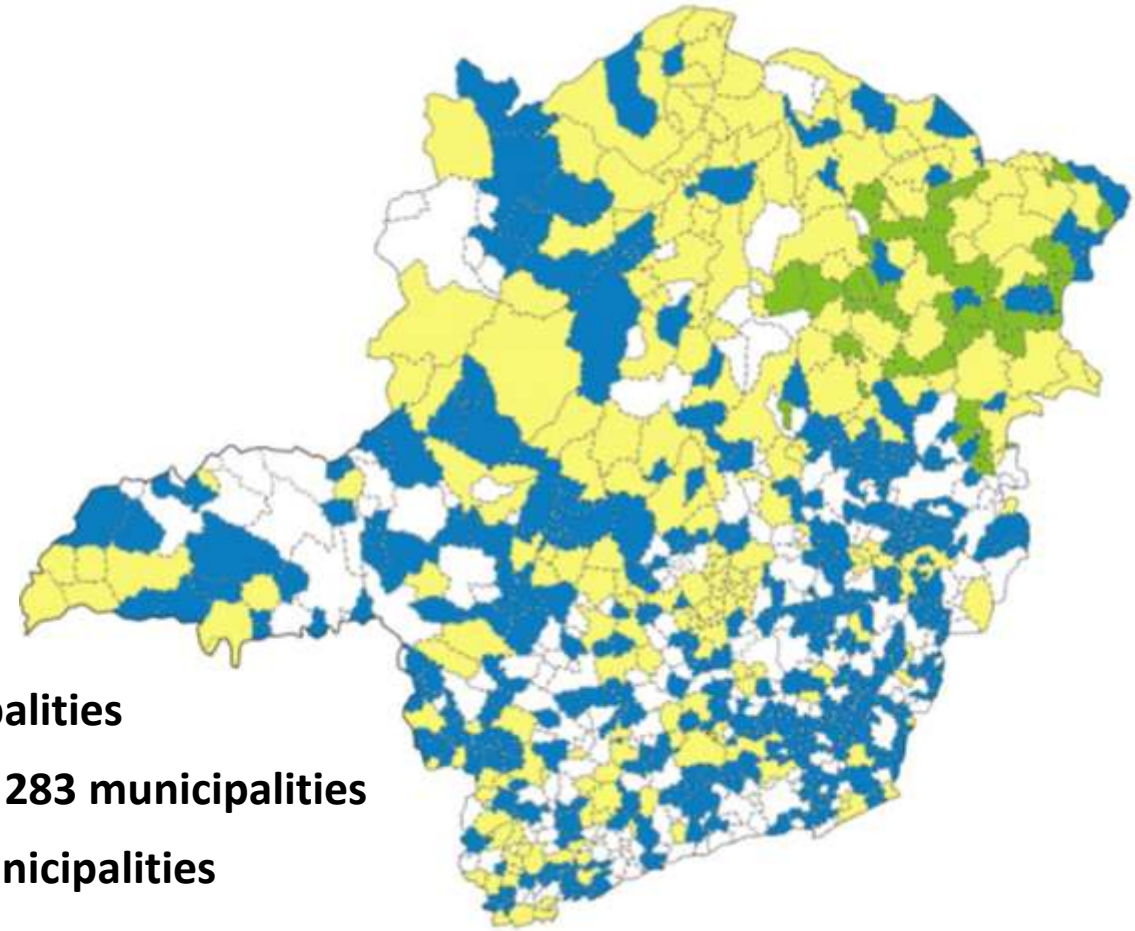






Overview

Present in 626 of the 853 municipalities of Minas Gerais



Water concessions: 343 municipalities

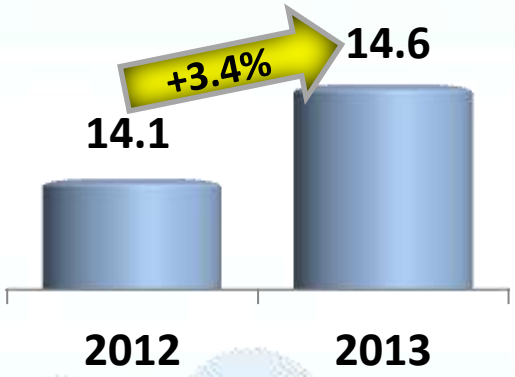
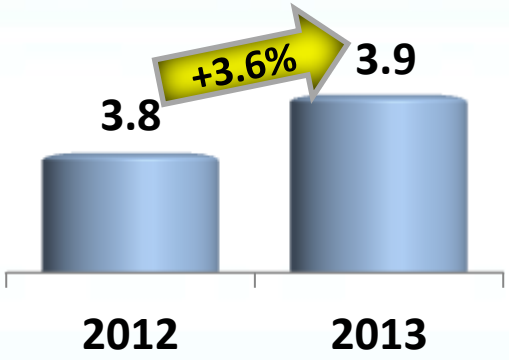
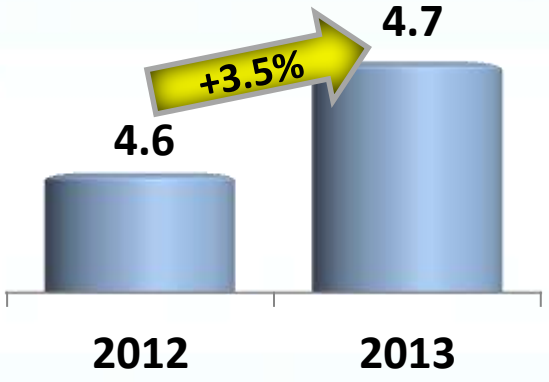
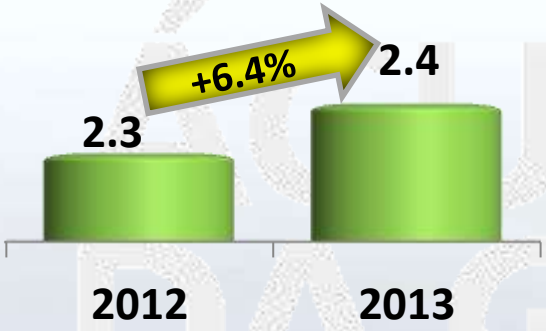
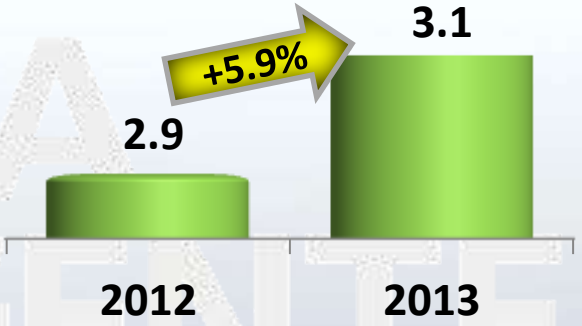
Water and sewage concessions: 283 municipalities

Not covered by COPASA: 227 municipalities

COPANOR

The numbers include concessions by COPASA MG and subsidiary COPANOR.

Overview

	Population Served (million)	Connections (million)	Units (million)
WATER			
SEWAGE			

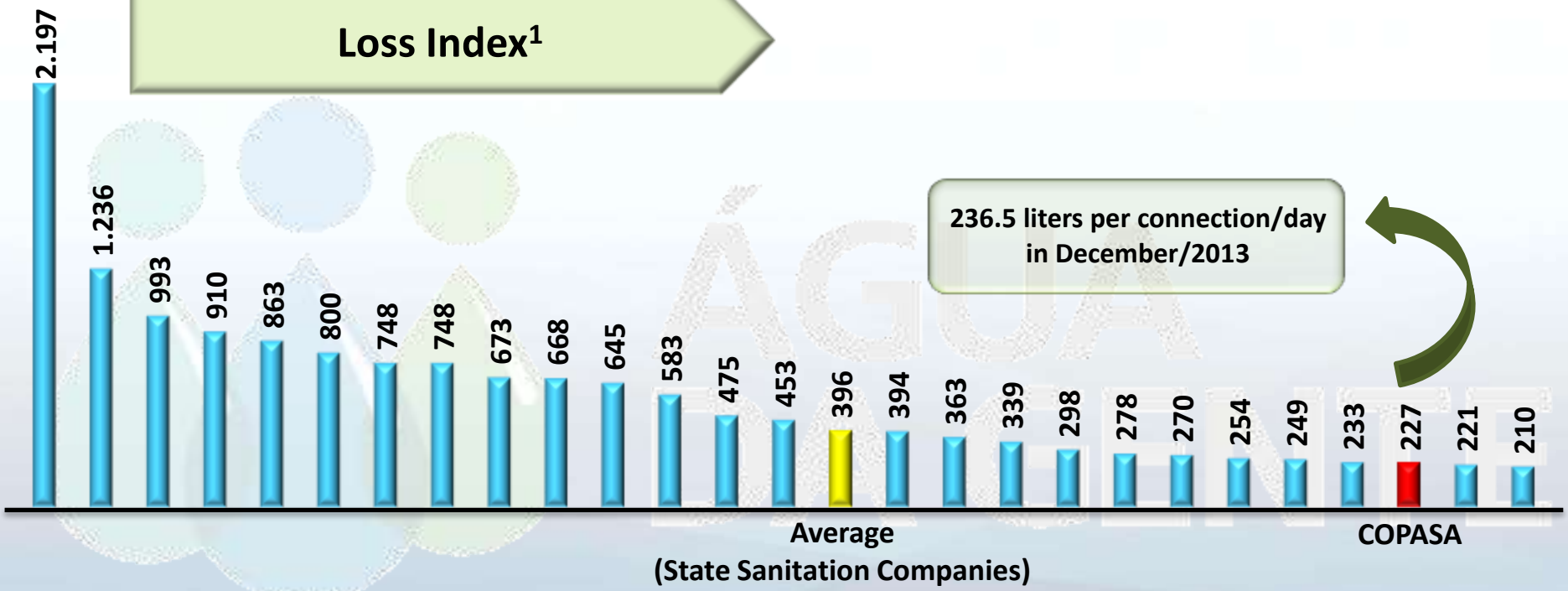
- Consolidated data (includes cities operated by COPANOR).
- Variation is calculated by considering the number with all decimal places.
- Connections: link between the company's pipeline and the customer's building.
- Unit: subdivision of a building.
  (E.g.: a 10 apartment building has 1 connection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

Operational Efficiency

Recognized as the lowest indices in the sector

Default Ratio **1.39%**

Loss Index[1]



1 - Source: SNIS 2011 (National Sanitation Data System)

Investments

CAPEX (R$ million)			
	Projected 2013	**Accomplished 2013**	**Projected 2014**
Water	257	322	353
Sewage	600	566	611
Others	43	21	19
Total	**900**	**909**	**983**

Shareholders' Remuneration

- **Financial Year 2013: 35% of Net Income distributed as Interest on Equity (IOE);**
- **Payout defined annually by the Board of Directors;**
- **Quarterly payments.**

1Q13	**R$ 38.1 million (R$ 0.3189 per share);**
2Q13	**R$ 36.4 million (R$ 0.3049 per share);**
3Q13	**R$ 31.1 million (R$ 0.2603 per share);**
4Q13	**R$ 34.1 million (R$ 0.2856 per share);**
2013	**R$ 139.6 million (R$ 1.1697 per share).**

Financial Performance
2013















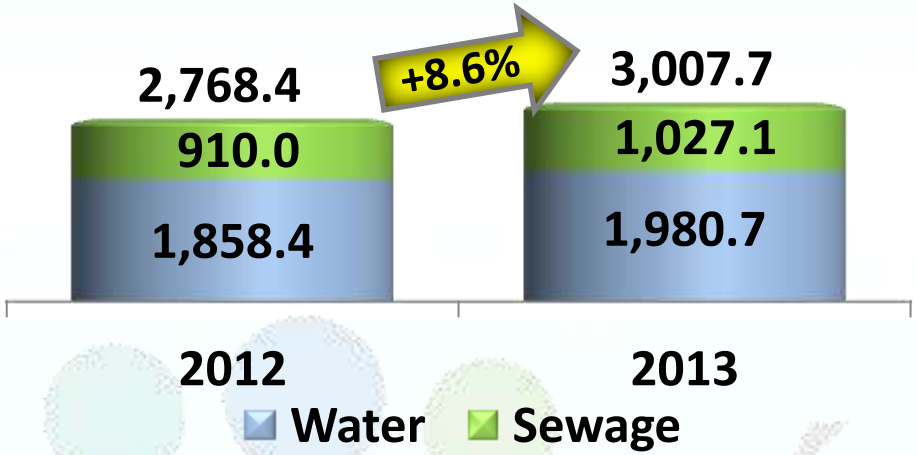




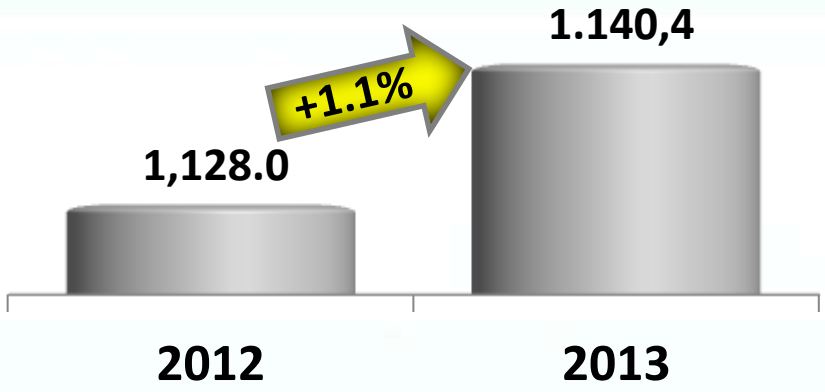


Cash Generation

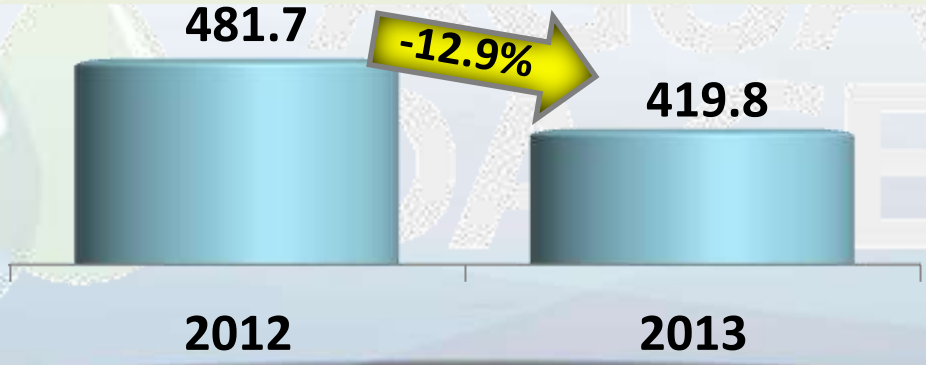
Net Operating Revenue (R$ million)



Adjusted EBITDA (R$ million)

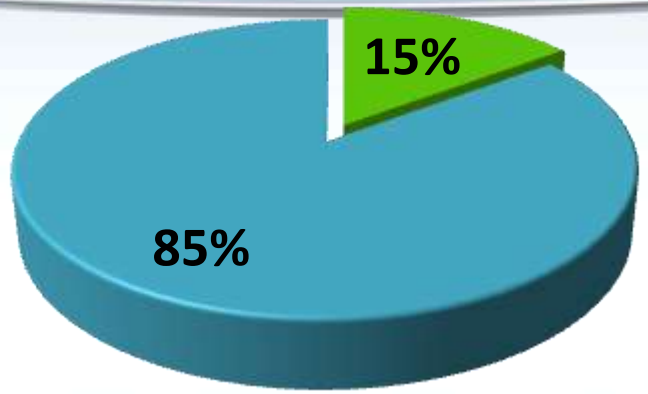


Net Income (R$ million)



Indebtedness

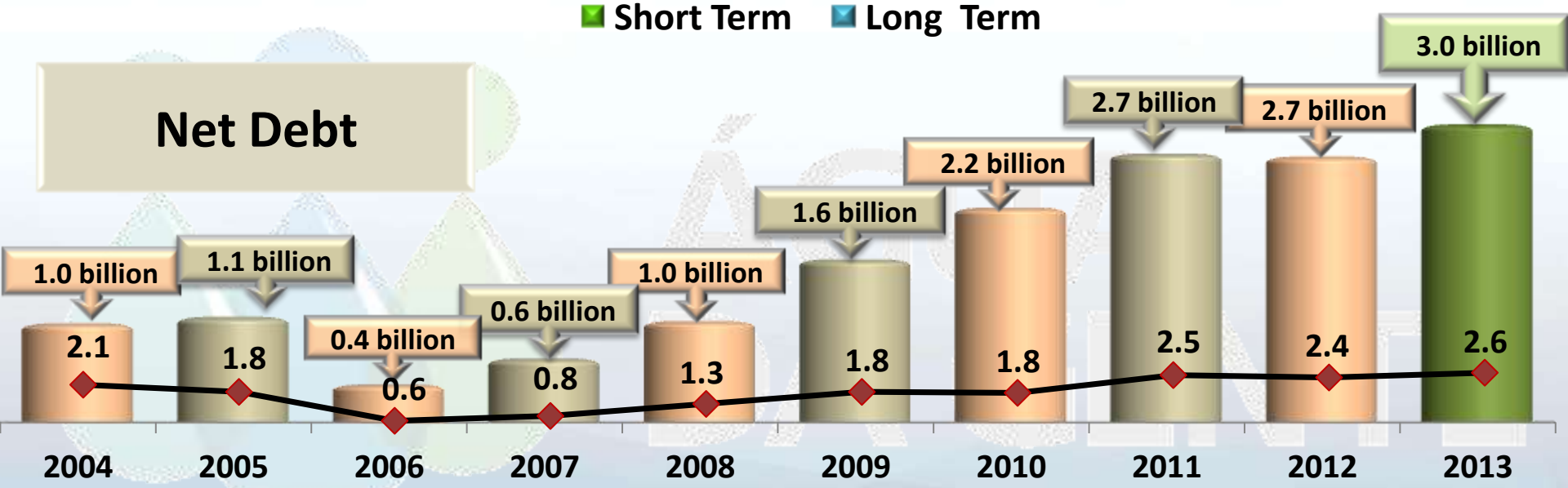
Gross Debt



R$ 3.3 billion

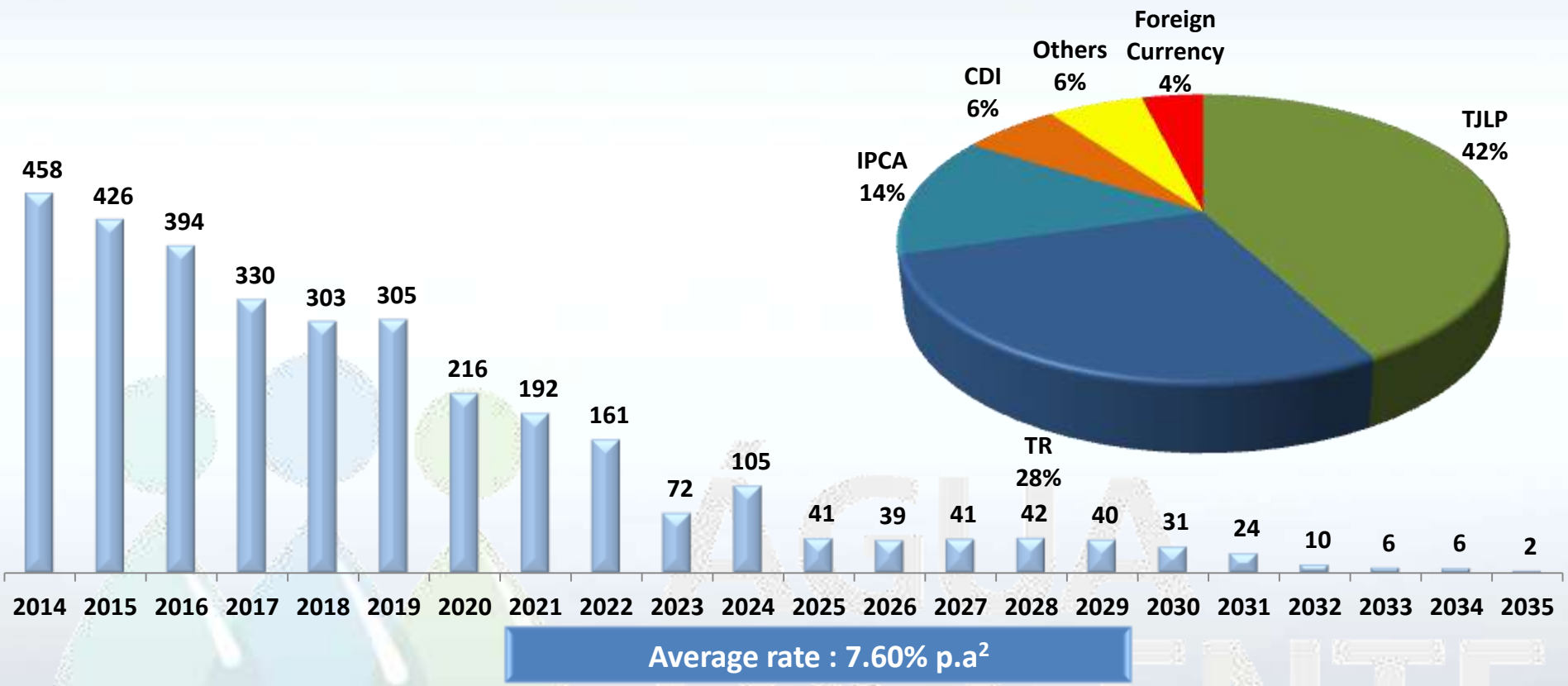
Position: December/2013

Net Debt



Indebtedness

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



Average rate : 7.60% p.a[2]

1. As of December 31, 2013, the Company had R$ 486.0 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 € 79.8 million.
2. The average rate of these loans was 7.60% 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 4Q13.



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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