COPASA MG
Earnings Presentation
2014







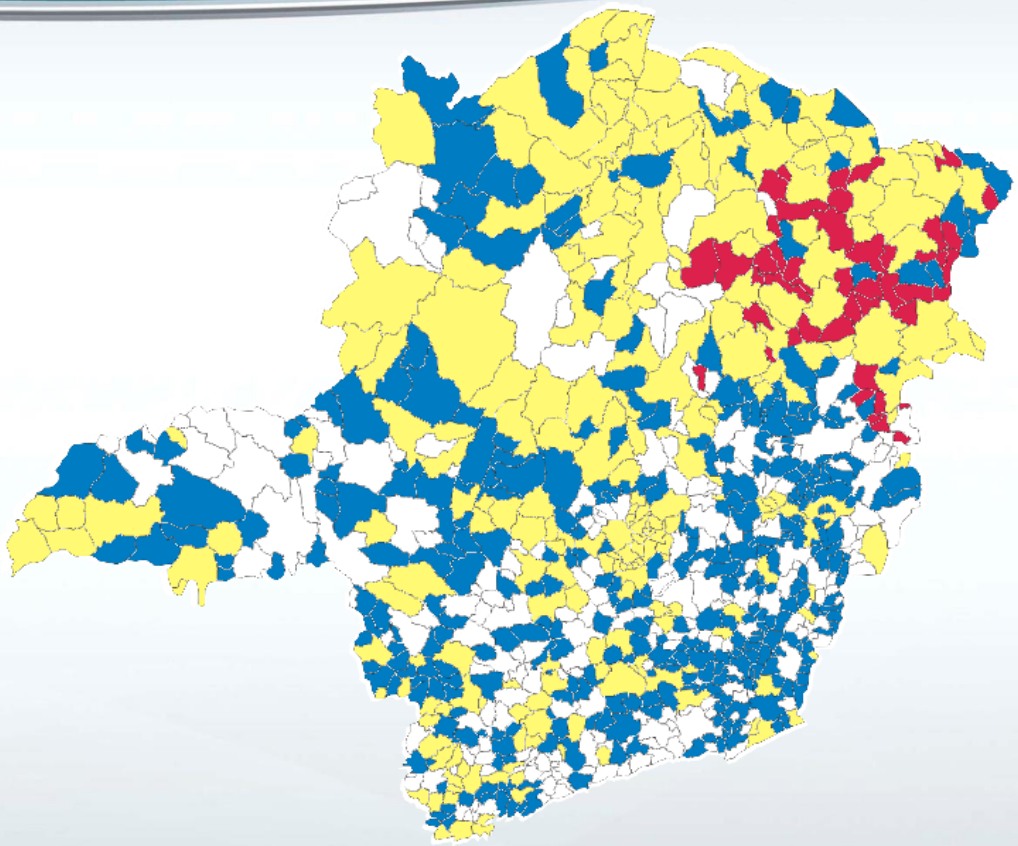




COPASA

MINAS GERAIS
GOVERNO DE TODOS

Operational Performance



Present in 635 of the 853 municipalities of Minas Gerais

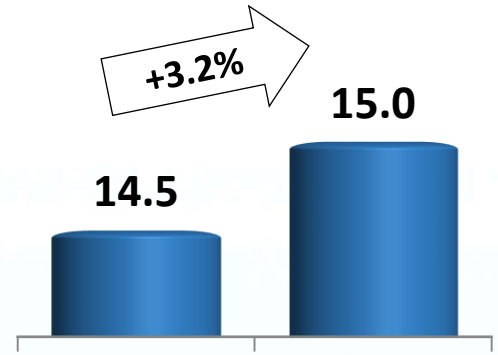
- 347 Concessions (Water)
- 288 Concessions (Water + Sewage)
- 218 Not covered by COPASA
- COPANOR

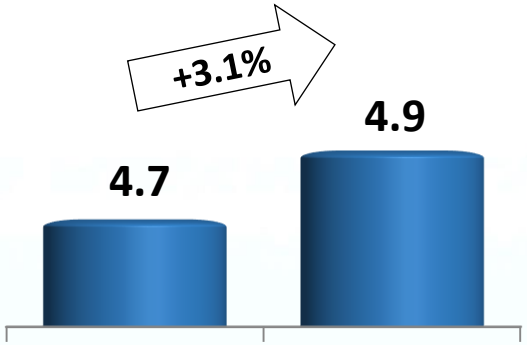
The numbers include concessions by COPASA MG and subsidiary COPANOR.

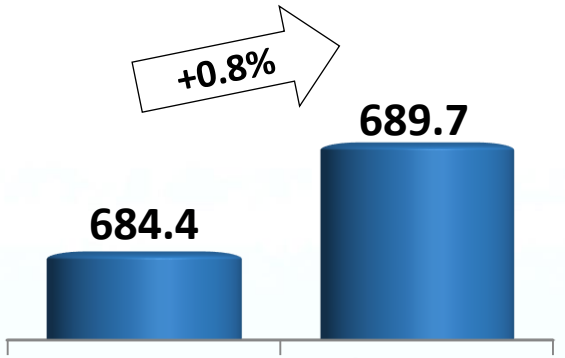
Operational Performance

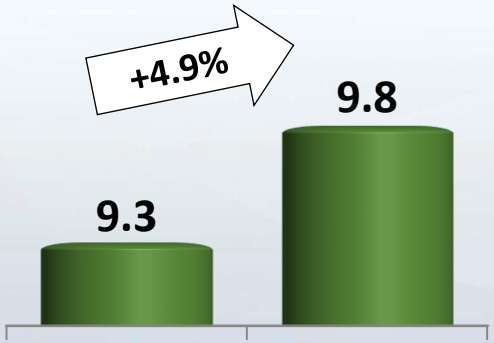
2013 vs 2014

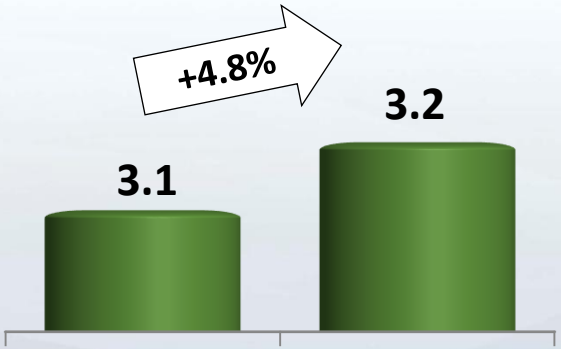
	Population Served (million)	Units (million)	Billed Volume (million m³)
WATER	+3.2%	+3.1%	+0.8%
	14.5 → 15.0	4.7 → 4.9	684.4 → 689.7
SEWAGE	+4.9%	+4.8%	+1.5%
	9.3 → 9.8	3.1 → 3.2	446.8 → 453.4

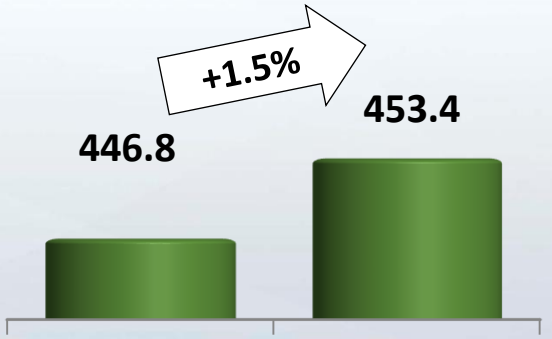










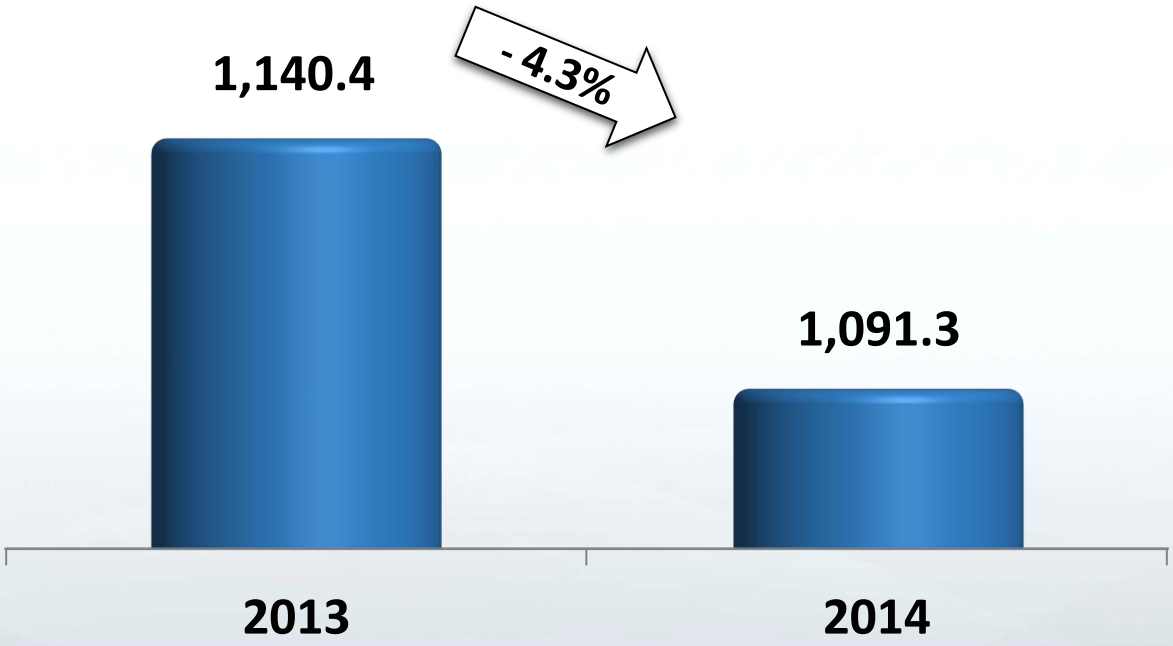


• Consolidated data (includes cities operated by COPANOR).

Operational Performance

Operational Cash Generation

Adjusted EBITDA* (R$ million)

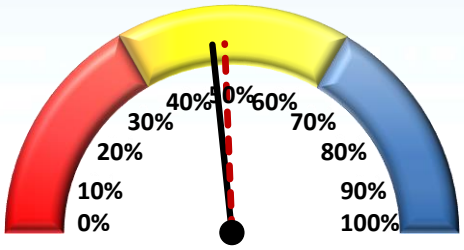


*Adjusted EBITDA excludes construction revenue/costs. Although construction revenue does not have any immediate cash effect. it impacts the fiscal year in which it is recognized. considering that it is part of the calculation base for the payment of interest on equity/dividends and employees' profit sharing.

Operational Performance

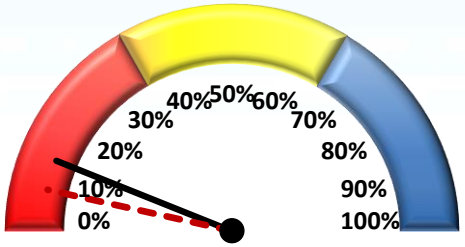
Reservoir levels

Rio Manso



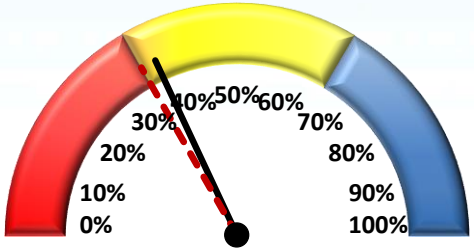
-2.1 %

Serra Azul



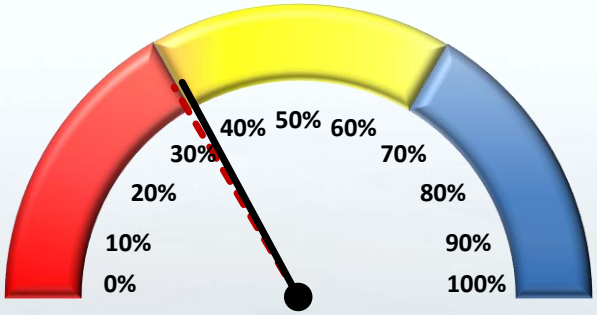
+5.1 %

Vargem das Flores



+2.6 %

Paraopeba System



+0.9 %

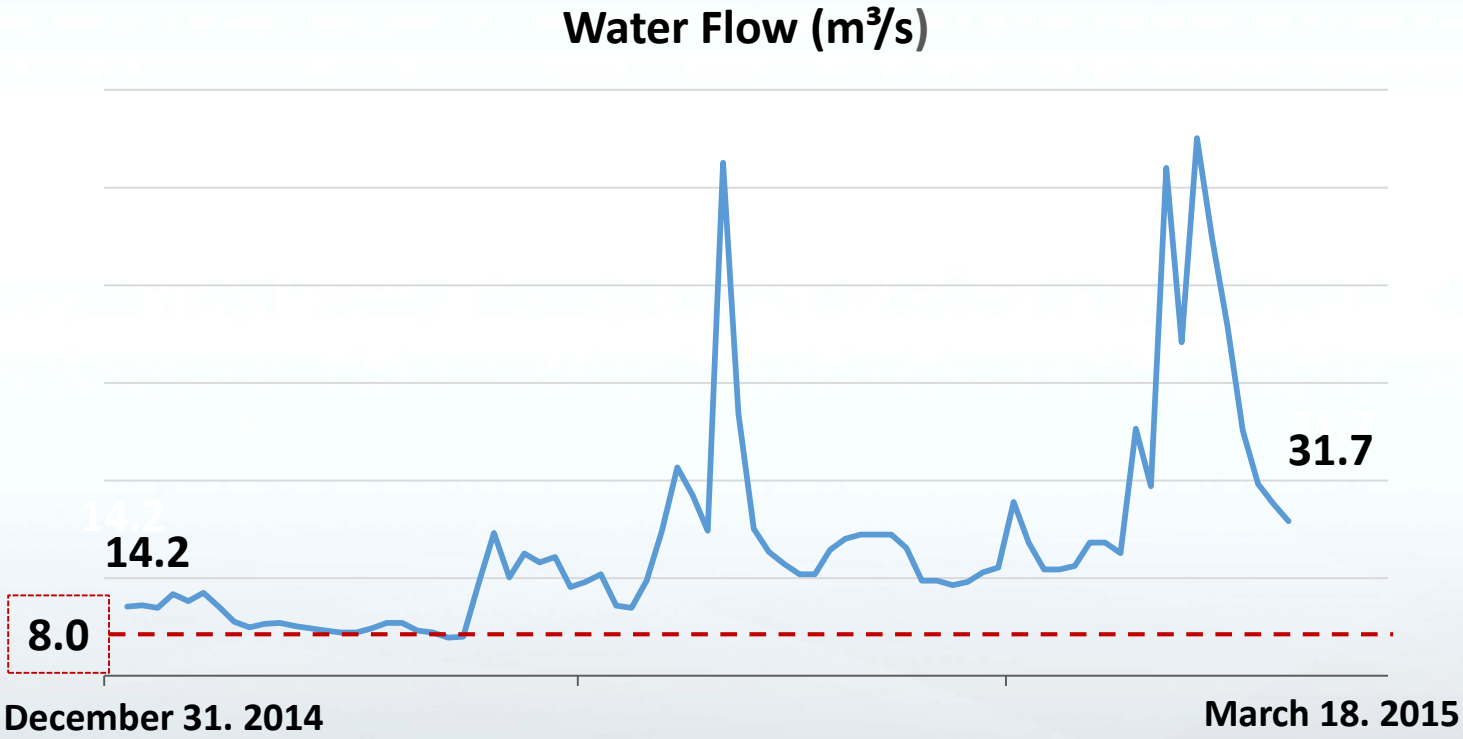
42% of Metropolitan Region Supply

12/31/2014 03/18/2015

Source: COPASA Transparente March 18. 2015

Operational Performance

Rio das Velhas System



50% of Metropolitan Region Supply

Operational Performance

CAPEX (R$ million)

	2013	2014
Water	321.5	279.8
Sewage	566.4	555.9
Others	21.3	29.4
Total	909.2	865.1

Financial Performance 2014

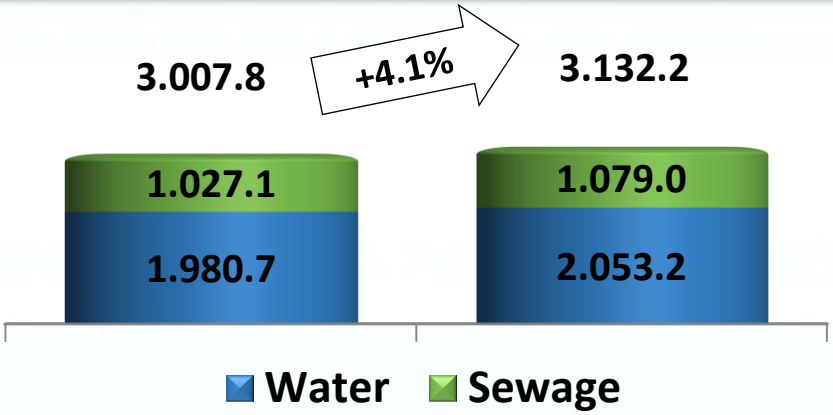
COPASA

MINAS GERAIS
GOVERNO DE TODOS

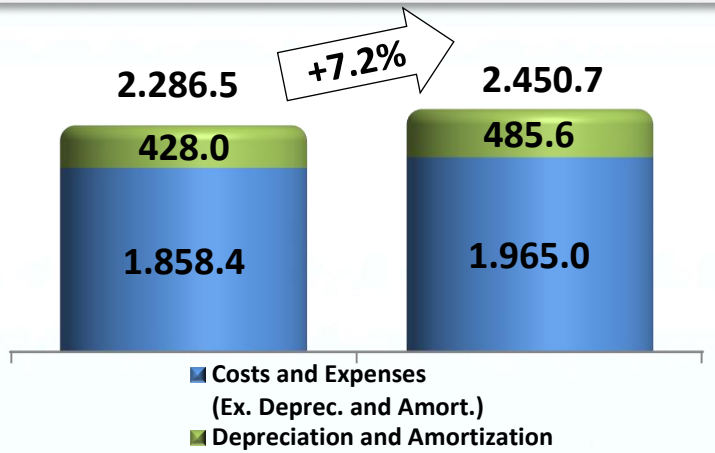
Financial Performance

2013 vs 2014

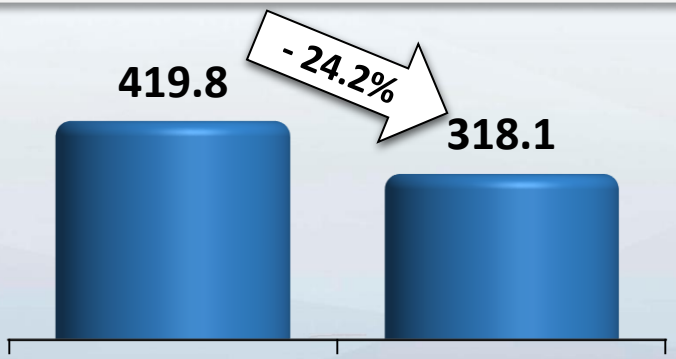
Net Operating Revenue (R$ million)



Costs and Expenses* (R$ million)



Net Income (R$ million)



*Cost of services rendered + selling and administrative expenses

Financial Performance

Shareholders' Remuneration

- **Financial Year 2014: 35% of Net Income distributed as Interest on Equity (IOE);**

- **Payout defined annually by the Board of Directors**

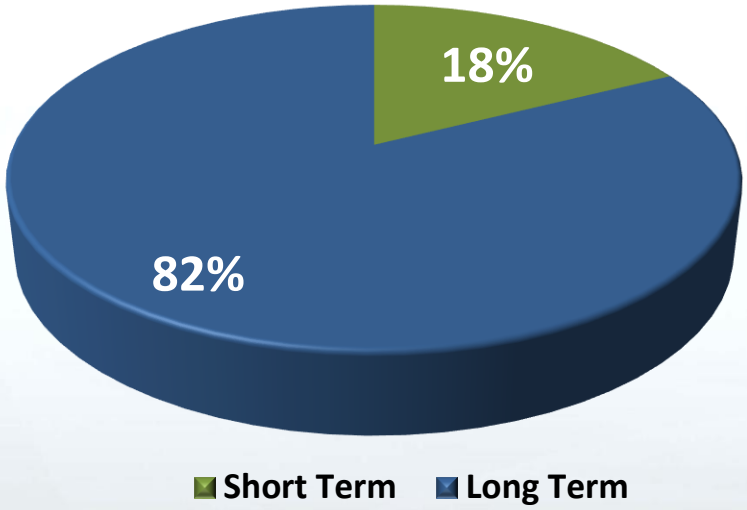
2013	**R$ 139.6 million (R$ 1.1697 per share);**
2014	**R$ 103.3 million (R$ 0.8660 per share);**
9M14	**R$ 100.9 million (R$ 0.8455 per share);**
4Q14	**R$ 2.45 million (R$ 0.02055 per share)***

*** The date of payment will be defined in the Shareholders' Meeting that approves the Financial Statements for the fiscal year of 2014.**

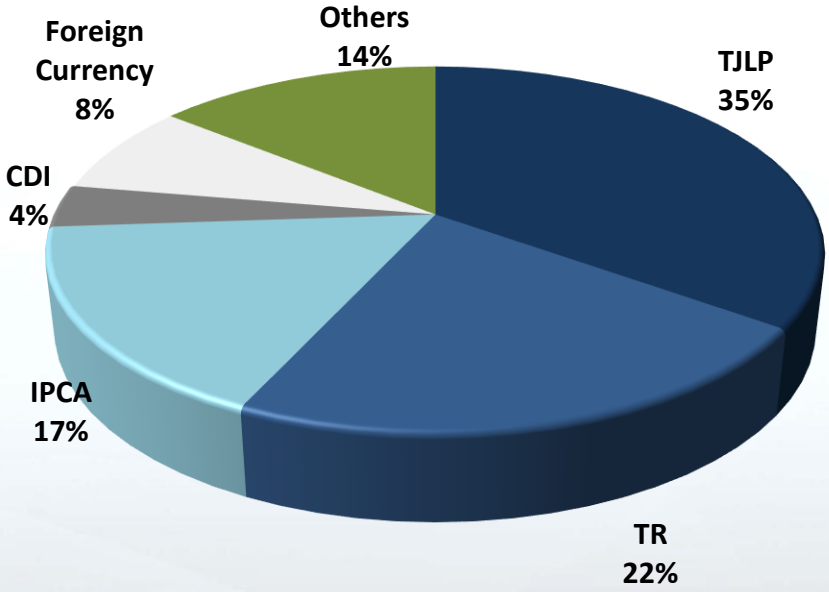
Financial Performance

Gross Debt: R$ 3.5 billion[1]

Position: December/2014



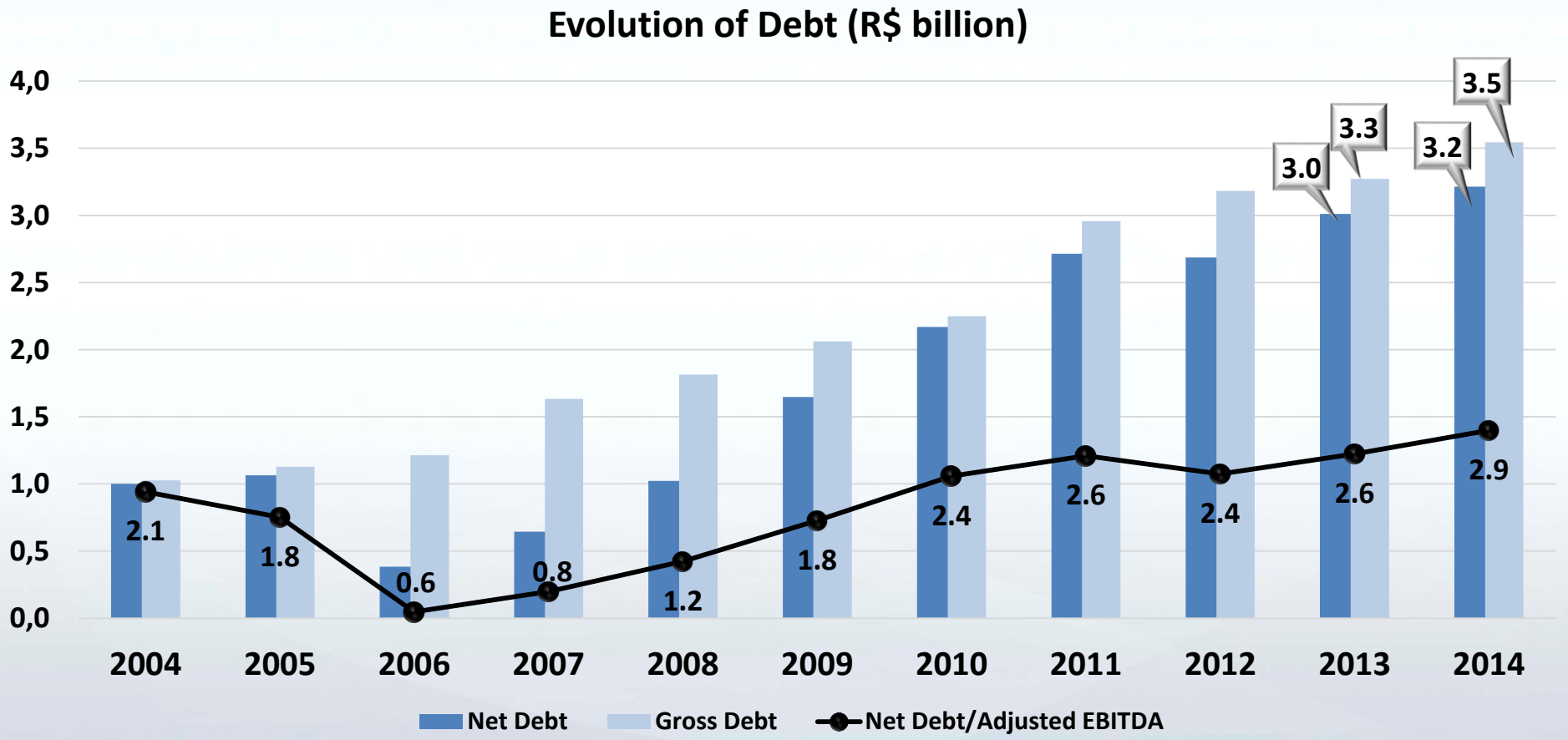
Debt Indexes



Average Rate: 7.63% a.a[2]

1. As of December 31, 2014, the Company had R$ 696.2 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 € 32.0 million.
2. The average rate of these loans was 7.63% p.a., while some funding lines also had their balances pegged to specific indices, such as TR, IPCA, IGPM, CDI, US dollar and euro, as shown in debt chart from Earnings Release 4Q14.

Financial Performance





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

www.copasa.com.br/ir
ir@copasa.com.br