

Earnings Release 2011

COPASA

A água de Minas

CSMG3 NOVO MERCADO BM&FBOVESPA

IBrX ÍNDICE BRASIL

Índice de Ações com Tag Along Diferenciado ITAG

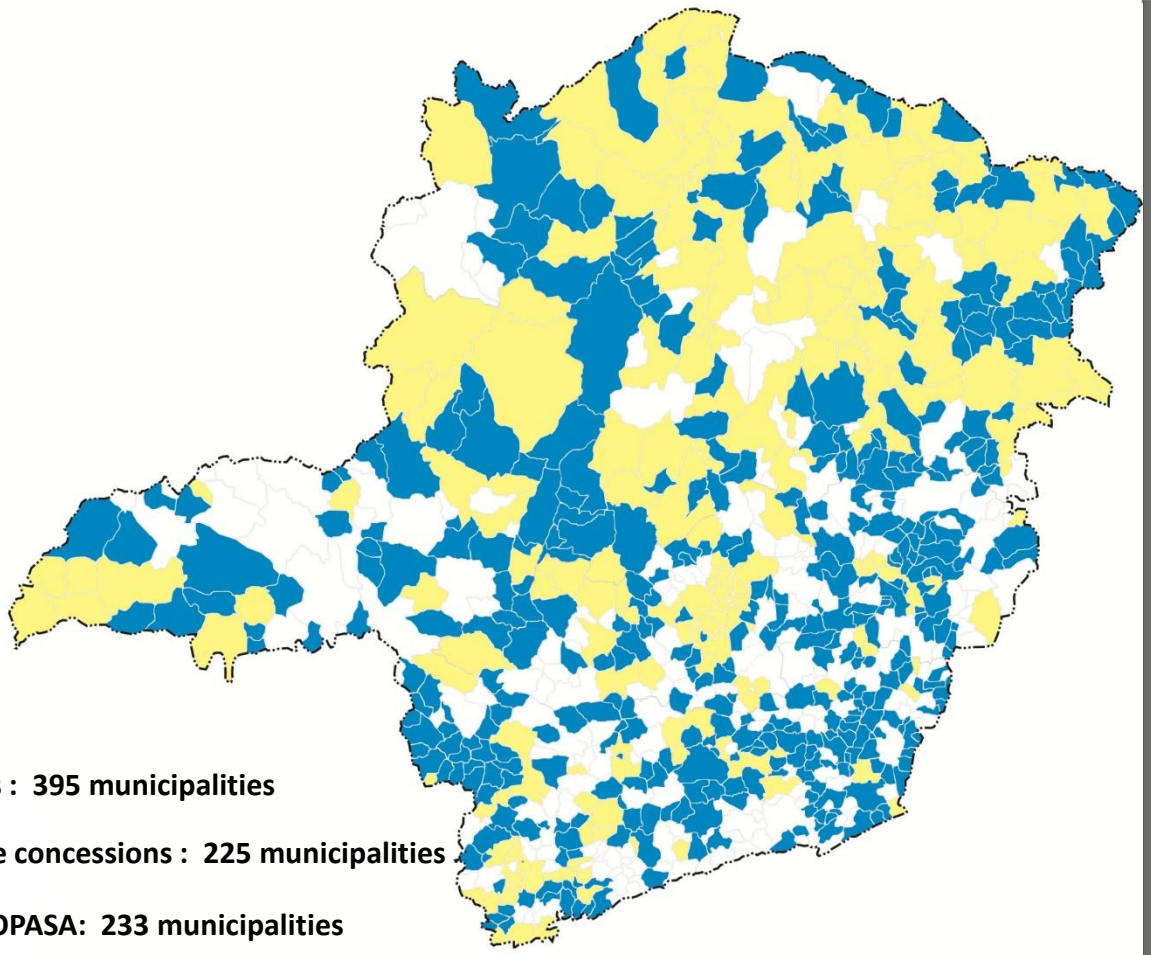
Índice de Governança Corporativa Trade IGCT

Índice de Sustentabilidade Empresarial ISE 2012

Índice de Ações com Governança Corporativa Diferenciada IGC

OVERVIEW

Present in 620 of the 853 municipalities in Minas Gerais



Water concessions : 395 municipalities

Water and sewage concessions : 225 municipalities

Not covered by COPASA: 233 municipalities

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OVERVIEW

	December 2011[3]	December 2010[3]	Var (%)[4]
Population Served – Water (million)	13.6	13.2	3.5
Population Served – Sewage (million)	8.3	7.8	6.7
Water Connections (million)[1]	3.6	3.5	3.8
Sewage Connections (million)[1]	2.1	2.0	8.0
Water Units (million)[2]	4.4	4.3	3.5
Sewage Units (million)[2]	2.7	2.5	7.0
Water Network (1,000 km)	43.9	43.5	0.8
Sewage Network (1,000 km)	18.1	16.3	11.0

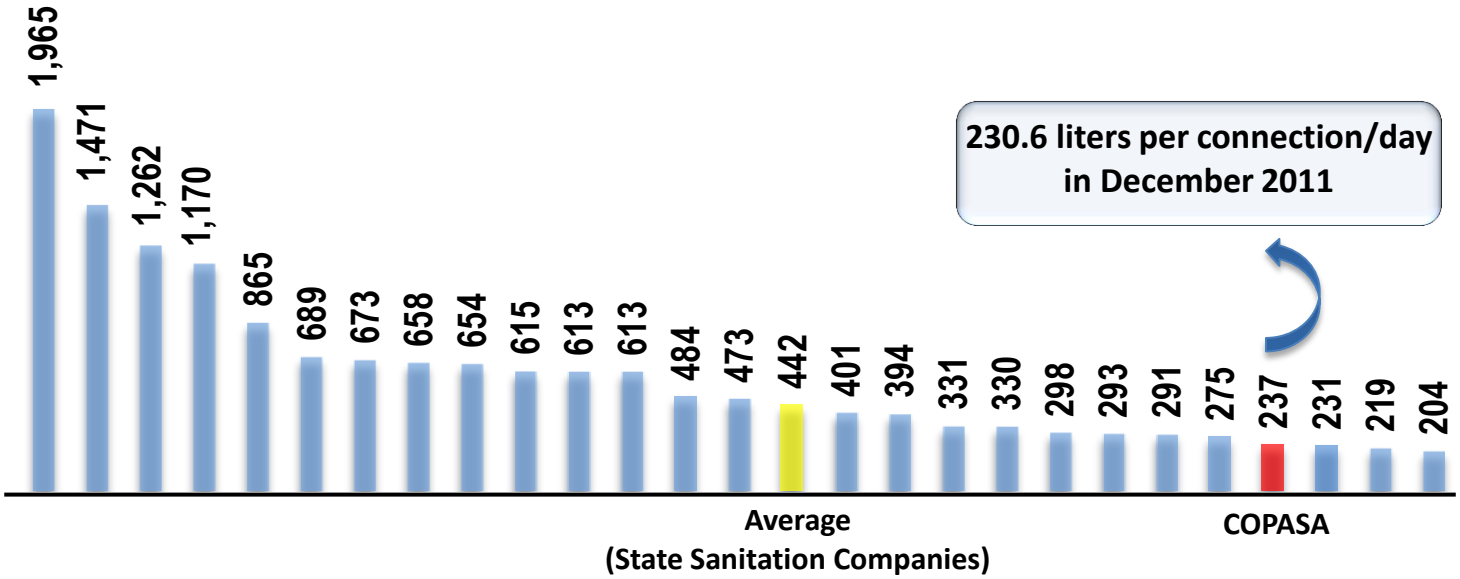
1 - Connections: link between the company's pipeline and the customer's building.
2 - Unit: subdivision of a building.
(E.g.: a 10 apartment building has 1 connection and 10 units)
3 - Consolidated data (includes cities operated by COPANOR).
4 - Variation is calculated by considering the number with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

- ✓ 4 concessions signed – 391,000 inhabitants
- ✓ 2 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

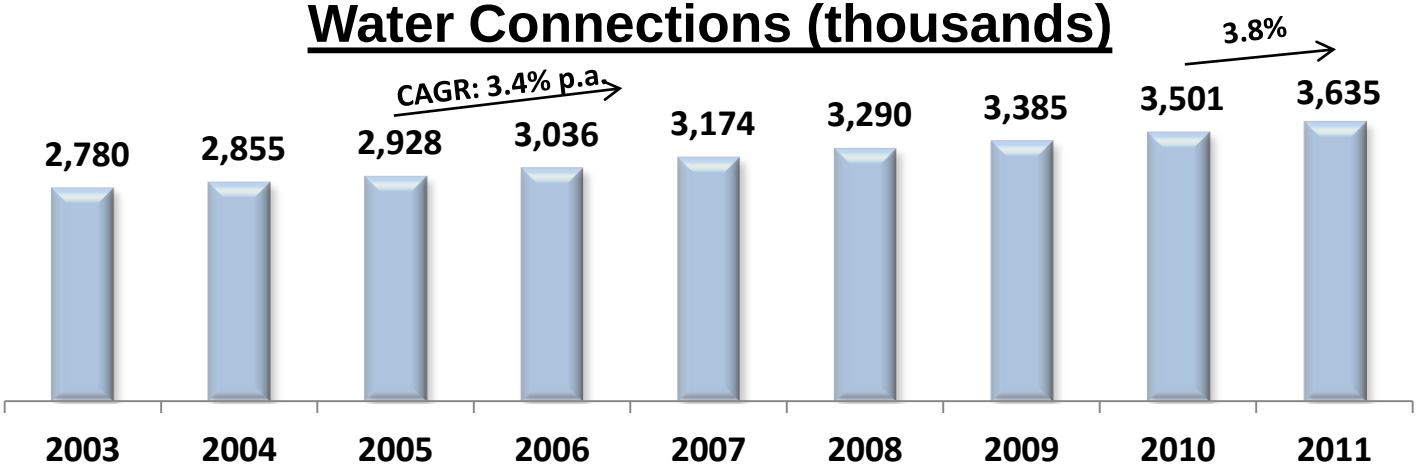
CAPEX (R$ million)		
	Projected	Accomplished
	2011	2011
Water	271	271
Sewage	462	390
Others	17	22
Total	**750**	**683**

CAPEX 2012 (R$ million)	
	Projected
Water	300
Sewage	533
Others	17
Total	**850**

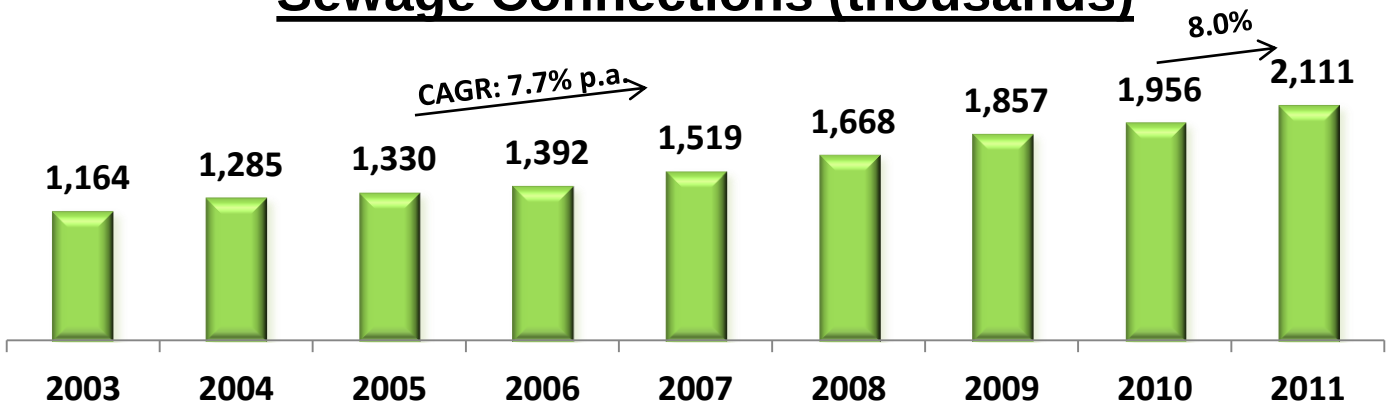


CUSTOMERS

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).**
2Q11	**R$ 41 million (R$ 0.36 per share).**
3QT11	**R$ 43 million (R$ 0.37 per share).**
4QT11	**R$ 30 million (R$ 0.25 per share).**
Total distributed in 2011	**R$ 153.1 million (R$ 1.33 per share).**

RECOGNITION



- **PNQS 2011 – National Award for Quality in Sanitation**
  - ✓**Platinum Trophy – Level III – Advances Towards Excellency**
    - COPASA – 1st Company awarded in its totality
    - Mid-East Operations Department
  - ✓**Diamond Trophy – Level IV – Culture of Excellecy**
    - North Operations Department

- **In 2012 COPASA remained in the portfolio of BM&FBOVESPA's Corporate Sustainability Index – ISE**

- **Moody's assigned COPASA a Corporate Rating of Aa2.br on the Brazilian National Scale and Ba1 on the global scale**

- **Top 5 Financial Disclosure Procedures - IR Global Rankings**



Financial Performance 2011

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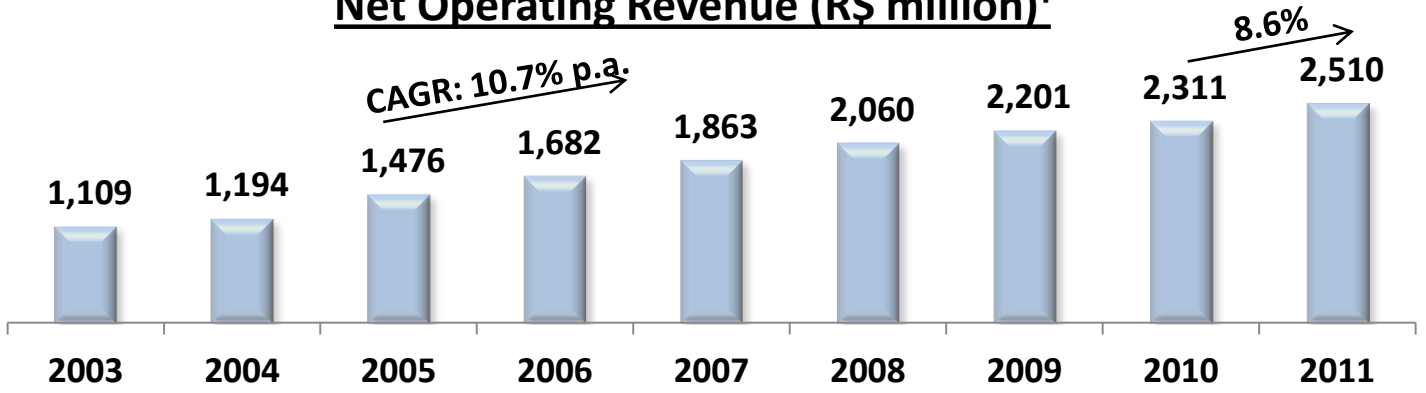
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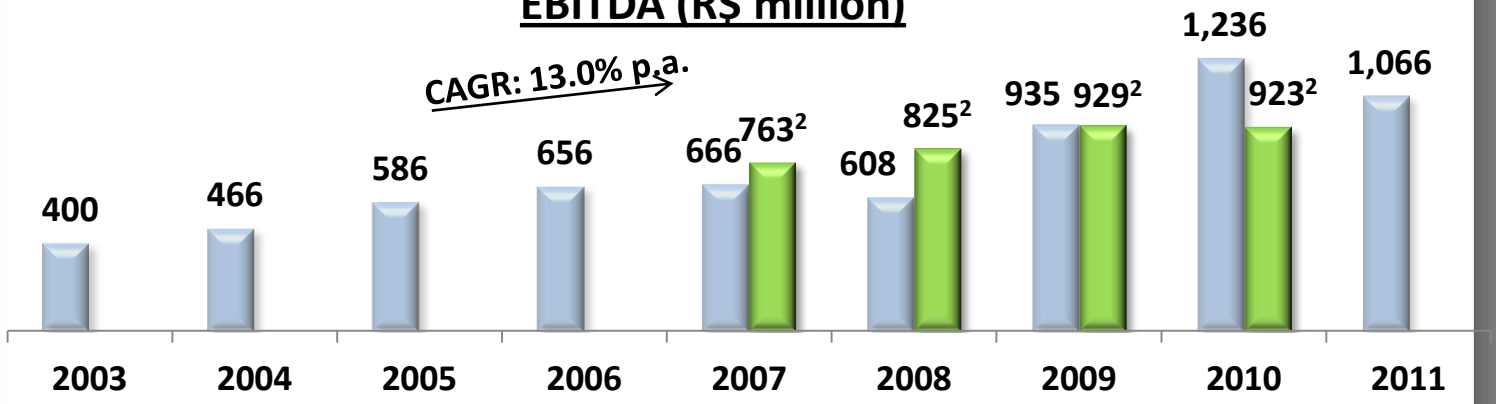
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CASH GENERATION

Net Operating Revenue (R$ million)[1]



EBITDA (R$ million)

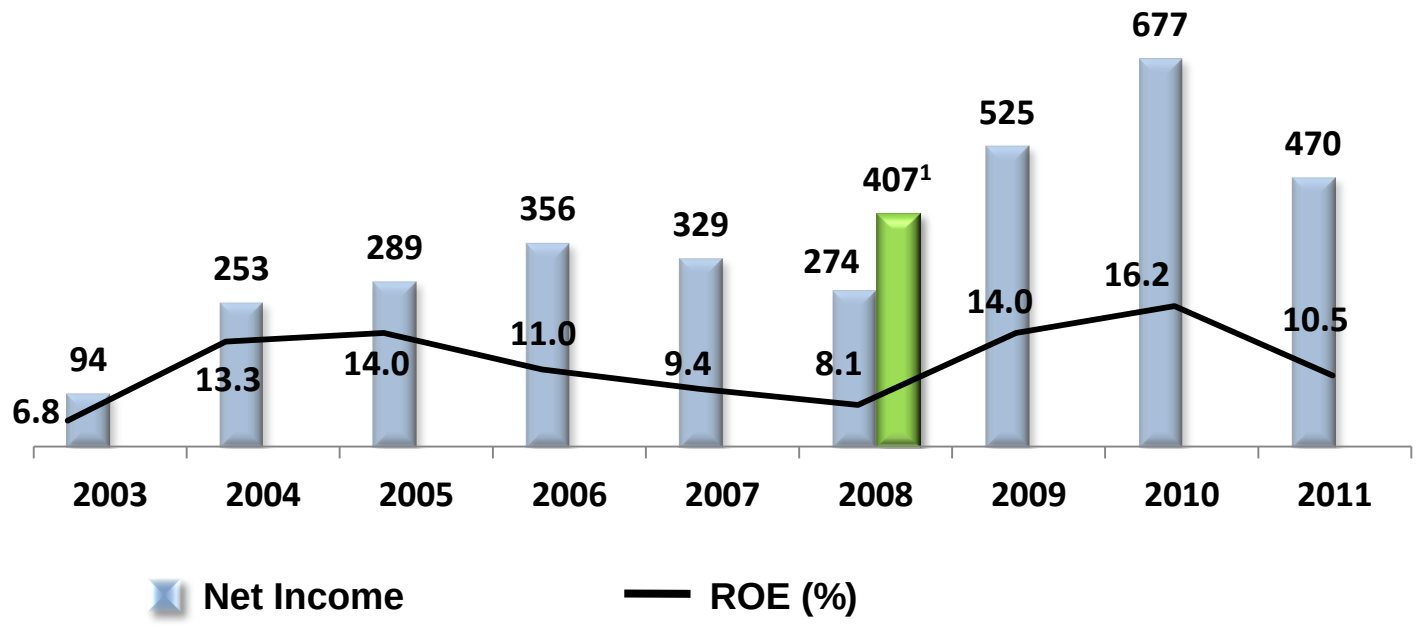


1. Does not include Construction Revenues arising from the convergence into IFRS (Financial Statements from 2008 onwards) or Revenues from Finished Products.
2. EBITDA adjusted to non-recurring items.

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INCOME

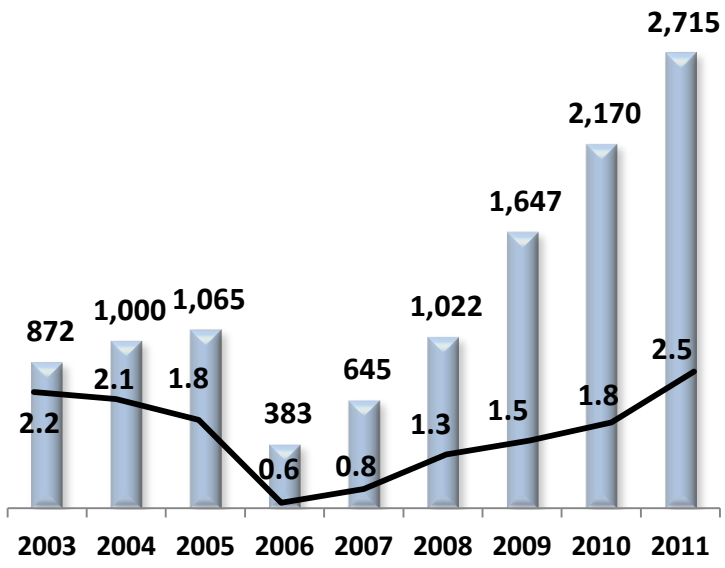
Net Income (R$ million)



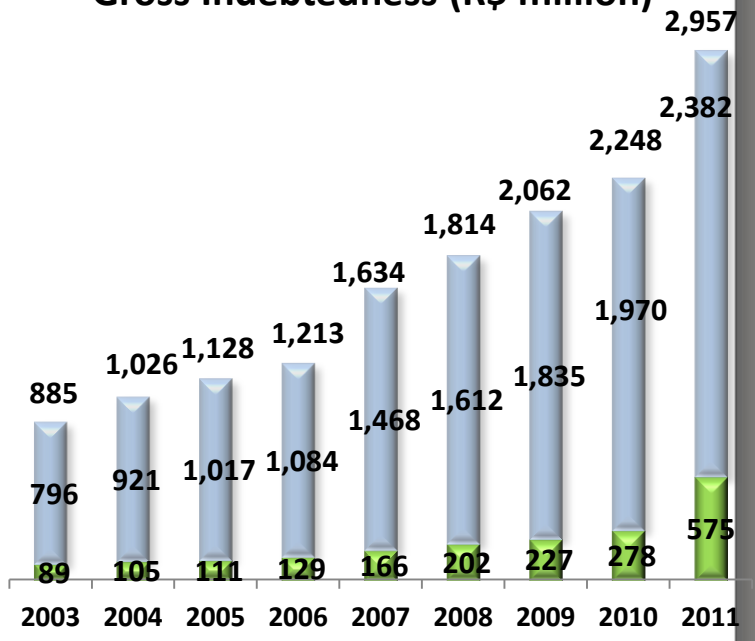
1. Amount reported in 2008 and subsequently changed to recognize tax debts.

INDEBTEDNESS

Net Debt (R$ million)

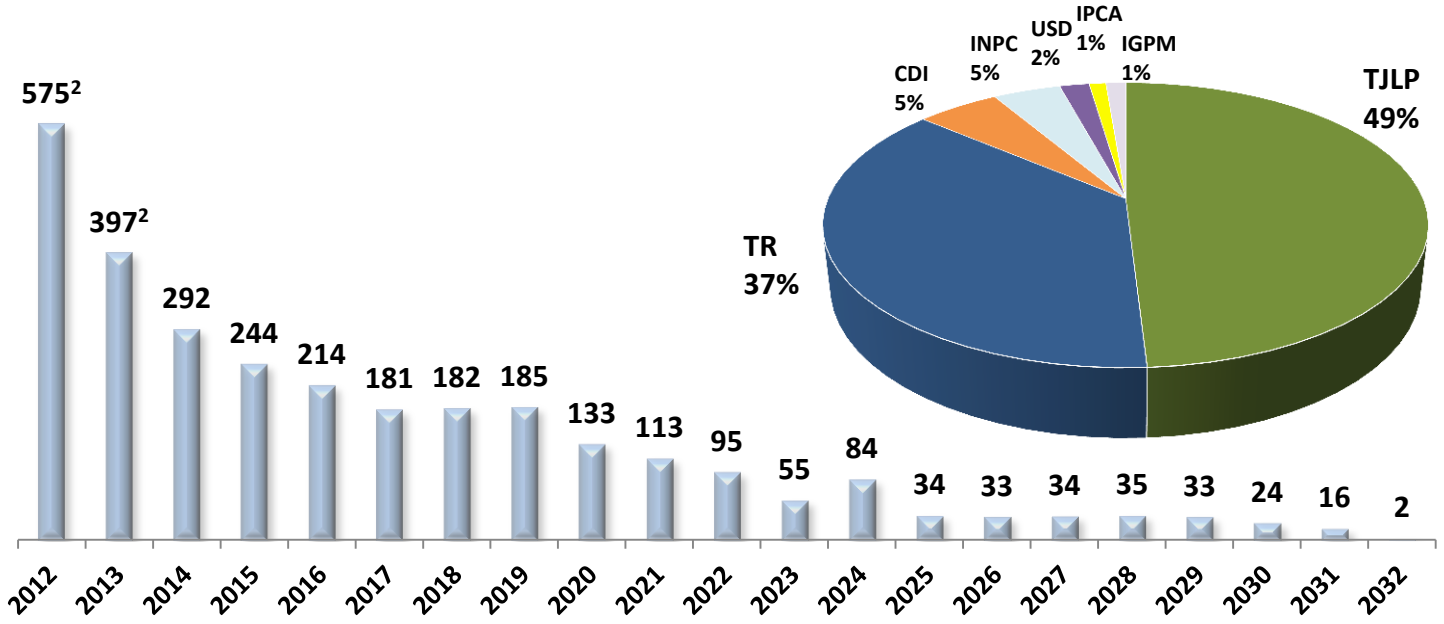


Gross Indebtedness (R$ million)



INDEBTEDNESS

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



Average rate: 8.7% p.a.[3]

1. As of December 31st 2011, the Company had R$ 1.07 billion in funds contracted from the Government Severance Indemnity Fund (FGTS) and the Brazilian Development Bank (BNDES) to be disbursed and recorded in liabilities as invetments are made. The Comoany also had, as of December 31st 2011, a loan contracted with the KfW in the amount of € 100.0 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, IPCA, 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.

COPASA

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