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Companhia de Saneamento de Minas Gerais - COPASA MG

Quarterly Information (ITR) at
June 30, 2015
and report on review

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Report on review of quarterly information

To the Board of Directors and Stockholders
Companhia de Saneamento de Minas Gerais - COPASA MG

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Companhia de Saneamento de Minas Gerais - COPASA MG (the Company) included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2015, comprising the balance sheet as at that date and the statements of income and comprehensive income for the quarter and six-month period then ended, and the statements of changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21 - Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM) as applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially smaller in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance on all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 as applicable to the preparation of the Quarterly Information and presented in accordance with the standards issued by the CVM.

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Companhia de Saneamento de Minas Gerais - COPASA MG

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the six-month period ended June 30, 2015. These statements are the responsibility of the Company's management, are required to be presented in accordance with standards issued by the CVM as applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Belo Horizonte, August 6, 2015

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F" MG

Carlos Augusto da Silva
Contador CRC 1SP197007/O-2 "S" MG

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1. General information

Corporate name	COMPANHIA DE SANEAMENTO DE MINAS GERAIS
Date of adoption of the corporate name	11/14/1974
Type	Publicly-traded Corporation
Previous corporate name	COMPANHIA MINEIRA DE ÁGUA E ESGOTO - COMAG
Date of establishment	7/5/1963
Federal Corporate Taxpayers' Registration Number (CNPJ)	17.281.106/0001-03
Brazilian Securities Commission (CVM) code	1944-5
CVM registration date	9/17/2003
CVM registration status	Active
Date of effectiveness of status	9/17/2003
Home country	Brazil
Country in which the securities are held in custody	Brazil

Other countries in which the securities can be traded

Country	Date of admission

Activity sector	Sanitation, water and gas services
Description of activities	Provision of sanitation services
Issuer category	Category A
Date of registration in the current category	1/1/2010
Issuer status	Operating phase
Date of effectiveness of status	9/17/2003
Type of ownership control	State-owned
Date of last change in ownership control	7/5/1963
Date of last change of the fiscal year	7/5/1963
Month/day of the end of the fiscal year	12/31
Issuer's website on the Internet	www.copasa.com.br

Newspapers in which the issuer discloses its information

Name of newspapers in which the issuer discloses its information	State
Diário do Comércio (Belo Horizonte)	MG
Diário Oficial de Minas Gerais	MG

2. Address

Mail address	Rua Mar de Espanha, 525, Santo Antônio, Belo Horizonte, MG, Brasil, CEP 30330-900, Telephone (031) 32502015, Fax (31) 32501604, E-mail ri@copasa.com.br
Headquarters' address	Rua Mar de Espanha, 525, Santo Antonio, Belo Horizonte, MG, Brasil, CEP 30330-900, Telephone (031) 32502015, Fax (031) 32501604, E-mail ri@copasa.com.br

3. Securities

Shares

		Trading			Listing	
Market	**Managing entity**	**Beginning**	**End**	**Trading segment**	**Beginning**	**End**
Stock exchange	BM&FBOVESPA	2/8/2006		New Market	2/8/2006	

4. Auditor

Does the Issuer have an auditor?	YES
CVM code	287-9
Type of auditor	National
Name/Corporate name	PricewaterhouseCoopers Auditores Independentes
Individual Taxpayers' Registration Number (CPF)/ Federal Corporate Taxpayers' Registration Number (CNPJ)	61.562.112/0006-35
Period of services	3/15/2013

Partner responsible	Period of services	CPF
Carlos Augusto da Silva	3/15/2013	507.225.816-53

5. Share Registrar

Does the Company have a service provider?	YES
Corporate name	Itaú Unibanco S.A.
CNPJ	60.701.190/0001-04
Period of services	1/1/2013
Service address	Praça Alfredo Egydio de Souza Aranha, 100, Torre Olavo Setubal, São Paulo, SP, Brasil, CEP 04344-902, Telephone (11) 27974526, Fax (11) 27973150, E-mail escrituracaoacoes@itau-unibanco.com.br

6. Investor Relations Officer or Equivalent

Name	Edson Machado Monteiro Investor Relations Officer
CPF/CNPJ	102.027.571-53
Mail address	Rua Mar de Espanha, 525, Santo Antonio, Belo Horizonte, MG, Brasil, CEP 30330-900, Telephone (031) 32502015, Fax (031) 32501604, E-mail ri@copasa.com.br
Date when the person assumed the position	2/25/2015
Date when the person left the position	

7. Stockholders' Department

CONTACT	**Edson Machado Monteiro**
Date when the person assumed the position	**2/25/2015**
Date when the person left the position	
Mail address	Rua Mar de Espanha, 525, Santo Antônio, Belo Horizonte, MG, Brasil, CEP 30330-900, Telephone (031) 32502015, Fax (31) 32501604, E-mail ri@copasa.com.br

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Company information/Capital composition

Number of shares (In thousands)	Current quarter 6/30/2015
Paid-up capital	
Common shares	119.684
Preferred shares	0
Total	119.684
Treasury shares	
Common shares	357
Preferred shares	0
Total	357

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Parent company financial statements/balance sheet - assets

(R$ thousand)

1 - Code	2 - Description	Current quarter 6/30/2015	Prior year 12/31/2014
1	Total assets	10,419,795	10,154,641
1.01	Current assets	1,205,271	1,169,909
1.01.01	Cash and cash equivalents	313.627	329.068
1.01.03	Trade receivables	815.502	767.801
1.01.03.01	Accounts receivable	706.831	686.085
1.01.03.02	Other receivables	108.671	81.716
1.01.03.02.01	Taxes to be offset	40.801	19.829
1.01.03.02.02	Technical cooperation agreements	43.848	37.394
1.01.03.02.03	Bank account - agreements	24.022	24.493
1.01.04	Inventory	42.336	41.251
1.01.08	Other current assets	33.806	31.789
1.01.08.03	Others	33.806	31.789
1.01.08.03.01	Advances to employees	11.421	11.086
1.01.08.03.02	Sundry	22.385	20.703
1.02	Non-current assets	9,214,524	8,984,732
1.02.01	Long-term receivables	1,270,181	1,216,555
1.02.01.03	Trade receivables	498.562	465.826
1.02.01.03.01	Accounts receivable	180.410	197.511
1.02.01.03.02	Other receivables	318.152	268.315
1.02.01.06	Deferred taxes	155.755	134.585
1.02.01.06.01	Deferred income and social contribution	155.755	134.585
1.02.01.08	Intercompany receivables	17.590	16.432
1.02.01.08.02	Receivables from subsidiaries	17.590	16.432
1.02.01.09	Other non-current assets	598.274	599.712
1.02.01.09.03	Financial assets - concession agreements	556.752	558.964
1.02.01.09.04	Available-for-sale financial assets	41.522	40.748
1.02.02	Investments	17.161	13.838
1.02.02.01	Corporate investments	17.161	13.838
1.02.02.01.02	Investments in subsidiaries	16.901	13.578
1.02.02.01.04	Investments in other companies	260	260
1.02.03	Property, plant and equipment	181.686	195.462
1.02.03.01	Property, plant and equipment in operation	181.686	195.462
1.02.04	Intangible assets	7,745,496	7,558,877
1.02.04.01	Intangible assets	7,745,496	7,558,877
1.02.04.01.01	Concession agreements	6,019,659	5,819,908
1.02.04.01.02	Intangible assets in progress	1,725,837	1,738,969

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Parent company financial statements/balance sheet - liabilities and equity

(R$ thousand)

1 - Code	2 - Description	Current quarter 6/30/2015	Prior year 12/31/2014
2	Total liabilities and equity	10,419,795	10,154,641
2.01	Current liabilities	1,068,109	1,005,981
2.01.02	Trade payables	107.459	114.433
2.01.02.01	Domestic suppliers	107.459	114.433
2.01.03	Tax obligations	52.817	50.289
2.01.03.01	Federal tax obligations	51.214	48.494
2.01.03.01.02	Other federal obligations	51.214	48.494
2.01.03.03	Municipal tax obligations	1.603	1.795
2.01.04	Borrowings	640.807	607.932
2.01.04.01	Borrowings	347.859	326.153
2.01.04.01.01	In local currency	314.409	301.007
2.01.04.01.02	In foreign currency	33.450	25.146
2.01.04.02	Debentures	292.948	281.779
2.01.04.02.01	Non-convertible	292.948	281.779
2.01.05	Other liabilities	87.339	67.620
2.01.05.02	Others	87.339	67.620
2.01.05.02.01	Dividends and interest on capital payable	6.632	2.516
2.01.05.02.04	Pension plan obligations	24.181	28.730
2.01.05.02.05	Electric power	9.691	6.930
2.01.05.02.07	Sundry obligations	46.835	29.444
2.01.06	Provision	179.687	165.707
2.01.06.01	Provision for tax, social security, labor and civil contingencies	179.687	165.707
2.01.06.01.05	Taxes payable in installments	49.203	47.403
2.01.06.01.06	Provision for vacation pay and 13th month salary	128.388	98.436
2.01.06.01.07	Employee profit sharing	2.096	19.868
2.02	Non-current liabilities	3,751,615	3,612,096
2.02.01	Borrowings	2,749,566	2,826,897
2.02.01.01	Borrowings	1,286,639	1,263,636
2.02.01.01.01	In local currency	985.096	1,001,863
2.02.01.01.02	In foreign currency	301.543	261.773
2.02.01.02	Debentures	1,462,927	1,563,261
2.02.01.02.01	Non-convertible	1,462,927	1,563,261
2.02.02	Other liabilities	691.213	473.930
2.02.02.01	Related-party liabilities	16.397	13.171
2.02.02.01.02	Due to subsidiaries	16.397	13.171
2.02.02.02	Others	674.816	460.759
2.02.02.02.03	Pension plan obligations	126.695	121.582
2.02.02.02.05	Deposits for construction	64.936	47.557
2.02.02.02.06	Public-private partnership	481.572	279.885
2.02.02.02.07	Sundry	1.613	11.735
2.02.04	Provision	310.836	311.269
2.02.04.01	Provision for tax, social security, labor and civil contingencies	310.836	311.269
2.02.04.01.05	Taxes payable in installments	180.410	197.511
2.02.04.01.06	Litigation provision	130.426	113.758
2.03	Equity	5,600,071	5,536,564
2.03.01	Paid-up capital	2,773,985	2,773,985
2.03.02	Capital reserves	47.124	-8.576
2.03.02.05	Treasury shares	-8.576	-8.576
2.03.02.06	Advance for future capital increase	55.700	0
2.03.04	Revenue reserves	2,726,965	2,726,965
2.03.04.01	Legal reserve	231.352	231.352
2.03.04.05	Profit retention reserve	2,461,153	2,461,153
2.03.04.07	Tax benefit reserve	34.460	34.460
2.03.05	Retained earnings	16.431	0
2.03.06	Carrying value adjustments	35.566	44.190

(A free translation of the original in Portuguese)

Parent company financial statements/statement of income

(R$ thousand unless otherwise stated)

1 - Code	2 - Description	Current quarter 4/1/2015 to 6/30/2015	Accumulated - current year 1/1/2015 to 6/30/2015	Same quarter of prior year 4/1/2014 to 6/30/2014	Accumulated - prior year 1/1/2014 to 6/30/2014
3.01	Revenue from sales and/or services	919.325	1,818,813	968.895	1,917,310
3.01.01	Water supply services	487.203	972.889	502.681	1,024,563
3.01.02	Sewage services	257.905	507.346	265.909	533.286
3.01.03	Construction revenue	174.217	338.578	200.305	359.461
3.02	Cost of sales and/or services	-663.374	-1,282,162	-625.669	-1,199,983
3.02.01	Cost of sales and/or services	-491.389	-948.312	-429.549	-849.479
3.02.02	Construction costs	-171.985	-333.850	-196.120	-350.504
3.03	Gross profit	255.951	536.651	343.226	717.327
3.04	Operating expenses	-193.074	-375.216	-190.304	-368.947
3.04.01	Selling expenses	-87.091	-154.860	-67.927	-128.348
3.04.02	General and administrative expenses	-116.625	-226.254	-110.781	-213.611
3.04.04	Other operating income	33.069	59.776	24.690	43.649
3.04.05	Other operating expenses	-24.933	-53.975	-34.419	-66.268
3.04.05.01	Other operating expenses	-24.294	-52.018	-29.653	-54.874
3.04.05.02	Employee profit sharing	-639	-1.957	-4.766	-11.394
3.04.06	Equity in the results of subsidiaries	2.506	97	-1.867	-4.369
3.05	Profit before finance result and taxation	62.877	161.435	152.922	348.380
3.06	Finance result	-68.851	-150.165	-43.611	-87.776
3.06.01	Finance income	15.445	46.030	24.846	47.770
3.06.02	Finance costs	-84.296	-196.195	-68.457	-135.546
3.07	Profit (loss) before income tax and social contribution	-5.974	11.270	109.311	260.604
3.08	Income tax and social contribution	9.762	8.968	-27.388	-62.068
3.08.01	Current	10.715	-8.711	-34.046	-71.296
3.08.02	Deferred	-953	17.679	6.658	9.228
3.09	Profit for the period from continuing operations	3.788	20.238	81.923	198.536
3.11	Profit for the period	3.788	20.238	81.923	198.536
3.99	Earnings per share (R$)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	0.03000	0.17000	0.69000	1.66000

Parent company financial statements/statement of comprehensive income

(R$ thousand)

1 - Code	2 - Description	Current quarter 4/1/2015 to 6/30/2015	Accumulated - current year 1/1/2015 to 6/30/2015	Same quarter of prior year 4/1/2014 to 6/30/2014	Accumulated - prior year 1/1/2014 to 6/30/2014
4.01	Profit for the period	3.788	20.238	81.923	198.536
4.02	Other comprehensive loss	-3.193	-6.777	-2.841	-6.195
4.02.01	Fair value of investment - Foz Jeceaba	511	511	741	741
4.02.02	Actuarial loss on retirement benefits	-3.704	-7.288	-3.582	-6.936
4.03	Comprehensive income for the period	595	13.461	79.082	192.341

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Parent company financial statements/statement of cash flows - indirect method

(R$ thousand)

1 - Code	2 - Description	Accumulated - current year 1/1/2015 to 6/30/2015	Accumulated - prior year 1/1/2014 to 6/30/2014
6.01	Net cash provided by operating activities	279.832	489.904
6.01.01	Cash from operations	509.476	601.280
6.01.01.01	Profit for the period	20.238	198.536
6.01.01.02	Provision for impairment of trade receivables	55.803	45.196
6.01.01.03	Recovery of accounts written-off	-25.948	-22.947
6.01.01.04	Charges and monetary and foreign exchange rate variations, net	47.422	1.751
6.01.01.05	Interest income and expenses	119.125	98.889
6.01.01.06	Deferred income tax and social contribution	-17.679	-9.228
6.01.01.07	Equity in the results of subsidiaries	-97	4.369
6.01.01.08	Write-off of intangible assets and property, plant and equipment	188	27.238
6.01.01.09	Depreciation and amortization	269.086	232.878
6.01.01.10	Additions to provision	21.095	16.859
6.01.01.11	Provision for pension benefits	24.971	20.167
6.01.01.13	Deferred income	0	-3.471
6.01.01.14	Net margin of construction revenue	-4.728	-8.957
6.01.02	Changes in assets and liabilities	-229.644	-111.376
6.01.02.01	Trade receivables	-24.401	3.919
6.01.02.02	Inventory	-1.085	-2.429
6.01.02.03	Recoverable taxes	-20.972	0
6.01.02.04	Banks and investments in connection with agreements	471	-5.087
6.01.02.05	Collateral for borrowings	-17.136	17.625
6.01.02.06	Investments in (redemption of) marketable securities	3.541	5.582
6.01.02.07	Receivables from subsidiaries	-1.866	-1.887
6.01.02.08	Other financial assets	-6.947	-6.506
6.01.02.09	Others	12.161	-6.851
6.01.02.10	Trade payables	-6.974	13.642
6.01.02.11	Taxes and contributions	2.528	1.301
6.01.02.12	Provision for vacation pay and 13th month salary	29.952	26.456
6.01.02.13	Employee profit sharing	-17.772	-5.677
6.01.02.14	Technical cooperation agreements	-6.454	-17.822
6.01.02.15	Contingencies	-4.427	-2.648
6.01.02.16	Pension plan obligations	-24.408	-22.885
6.01.02.17	Electric power/others	9.595	33.240
6.01.02.18	Interest paid	-120.333	-109.914
6.01.02.19	Payment of actuarial liability	-11.041	-10.510
6.01.02.20	Taxes paid in installments	-24.076	-20.925
6.02	Net cash used in investing activities	-173.338	-491.080
6.02.05	Purchases of intangible assets and property, plant and equipment	-229.038	-491.080
6.02.06	Advance for future capital increase	55.700	0
6.03	Net cash used in financing activities	-121.935	-24.891
6.03.01	New borrowings and debentures	103.570	396.205
6.03.02	Repayment of borrowings and debentures	-223.967	-354.744
6.03.04	Interest on capital paid	-1.538	-66.352
6.05	Decrease in cash and cash equivalents	-15.441	-26.067
6.05.01	Cash and cash equivalents at the beginning of the period	329.068	260.481
6.05.02	Cash and cash equivalents at the end of the period	313.627	234.414

Parent company financial statements/statement of changes in equity - 1/1/2015 to 6/30/2015

(R$ thousand)

1 - Code	2 - Description	Paid-up capital	Capital reserves, stock options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income	Equity
5.01	Opening balances	2,773,985	-8.576	2,726,965	0	44.190	5,536,564
5.03	Adjusted opening balances	2,773,985	-8.576	2,726,965	0	44.190	5,536,564
5.04	Capital transactions with stockholders	0	55.700	0	-5.654	0	50.046
5.04.07	Interest on capital	0	0	0	-5.654	0	-5.654
5.04.08	Funds for capital increase	0	55.700	0	0	0	55.700
5.05	Total comprehensive income (loss)	0	0	0	22.085	-8.624	13.461
5.05.01	Profit for the period	0	0	0	20.238	0	20.238
5.05.02	Other comprehensive income (loss)	0	0	0	1.847	-8.624	-6.777
5.05.02.07	Amortization of monetary adjustments on fixed assets 96/97	0	0	0	2.799	-2.799	0
5.05.05.08	Deferred income tax and social contribution on monetary adjustments on fixed assets 96/97	0	0	0	-952	952	0
5.05.05.09	Actuarial loss on retirement benefits	0	0	0	0	-11.042	-11.042
5.05.02.10	Fair value of available-for-sale financial assets	0	0	0	0	511	511
5.05.02.11	Income tax and social contribution on actuarial losses on retirement benefits	0	0	0	0	3.754	3.754
5.07	Closing balances	2,773,985	47.124	2,726,965	16.431	35.566	5,600,071

Parent company financial statements/statement of changes in equity - 1/1/2014 to 6/30/2014

(R$ thousand)

1 - Code	2 - Description	Paid-up capital	Capital reserves, stock options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income	Equity
5.01	Opening balances	2,773,985	-8.576	2,508,330	0	63.620	5,337,359
5.03	Adjusted opening balances	2,773,985	-8.576	2,508,330	0	63.620	5,337,359
5.04	Capital transactions with stockholders	0	0	0	-68.137	0	-68.137
5.04.07	Interest on capital	0	0	0	-68.137	0	-68.137
5.05	Total comprehensive income (loss)	0	0	0	200.484	-8.143	192.341
5.05.01	Profit for the period	0	0	0	198.536	0	198.536
5.05.02	Other comprehensive income (loss)	0	0	0	1.948	-8.143	-6.195
5.05.02.07	Amortization of monetary adjustments on fixed assets 96/97	0	0	0	2.951	-2.951	0
5.05.02.08	Deferred income tax and social contribution on monetary adjustments on fixed assets 96/97	0	0	0	-1.003	1.003	0
5.05.02.09	Actuarial loss on retirement benefits	0	0	0	0	-10.510	-10.510
5.05.02.10	Income tax and social contribution on actuarial losses on retirement benefits	0	0	0	0	3.574	3.574
5.05.02.11	Fair value of available-for-sale financial assets	0	0	0	0	741	741
5.07	Closing balances	2,773,985	-8.576	2,508,330	132.347	55.477	5,461,563

(A free translation of the original in Portuguese)

Parent company financial statements/statement of value added

(R$ thousand)

1 - Code	2 - Description	Accumulated - current year 1/1/2015 to 6/30/2015	Accumulated - prior year 1/1/2014 to 6/30/2014
7.01	Revenue	1,965,730	2,075,273
7.01.01	Sales of products and services	1,631,377	1,717,358
7.01.02	Other revenue	25.630	20.703
7.01.03	Revenue from construction of Company assets	338.578	359.461
7.01.04	Provision for impairment of trade receivables	-29.855	-22.249
7.02	Inputs acquired from third parties	-821.401	-817.438
7.02.01	Cost of sales and services	-716.610	-700.212
7.02.02	Materials, energy, outsourced services and other	-69.770	-78.703
7.02.03	Impairment of assets	-35.021	-38.523
7.03	Gross value added	1,144,329	1,257,835
7.04	Retentions	-269.086	-232.878
7.04.01	Depreciation, amortization and depletion	-269.086	-232.878
7.05	Net value added generated	875.243	1,024,957
7.06	Value added received through transfers	46.127	43.401
7.06.01	Equity in the results of subsidiaries	97	-4.369
7.06.02	Finance income	46.030	47.770
7.07	Total value added to distribute	921.370	1,068,358
7.08	Distribution of value added	921.370	1,068,358
7.08.01	Personnel	500.424	451.317
7.08.01.01	Direct remuneration	325.480	290.293
7.08.01.02	Benefits	143.351	117.570
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	29.636	32.060
7.08.01.04	Others	1.957	11.394
7.08.01.04.01	Employee profit sharing	1.957	11.394
7.08.02	Taxes and contributions	201.781	280.545
7.08.02.01	Federal	184.476	264.031
7.08.02.02	State	16.552	15.682
7.08.02.03	Municipal	753	832
7.08.03	Remuneration of third-party capital	198.927	137.960
7.08.03.01	Interest	195.668	135.339
7.08.03.02	Rentals	3.259	2.621
7.08.04	Remuneration of own capital	20.238	198.536
7.08.04.01	Interest on capital	5.654	68.137
7.08.04.03	Profit reinvested	14.584	130.399

(A free translation of the original in Portuguese)

Consolidated financial statements/balance sheet - assets

(R$ thousand)

1 - Code	2 - Description	Current quarter 6/30/2015	Prior year 12/31/2014
1	Total assets	10,415,936	10,161,975
1.01	Current assets	1,235,371	1,189,401
1.01.01	Cash and cash equivalents	338.013	331.039
1.01.03	Trade receivables	824.543	787.145
1.01.03.01	Accounts receivable	710.386	690.726
1.01.03.02	Other receivables	114.157	96.419
1.01.03.02.01	Taxes to be offset	42.292	21.405
1.01.03.02.02	Technical cooperation agreements	45.589	49.863
1.01.03.02.03	Bank account - agreements	26.276	25.151
1.01.04	Inventory	44.926	43.907
1.01.08	Other current assets	27.889	27.310
1.01.08.03	Others	27.889	27.310
1.01.08.03.01	Advances to employees	11.499	11.145
1.01.08.03.02	Sundry	16.390	16.165
1.02	Non-current assets	9,180,565	8,972,574
1.02.01	Long-term receivables	1,252,591	1,200,393
1.02.01.03	Accounts receivable	498.562	466.096
1.02.01.03.01	Trade receivables	180.410	197.511
1.02.01.03.02	Other receivables	318.152	268.585
1.02.01.06	Deferred taxes	155.755	134.585
1.02.01.06.01	Deferred income tax and social contribution	155.755	134.585
1.02.01.09	Other non-current assets	598.274	599.712
1.02.01.09.03	Financial assets - concession agreements	556.752	558.964
1.02.01.09.04	Available-for-sale financial assets	41.522	40.748
1.02.02	Investments	260	260
1.02.02.01	Investments in subsidiaries	260	260
1.02.02.01.04	Investments in other companies	260	260
1.02.03	Property, plant and equipment	182.218	213.044
1.02.03.01	Property, plant and equipment in operation	182.218	213.044
1.02.04	Intangible assets	7,745,496	7,558,877
1.02.04.01	Intangible assets	7,745,496	7,558,877
1.02.04.01.01	Concession agreements	6,019,659	5,819,908
1.02.04.01.02	Intangible assets in progress	1,725,837	1,738,969

(A free translation of the original in Portuguese)

Consolidated financial statements/balance sheet - liabilities and equity

(R$ thousand)

1 - Code	2 - Description	Current quarter 6/30/2015	Prior year 12/31/2014
2	Total liabilities and equity	10,415,936	10,161,975
2.01	Current liabilities	1,076,711	1,022,820
2.01.02	Trade payables	111.895	128.471
2.01.02.01	Domestic suppliers	111.895	128.471
2.01.03	Tax obligations	54.191	50.836
2.01.03.01	Federal tax obligations	52.588	49.041
2.01.03.01.02	Other federal obligations	52.588	49.041
2.01.03.03	Municipal tax obligations	1.603	1.795
2.01.04	Borrowings	641.737	608.793
2.01.04.01	Borrowings	348.789	327.014
2.01.04.01.01	In local currency	315.339	301.868
2.01.04.01.02	In foreign currency	33.450	25.146
2.01.04.02	Debentures	292.948	281.779
2.01.04.02.01	Non-convertible	292.948	281.779
2.01.05	Other liabilities	88.078	68.304
2.01.05.02	Others	88.078	68.304
2.01.05.02.01	Dividends and interest on capital payable	6.632	2.516
2.01.05.02.04	Pension plan obligations	24.181	28.730
2.01.05.02.05	Electric power	10.311	7.433
2.01.05.02.07	Sundry obligations	46.954	29.625
2.01.06	Provision	180.810	166.416
2.01.06.01	Provision for tax, social security, labor and civil contingencies	180.810	166.416
2.01.06.01.05	Taxes payable in installments	49.203	47.403
2.01.06.01.06	Provision for vacation pay and 13th month salary	129.511	99.145
2.01.06.01.07	Employee profit sharing	2.096	19.868
2.02	Non-current liabilities	3,739,154	3,602,591
2.02.01	Borrowings	2,750,810	2,828,537
2.02.01.01	Borrowings	1,287,883	1,265,276
2.02.01.01.01	In local currency	986.340	1,003,503
2.02.01.01.02	In foreign currency	301.543	261.773
2.02.01.02	Debentures	1,462,927	1,563,261
2.02.01.02.01	Non-convertible	1,462,927	1,563,261
2.02.02	Other liabilities	674.819	460.761
2.02.02.02	Others	674.819	460.761
2.02.02.02.03	Pension plan obligations	126.695	121.582
2.02.02.02.05	Deposits for construction	64.939	47.559
2.02.02.02.06	Public-private partnership	481.572	279.885
2.02.02.02.07	Sundry	1.613	11.735
2.02.04	Provision	313.525	313.293
2.02.04.01	Provision for tax, social security, labor and civil contingencies	313.525	313.293
2.02.04.01.05	Taxes payable in installments	180.410	197.511
2.02.04.01.06	Litigation provision	133.115	115.782
2.03	Consolidated equity	5,600,071	5,536,564
2.03.01	Paid-up capital	2,773,985	2,773,985
2.03.02	Capital reserves	47.124	-8.576
2.03.02.05	Treasury shares	-8.576	-8.576
2.03.02.06	Advance for future capital increase	55.700	0
2.03.04	Revenue reserves	2,726,965	2,726,965
2.03.04.01	Legal reserve	231.352	231.352
2.03.04.05	Profit retention reserve	2,461,153	2,461,153
2.03.04.07	Tax benefit reserve	34.460	34.460
2.03.05	Retained earnings	16.431	0
2.03.06	Carrying value adjustments	35.566	44.190

Consolidated financial statements/statement of income

(R$ thousand unless otherwise stated)

1 - Code	2 - Description	Current quarter 4/1/2015 to 6/30/2015	Accumulated - current year 1/1/2015 to 6/30/2015	Same quarter of prior year 4/1/2014 to 6/30/2014	Accumulated - prior year 1/1/2014 to 6/30/2014
3.01	Revenue from sales and/or services	924.387	1,829,699	973.828	1,927,189
3.01.01	Water supply services	491.560	982.311	507.080	1,033,091
3.01.02	Sewage services	257.905	507.346	265.909	533.286
3.01.03	Construction revenue	174.217	338.578	200.305	359.461
3.01.04	Revenue from finished products	705	1.464	534	1.351
3.02	Cost of sales and/or services	-669.947	-1,294,480	-629.808	-1,208,515
3.02.01	Cost of sales and/or services	-497.962	-960.630	-433.688	-858.011
3.02.02	Construction cost	-171.985	-333.850	-196.120	-350.504
3.03	Gross profit	254.440	535.219	344.020	718.674
3.04	Operating expenses	-190.401	-372.236	-190.715	-369.579
3.04.01	Selling expenses	-88.372	-157.153	-68.892	-130.126
3.04.02	General and administrative expenses	-117.868	-228.540	-111.802	-216.025
3.04.04	Other operating income	58.321	85.964	25.476	44.943
3.04.05	Other operating expenses	-42.482	-72.507	-35.497	-68.371
3.04.05.01	Other operating expenses	-41.843	-70.550	-30.731	-56.977
3.04.05.02	Employee profit sharing	-639	-1.957	-4.766	-11.394
3.05	Profit before finance result and taxation	64.039	162.983	153.305	349.095
3.06	Finance result	-69.255	-150.955	-43.994	-88.491
3.06.01	Finance income	15.114	45.391	24.537	47.171
3.06.02	Finance costs	-84.369	-196.346	-68.531	-135.662
3.07	Profit (loss) before income tax and social contribution	-5.216	12.028	109.311	260.604
3.08	Income tax and social contribution	9.004	8.210	-27.388	-62.068
3.08.01	Current	9.957	-9.469	-34.046	-71.296
3.08.02	Deferred	-953	17.679	6.658	9.228
3.09	Profit for the period from continuing operations	3.788	20.238	81.923	198.536
3.11	Consolidated profit for the period	3.788	20.238	81.923	198.536
3.11.01	Attributable to the owners of the Company				
3.99	Earnings per share (R$)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	0.03000	0.17000	0.69000	1.66000

Consolidated financial statements/statement of comprehensive income

(R$ thousand)

1 - Code	2 - Description	Current quarter 4/1/2015 to 6/30/2015	Accumulated - current year 1/1/2015 to 6/30/2015	Same quarter of prior year 4/1/2014 to 6/30/2014	Accumulated - prior year 1/1/2014 to 6/30/2014
4.01	Consolidated profit for the period	3.788	20.238	81.923	198.536
4.02	Other comprehensive loss	-3.193	-6.777	-2.841	-6.195
4.02.01	Fair value of investment - Foz Jeceaba	511	511	741	741
4.02.02	Actuarial loss on retirement benefits	-3.704	-7.288	-3.582	-6.936
4.03	Consolidated comprehensive income for the period	595	13.461	79.082	192.341
4.03.02	Attributable to non-controlling interests	595	13.461	79.082	192.341

(A free translation of the original in Portuguese)

Consolidated financial statements/statement of cash flows - indirect method

(R$ thousand)

1 - Code	2 - Description	Accumulated - current year 1/1/2015 to 6/30/2015	Accumulated - prior year 1/1/2014 to 6/30/2014
6.01	Net cash provided by operating activities	302.840	489.246
6.01.01	Cash from operations	529.682	602.059
6.01.01.01	Profit for the period	20.238	198.536
6.01.01.02	Provision for impairment of trade receivables	57.737	46.725
6.01.01.03	Recovery of accounts written-off	-26.645	-23.099
6.01.01.04	Interest and monetary and foreign exchange rate variations, net	48.171	2.424
6.01.01.05	Interest income and expenses	119.251	98.940
6.01.01.06	Deferred income tax and social contribution	-17.679	-9.228
6.01.01.08	Write-off of intangible assets and property, plant and equipment	16.413	28.351
6.01.01.09	Depreciation and amortization	270.177	234.121
6.01.01.10	Additions to provision	21.776	17.550
6.01.01.11	Provision for actuarial liabilities	24.971	20.167
6.01.01.13	Deferred income	0	-3.471
6.01.01.14	Net margin of construction revenue	-4.728	-8.957
6.01.02	Changes in assets and liabilities	-226.842	-112.813
6.01.02.01	Trade receivables	-24.550	2.008
6.01.02.02	Inventory	-1.019	-3.706
6.01.02.03	Recoverable taxes	-20.888	-150
6.01.02.04	Bank account - agreements	-1.125	-5.794
6.01.02.05	Collateral for borrowings	-17.136	17.625
6.01.02.06	Investments (redemption) of marketable securities	3.541	5.582
6.01.02.08	Other financial assets	-6.947	-6.506
6.01.02.09	Other	12.411	-6.771
6.01.02.10	Trade payables	-16.577	-3.288
6.01.02.11	Taxes and contributions	3.355	1.110
6.01.02.12	Provision for vacation pay and 13th month salary	30.366	26.789
6.01.02.13	Employee profit sharing	-17.772	-5.677
6.01.02.14	Technical cooperation agreements	4.274	-297
6.01.02.15	Contingencies	-4.444	-2.747
6.01.02.16	Pension plan obligations	-24.408	-22.885
6.01.02.17	Electric power/other	9.651	33.293
6.01.02.18	Interest paid	-120.457	-109.964
6.01.02.19	Payment of actuarial liability	-11.041	-10.510
6.01.02.20	Payment of tax installments	-24.076	-20.925
6.02	Net cash used in investing activities	-173.603	-491.278
6.02.06	Purchase of intangible assets and property, plant and equipment	-229.303	-491.278
6.02.07	Advance for future capital increase	55.700	0
6.03	Net cash used in financing activities	-122.262	-25.091
6.03.01	New borrowings and debentures	103.570	396.205
6.03.02	Repayment of borrowings and debentures	-224.294	-354.944
6.03.04	Interest on capital paid	-1.538	-66.352
6.05	Increase (decrease) in cash and cash equivalents	6.975	-27.123
6.05.01	Cash and cash equivalents at the beginning of the period	331.039	261.938
6.05.02	Cash and cash equivalents at the end of the period	338.014	234.815

Consolidated financial statements/statement of changes in equity - 1/1/2015 to 6/30/2015

(R$ thousand)

1 - Code	2 - Description	Paid-up capital	Capital reserves, stock options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income	Equity	Non-controlling interests	Consolidated equity
5.01	Opening balances	2,773,985	-8.576	2,726,965	0	44.190	5,536,564	0	5,536,564
5.03	Adjusted opening balances	2,773,985	-8.576	2,726,965	0	44.190	5,536,564	0	5,536,564
5.04	Capital transactions with stockholders	0	55.700	0	-5.654	0	50.046	0	50.046
5.04.07	Interest on capital	0	0	0	-5.654	0	-5.654	0	-5.654
5.04.08	Funds for capital increase	0	55.700	0	0	0	55.700	0	55.700
5.05	Total comprehensive income (loss)	0	0	0	22.085	-8.624	13.461	0	13.461
5.05.01	Profit for the period	0	0	0	20.238	0	20.238	0	20.238
5.05.02	Other comprehensive income (loss)	0	0	0	1.847	-8.624	-6.777	0	-6.777
5.05.02.07	Amortization of monetary adjustments on fixed assets 96/97	0	0	0	2.799	-2.799	0	0	0
5.05.02.08	Deferred income tax and social contribution on monetary adjustments on fixed assets 96/97	0	0	0	-952	952	0	0	0
5.05.02.09	Actuarial loss on retirement benefits	0	0	0	0	-11.042	-11.042	0	-11.042
5.05.02.10	Fair value of available-for-sale financial assets	0	0	0	0	511	511	0	511
5.05.02.11	Income tax and social contribution on actuarial losses on retirement benefits	0	0	0	0	3.754	3.754	0	3.754
5.07	Closing balances	2,773,985	47.124	2,726,965	16.431	35.566	5,600,071	0	5,600,071

Consolidated financial statements/statement of changes in equity - 1/1/2014 to 6/30/2014

(R$ thousand)

1 - Code	2 - Description	Paid-up capital	Capital reserves, stock options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income	Equity	Non-controlling interests	Consolidated equity
5.01	Opening balances	2,773,985	-8.576	2,508,330	0	63.620	5,337,359	0	5,337,359
5.03	Adjusted opening balances	2,773,985	-8.576	2,508,330	0	63.620	5,337,359	0	5,337,359
5.04	Capital transactions with stockholders	0	0	0	-68.137	0	-68.137	0	-68.137
5.04.07	Interest on capital	0	0	0	-68.137	0	-68.137	0	-68.137
5.05	Total comprehensive income (loss)	0	0	0	200.484	-8.143	192.341	0	192.341
5.05.01	Profit for the period	0	0	0	198.536	0	198.536	0	198.536
5.05.02	Other comprehensive income (loss)	0	0	0	1.948	-8.143	-6.195	0	-6.195
5.05.02.07	Amortization of monetary adjustments on fixed assets 96/97	0	0	0	2.951	-2.951	0	0	0
5.05.02.08	Deferred income tax and social contribution on monetary adjustments on fixed assets 96/97	0	0	0	-1.003	1.003	0	0	0
5.05.02.09	Actuarial loss on retirement benefits	0	0	0	0	-10.510	-10.510	0	-10.510
5.05.02.10	Income tax and social contribution on actuarial losses on retirement benefits	0	0	0	0	3.574	3.574	0	3.574
5.05.02.11	Fair value of available-for-sale financial assets	0	0	0	0	741	741	0	741
5.07	Closing balances	2,773,985	-8.576	2,508,330	132.347	55.477	5,461,563	0	5,461,563

Consolidated financial statements/statement of value added

(R$ thousand)

1 - Code	2 - Description	Accumulated - current year 1/1/2015 to 6/30/2015	Accumulated - prior year 1/1/2014 to 6/30/2014
7.01	Revenue	2,002,143	2,086,860
7.01.01	Sales of products and services	1,643,535	1,728,370
7.01.02	Other revenue	51.122	22.655
7.01.03	Revenue from the construction of Company assets	338.578	359.461
7.01.04	Provision for impairment of trade receivables	-31.092	-23.626
7.02	Inputs acquired from third parties	-847.521	-825.359
7.02.01	Cost of sales and services	-723.078	-704.361
7.02.02	Materials, energy, outsourced services and other	-71.217	-79.871
7.02.03	Impairment of assets	-53.226	-41.127
7.03	Gross value added	1,154,622	1,261,501
7.04	Retentions	-270.177	-234.121
7.04.01	Depreciation, amortization and depletion	-270.177	-234.121
7.05	Net value added generated	884.445	1,027,380
7.06	Value added received through transfers	45.391	47.171
7.06.02	Finance income	45.391	47.171
7.07	Total value added to distribute	929.836	1,074,551
7.08	Distribution of value added	929.836	1,074,551
7.08.01	Personnel	505.656	455.506
7.08.01.01	Direct remuneration	329.529	293.557
7.08.01.02	Benefits	144.248	118.272
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	29.922	32.283
7.08.01.04	Others	1.957	11.394
7.08.01.04.01	Employee profit sharing	1.957	11.394
7.08.02	Taxes and contributions	204.846	282.437
7.08.02.01	Federal	186.969	265.378
7.08.02.02	State	17.085	16.193
7.08.02.03	Municipal	792	866
7.08.03	Remuneration of third-party capital	199.096	138.072
7.08.03.01	Interest	195.796	135.411
7.08.03.02	Rentals	3.300	2.661
7.08.04	Remuneration of own capital	20.238	198.536
7.08.04.01	Interest on capital	5.654	68.137
7.08.04.03	Profit reinvested	14.584	130.399

Comments on Company performance



Belo Horizonte, August 6, 2015 - COPASA MG - Companhia de Saneamento de Minas Gerais (BM&FBOVESPA: CSMG3) announces today its results for the second quarter of 2015 (2Q15). Except where otherwise stated, the following financial and operational information is presented in Brazilian reais (R$), and comparisons refer to the second quarters of 2014 (2Q14) and 2013 (2Q13). The financial statements have been prepared in accordance with theIFRS and refer to the parent company.

Tables showing the results are available to download on the website www.copasa.com.br/ri.

2Q15 conference call with simultaneous translation
Date: 8/10/2015
3 P.M.(Brasilia time)
2 P.M.(New York time)

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Financial highlights (R$ thousand)

II Quarters (Q)	2Q15	2Q14	2Q15 X 2Q14	2Q13	2Q14 X 2Q13
Adjusted EBITDA	197,451	268,712	-26.5%	252,863	6.3%
Adjusted EBITDA margin	24.4%	33.6%		34.1%	
Net revenue -water and sewage	745,108	768,590	-3.1%	725,856	5.9%
Costs and expenses*	695,105	608,257	14.3%	561,986	8.2%
Finance result, net	(68,851)	(43,611)	57.9%	(43,202)	0.9%
Other net operating income	8,775	(4,963)	-276.8%	(5,629)	-11.8%
Profit	3,788	81,923	-95.4%	76,221	7.5%
Net debt	3,184,378	3,109,543	2.4%	2,768,525	12.0%

I Six-month periods (H)	1H15	1H14	1H15 X 1H14	1H13	1H14 X 1H13
Adjusted EBITDA	428,431	574,259	-25.4%	543,670	5.6%
Adjusted EBITDA margin	27.2%	35.6%		36.5%	
Net revenue -water and sewage	1,480,235	1,557,849	-5.0%	1,456,792	6.9%
Costs and expenses*	1,329,426	1,191,438	11.6%	1,082,606	10.1%
Finance result, net	(150,165)	(87,776)	71.1%	(80,428)	9.1%
Other net operating income	7,758	(11,225)	-169.1%	(13,982)	-19.7%
Profit	20,238	198,536	-89.8%	192,592	3.1%

*Costs of services + selling and administrative expenses

Comments on Company performance

Operating highlights (consolidated data)	WATER	SEWAGE
	Links: **4.1 million**	Links: **2.5 million**
	Connections: **4.9 million**	Connections: **3.2 million**
	Billed volume: **154.2 million m³**	Billed volume: **102.0 million m³**
	Distribution network: **48.9 thousand km**	Sewer network: **23.5 thousand km**

Significant Event Notices

Tariff review

On April 10, 2015, the Minas Gerais State Regulatory Water and Wastewater Agency (ARSAE MG) issued Normative Resolution 64/2015, which authorized a review of the water and sewage of COPASA MG, with an average impact on consumption tariffs of 15.04% from May 13, 2015.

This resolution and Technical Note CRFEF/GRT 02/2015 are available on the Agency's website, in the "Legislação" (Legislation) section, and on the Investor Relations website of COPASA MG, www.copasa.com.br/ri.

Advance for future capital increase (AFAC) - construction works for the implementation of raw water capture in the Paraopeba River

According to the significant event notice disclosed by the Company, the Company's Board of Directors approved an AFAC, to be made by the controlling stockholder, that is, the State of Minas Gerais, totaling R$ 128.4 million. Of this amount, R$ 30.0 million was transferred to the Company on 24 April, 2015, R$ 25.7 million on 10 June, 2015 and R$ 22.7 million on 10 October, 2015. The remaining balance of R$ 50.0 million will be transferred based on the physical and financial schedule of the venture that will receive the funds, as follows: R$ 24.1 million on 10 August, 2015, R$ 16.1 million on 10 September, 2015, and R$ 9.8 million on 10 October, 2015. Such installments may be prepaid.

The AFAC will allow a future capital increase via subscription to the Company's shares, with a unit issue price of R$ 18.17. The other conditions will be defined by the Board of Directors. More details are to be found in the minutes of the Board of Directors meeting of April 23, 2015.

The funds will be used to pay for the ongoing construction works to increase the supply of water to the metropolitan region of Belo Horizonte, involving the capture of 5,000 liters of raw water per second from the Paraopeba River by using five pumps and approximately 6,500 meters of iron mains with a diameter of 1.5 meters, and th treatment of this water at the Rio Manso Water Treatment Plant, which is part of the Paraopeba System. According to the notice to the market of July 1, 2015, the construction of the new system is estimated to be concluded in December 2015. This investment was among the measures announced at the beginning of 2015 to face the water crisis.

Indebtedness Policy

Considering the current scenario, the Extraordinary General Meeting held on July 10, 2015 approved a change in the Indebtedness Policy as set out in Article 4 of the Company's by laws, which is now as follows:

"**Article 4** - In order to meet its corporate purpose, COPASA MG can:

a) obtain borrowings with financial institutions or domestic/foreign development agencies, with an obligation to the counterparty, if applicable, taking into account the following conditions, which are provided in the Company's Indebtedness Policy:

1. the consolidated net indebtedness of COPASA MG must be equal or inferior to 3 times the EBITDA;

Comments on Company performance

2. total liabilities of COPASA MG must be equal or inferior to its equity; and

3. the EBITDA of COPASA MG must be over 1.2 times the Debt Service.
(...)

Paragraph 1 - In order to carry out its corporate purpose, COPASA MG can hold controlling and non-controlling interest in companies with a similar corporate purpose, that is, the rendering of water supply and sewage treatment services.

Paragraph 2 The targets provided in item "a" of article 4 may be superseded by extraordinary reasons, upon justification and specific approval of the Board of Directors, up to the following limits:

a) the Company's consolidated net indebtedness must not exceed 4 times the Company's EBITDA;

b) the total liabilities of COPASA MG must not exceed 1.2 times its equity;

c) the EBITDA of COPASA MG must be at least 1.2 times the Debt Service."

Mutual rescission of the concession of the subsidiary Águas Minerais de Minas S/A

According to the significant event notice disclosed on May 14, 2015, COPASA MG, as the parent company and intervening party in the Lease Contract of Mining Rights, Equipment, and Bottling Facilities of Mineral Waters of Caxambu, Lambari, Cambuquira, and Araxá, located in the respective municipalities in the State of Minas Gerais, entered into by COPASA Águas Minerais de Minas (AGMM), a wholly-owned subsidiary of COPASA MG, and Companhia de Desenvolvimento Econômico de Minas Gerais (CODEMIG), formalized, in mutual agreement, the rescission of the commitment with the lessor as from June 1, 2015. The indemnities will be processed as provided in the contract.

As from June 1, 2015, AGMM was contracted by CODEMIG for at least 12 months, for the operation, maintenance, and selling of mineral water.

Compensation to stockholders - 2015

The distribution of interest on capital will mandatorily amount to a minimum 25% of the profit, decreased or increased by the amounts specified in items I, II and III of Article 202 of the Brazilian Corporate Law.

The quarterly statement of interest on capital is made after the closing of each quarter, and the payment date of the amounts disclosed, referring to all quarters of 2015, will be defined at the General Meeting that approves the financial statements for the year.

In the current year, two Interest on Capital Statements have been made up to the date of disclosure of this document, and the dates of credit are show in the table below:

Reference	Date of the Board of Directors' meeting	Date of credit	Gross amount (R$ million)	Gross amount per share (R$)
1Q15	5/7/2015	5/11/2015	4.60	0.0385
2Q15	8/6/2015	8/11/2015	1.06	0.0089
Accumulated - 2015			**5.66**	**0.0474**

Comments on Company performance

Operating data

Concessions and operations

At June 30, 2015, the Company had 634 water concessions and 287 sewage concessions, as follows:

Concessions and operations	Jun/15 Total	Jun/15 parent company	Jun/15 Copanor[3]	Jun/14 Total	Jun/14 parent company	Jun/14 Copanor
Water						
Concessions[1]	634	585	49	631	582	49
Operations[2]	619	574	45	617	572	45
Sewage						
Concessions[1]	287	238	49	288	239	49
Operations[2]	233	204	29	226	197	29

1 - Total number of municipalities where the Company holds concessions: capital cities, villages, towns or others.
2 - Total number of municipalities where the Company operates concessions: capital cities, villages, towns or others.
3 - Cities where the Company has not yet started operations but is at the final investment stage.

As announced in the Operating Release of May 2015, as from April 18, 2015, due to a court decision, the Company ceased to operate the water supply and sewage treatment systems in the municipality of Pará de Minas.

The following table shows the key operating data:

PARENT COMPANY	2Q15	2Q14	2Q15 X 2Q14	2Q13	2Q14 X 2Q13
Water					
Links	3,981,064	3,887,310	2.4%	3,764,134	3.3%
Connections	4,825,006	4,712,707	2.4%	4,566,385	3.2%
Billed volume (1,000 m³/quarter)	152,126	170,879	-11.0%	167,172	2.2%
Volume produced (1,000 m³/quarter)	220,922	240,926	-8.3%	237,754	1.3%
Network extension (km)	47,369	46,019	2.9%	44,156	4.2%
Water metering rate (%)	99.89	99.90		99.90	
Water not converted into revenue - ANCR[1] (l/link/day)	224.45	234.59	-4.3%	236.07	-0.6%
Sewage					
Links	2,508,836	2,421,207	3.6%	2,283,279	6.0%
Connections	3,198,650	3,091,238	3.5%	2,927,236	5.6%
Billed volume (1,000 m³/quarter)	101,127	113,075	-10.6%	110,150	2.7%
Volume treated (1,000 m³/quarter)	60,184	62,061	-3.0%	57,825	7.3%
Network extension (km)	22,258	21,599	3.1%	20,039	7.8%
PARENT COMPANY					
Employees	12,272	11,920	3.0%	11,827	0.8%
Employees/Connections (A+E) (emp./1,000 connections)	1.89	1.89	0.0%	1.96	-3.6%

(1) Average for the past 12 months.

Comments on Company performance

COPANOR	2Q15	2Q14	2Q15 X 2Q14	2Q13	2Q14 X 2Q13
Water					
Links	90,010	84,783	6.2%	75,655	12.1%
Connections	91,952	86,663	6.1%	77,249	12.2%
Billed volume (1,000 m³/quarter)	2,061	2,207	-6.6%	1,886	17.0%
Volume produced (1,000 m³/quarter)	2,576	2,608	-1.2%	2,405	8.4%
Network extension (km)	1,496	1,455	2.8%	1,261	15.4%
Sewage					
Links	36,935	36,223	2.0%	23,210	56.1%
Connections	37,955	37,266	1.8%	23,799	56.6%
Billed volume (1,000 m³/quarter)	832	943	-11.8%	571	65.1%
Network extension (km)	1,218	1,172	3.9%	755	55.2%
COPANOR					
Employees	342	307	11.4%	232	32.3%
Employees/Connections (A+E) (emp./1,000 connections)	2.69	2.54	5.9%	2.35	8.1%

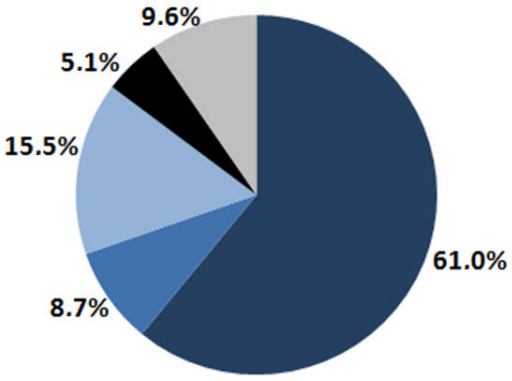
COPASA (parent company + Copanor)	2Q15	2Q14	2Q15 X 2Q14	2Q13	2Q14 X 2Q13
Water					
Links	4,071,074	3,972,093	2.5%	3,839,789	3.4%
Connections	4,916,958	4,799,370	2.5%	4,643,634	3.4%
Billed volume (1,000 m³/quarter)	154,187	173,086	-10.9%	169,058	2.4%
Volume produced (1,000 m³/quarter)	223,498	243,534	-8.2%	240,159	1.4%
Network extension (km)	48,865	47,474	2.9%	45,417	4.5%
Sewage					
Links	2,545,771	2,457,430	3.6%	2,306,489	6.5%
Connections	3,236,605	3,128,504	3.5%	2,951,035	6.0%
Billed volume (1,000 m³/quarter)	101,959	114,018	-10.6%	110,721	3.0%
Network extension (km)	23,476	22,771	3.1%	20,794	9.5%
COPASA (parent company + Copanor)					
Employees	12,614	12,227	3.2%	12,059	1.4%
Employees/Connections (A+E) (emp./1,000 connections)	1.91	1.90	0.5%	1.96	-3.1%

Comments on Company performance

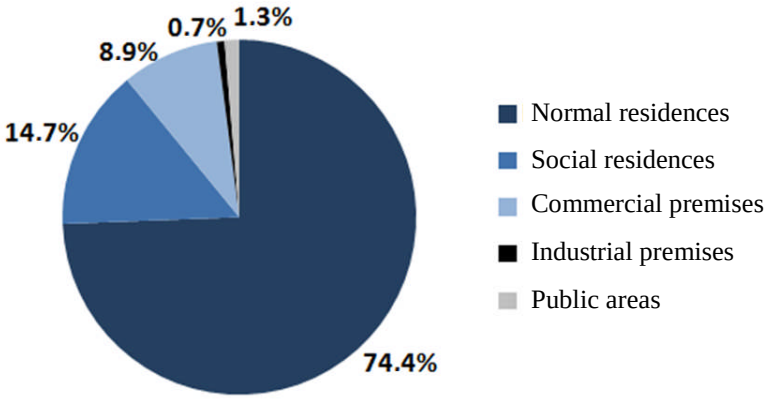
Customer base

The charts below show the distribution of the revenue from water and sewage and consumer units, broken down by category:

Revenue per category (%)

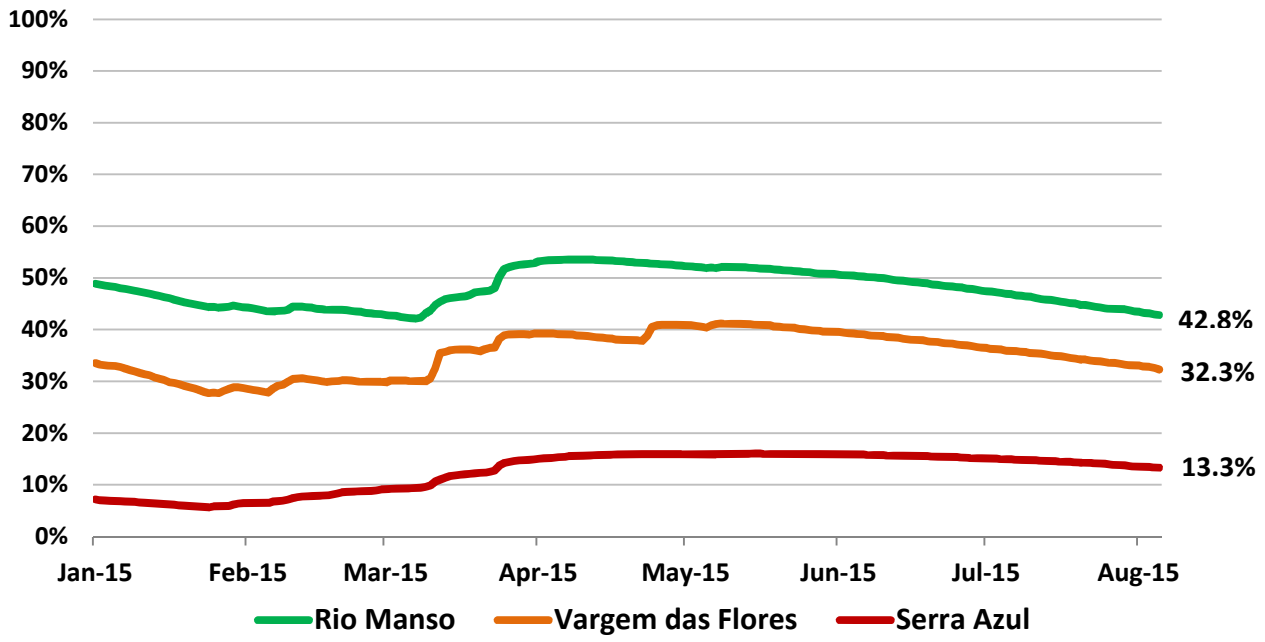


Consumer units per category (%)



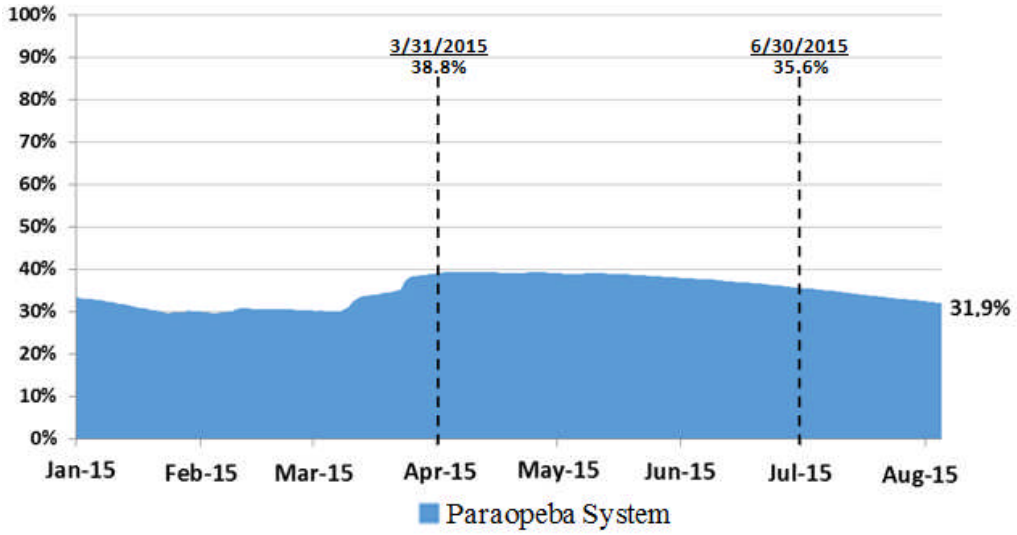
Hydric situation

The Paraopeba System consists of three reservoirs: Rio Manso, Vargem das Flores, and Serra Azul. The percentages of reservoir levels and the sum of the system throughout the calendar year to August 5, 2015 are as follows:



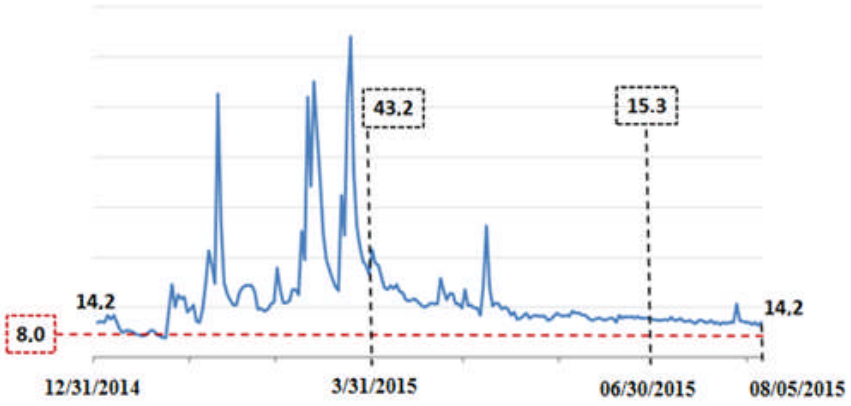
Comments on Company performance

Considering the data for each reservoir, the reservoir levels of the Paraopeba System as a whole are shown below:



The flow of the Rio das Velhas at the production system capturing point is heavily influenced by the amount of rain, considering that it is located at the highest point in the water basin. The characteristics of this basin allow sudden flow peaks when it is raining in the river sources and a quick return to the normal flow movements. The current flow is around 14 m³/s.

Operational Performance Rio das Velhas (m³/s)



The levels of the systems which supply the Belo Horizonte Metropolitan Region are currently considered low, and the Company intends to carry on with its public information campaigns to maintain the current consumption levels in the region, which have been voluntarily reduced by around 15%, in comparison with the first half of 2014, in order to guarantee the supply for the population during the dry season.

Comments on Company performance

Operating cash generation

The adjusted EBITDA for 2Q15, that is, the Company's operating result less construction revenue and costs, amounted to R$ 197.6 million, against R$ 268.7 million in 2Q14. The Company's profit has been affected by the water scarcity affecting the southeast region of Brazil and the decrease in consumption resulting from the awareness campaign carried out by the Company.

(R$ thousand)	2Q15	2Q14	2Q15 X 2Q14	2Q13	2Q14 X 2Q13
Profit for the year	**3,788**	**81,923**	**-95.4%**	**76,221**	**7.5%**
(+) Taxes on profit	(9,762)	27,388	-135.6%	32,836	-16.6%
(+) Finance result	68,851	43,611	57.9%	43,202	0.9%
(+) Depreciation and amortization	135,206	119,009	13.6%	103,801	14.7%
(+) Non-operating result of subsidiaries	1,600	966	65.6%	989	-2.4%
(=) EBITDA	**199,683**	**272,897**	**-26.8%**	**257,049**	**6.2%**
(-) Results from construction	2,232	4,185	-46.7%	4,186	0.0%
(=) Adjusted EBITDA	**197,451**	**268,712**	**-26.5%**	**252,863**	**6.3%**
EBITDA margin	**20.3%**	**27.3%**		**27.7%**	
Adjusted EBITDA margin	**24.4%**	**33.6%**		**34.1%**	

NOTE: EBITDA is a non-accounting measurement adopted by the Company, calculated in accordance with CVM Instruction 527/2014, that consists of the profit before income tax and social contribution, net finance result, depreciation and amortization expenses and the non-operating results of the subsidiaries. The EBITDA margin is calculated on the basis of total income (net income related to water and sewage, construction income, plus other operating income and income from subsidiaries). The calculation of the adjusted EBITDA, in turn, does not consider construction income/costs. While there is no immediate cash effect, construction revenue generates effects in the year in which it is recognized, given that it forms part of the basis for the calculation of interest on capital/dividends and employee profit sharing.

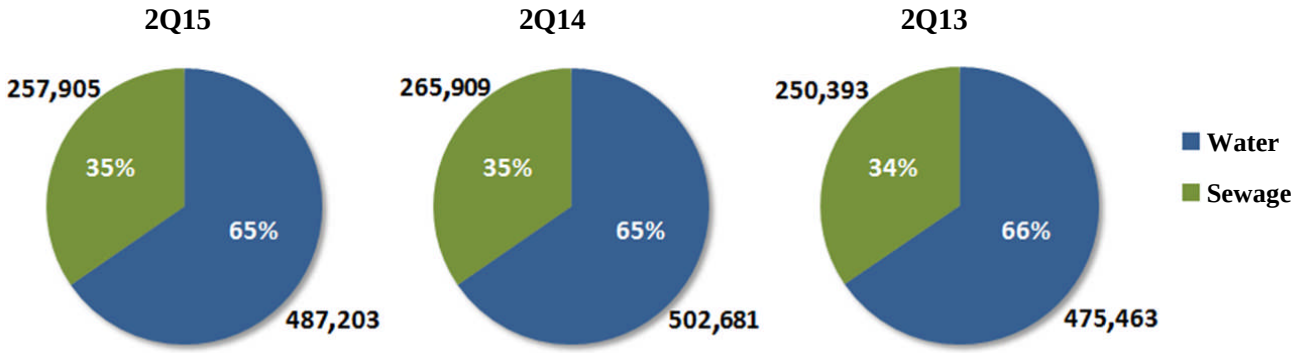
Revenue

Despite the increase in water (+2.5%) and sewage (+3.5%) connections, the average tax readjustment of 6.18% in 2014 and of 15.04% in 2015, and Sewage Treatment Plant (STP) operations beginning in five municipalities between 2Q14 and 2Q15, revenue from water and sewage fell by 3.1% in the quarter. They were affected by:

- a decrease in billed volume per connection, which occured because of changes in the population's consumption behavior and aggravated by the water crisis. This resulted in the transfer of a number of customers to lower consumption levels with lower tariffs;
- a decrease of 26% in the billed industrial volume due to the weak performance of the economy. This represented around 5% of the billing in 2Q15 (around 6% in 2Q14);
- the continued suspension of sewage tariff collection in Lavras due to a court decision on the matter; and
- the impact of losses on water and sewage service billing due to the end of the concession in the municipality of Pará de Minas.

Comments on Company performance

Net revenue from water and sewage services totaled R$ 745.1 million in 2Q15 (R$ 768.6 million and R$ 725.9 million in 2Q14 and 2Q13, respectively), the breakdown of which was as follows:



Costs and expenses

(R$ thousand)	2Q15	2Q14	2Q15 X 2Q14	2Q13	2Q14 X 2Q13
Costs of services + selling and administrative expenses	**695,105**	**608,257**	**14.3%**	**561,986**	**8.2%**
Personnel	304,359	268,693	13.3%	247,672	8.5%
Depreciation and amortization	135,206	119,009	13.6%	103,801	14.7%
Electric power	97,654	63,451	53.9%	53,430	18.8%
Outsourced services	91,456	95,816	-4.6%	100,817	-5.0%
Materials	30,662	30,429	0.8%	30,087	1.1%
Sundry operating costs	8,187	11,564	-29.2%	9,318	24.1%
Tariffs transferred to municipalities	15,200	18,361	-17.2%	18,126	1.3%
Impairment of trade receivables	41,479	25,237	64.4%	17,404	45.0%
Tax credits	(29,098)	(24,303)	19.7%	(18,669)	30.2%
Cost of services rendered + selling and administrative expenses (excluding depreciation/amortization)	**559,899**	**489,248**	**14.4%**	**458,185**	**6.8%**

Regarding the Cost of Services Rendered, Selling and Administrative Expenses, it is worth mentioning:

Personnel

The increase in personnel costs in 2Q15 compared to 2Q14 was due mainly to:

- the effects of the collective bargaining agreement signed, with a base date of May 1, considering that in 2014, salary, monthly food package and tuition allowance, among other forms of remuneration, were adjusted by the National Consumer Price Index (INPC), which changed by 5.82%, and the meal ticket amount was adjusted by 10%;
- provision recorded for the 2015 collective bargaining, which was still under negotiation at the end of the quarter, based on the variation of the INPC for all items considered in the calculation of the payroll. In the previous year the collective bargaining agreement was signed only after 2Q14, which led to the recording of provision. Due to the increase in inflation, the provision in 2Q15 increased;

Comments on Company performance

- a 3.0% increase in the number of employees of the parent company (+352 employees) in the last 12 months, as significantly influenced by the concentrated hiring of employees in the last quarter of 2014;

- an increase in expenses relating to indemnities and labor charges, due to a higher number of dismissals via the voluntary termination program, the schedule of which had been anticipated.

The 2015 collective bargaining agreement was formalized on July 18, 2015 and is effective for two years, as well as the salary and benefit adjustments based on the annual variation of the INPC (May 2014 to April 2015).

Depreciation and amortization

In 2Q15, depreciation and amortization increased by 13.6%. This was due to the incorporation of assets under construction into the Company's assets base, upon the termination of construction works.

Electric power

Electric power expenses in 2Q15 were highly affected (+53.9%) by the regular adjustment of Companhia Energética de Minas Gerais (CEMIG) in April 2014, the beginning of the collection of tariff flags as from January 2015 and the extraordinary adjustment made in March 2015, and partially by the regular adjustment of CEMIG in April 2015.

The 2Q13x2Q14 variation was a result of the adjustment of electric energy prices made in April 2013, the change in the criteria for the classification of "peak hours", also in April 2013, and the 5.9% increase in the electric power consumed by the Company in the period.

Outsourced services

The decrease of 4.6% in outsourced services is directly linked to an improvement in management and to stricter contracting processes and controls, as detailed below:

- an 8.5% decrease in expenses for marketing and advertising services;

- a reduction of 29.0% in professional technical service expenses due to the renegotiation of the contracts made by the Company with suppliers;

- a decrease of 47.0% in expenditure connected with the conservation and maintenance of system assets, which is linked to the ending of the effective period of IT equipment replacement contracts and to the renegotiation of contracts with te suppliers.

Materials

Materials expenditure was in line with that in the comparison periods, as result of the drop in expenditure on treatment materials, parts, accessories, and components for vehicles. This is a result of the Company's efforts towards better management and stricter expense control processes.

Sundry operating costs

These costs fell by 29.2% due to the reduction in expenditure on promotional activities, sponsorship and events during 2Q15.

Tariffs transferred to municipalities

The decrease of 17.2% reflects the drop in revenue in Belo Horizonte, which is the basis for the calculation of the amount transferred to this municipality.

Comments on Company performance

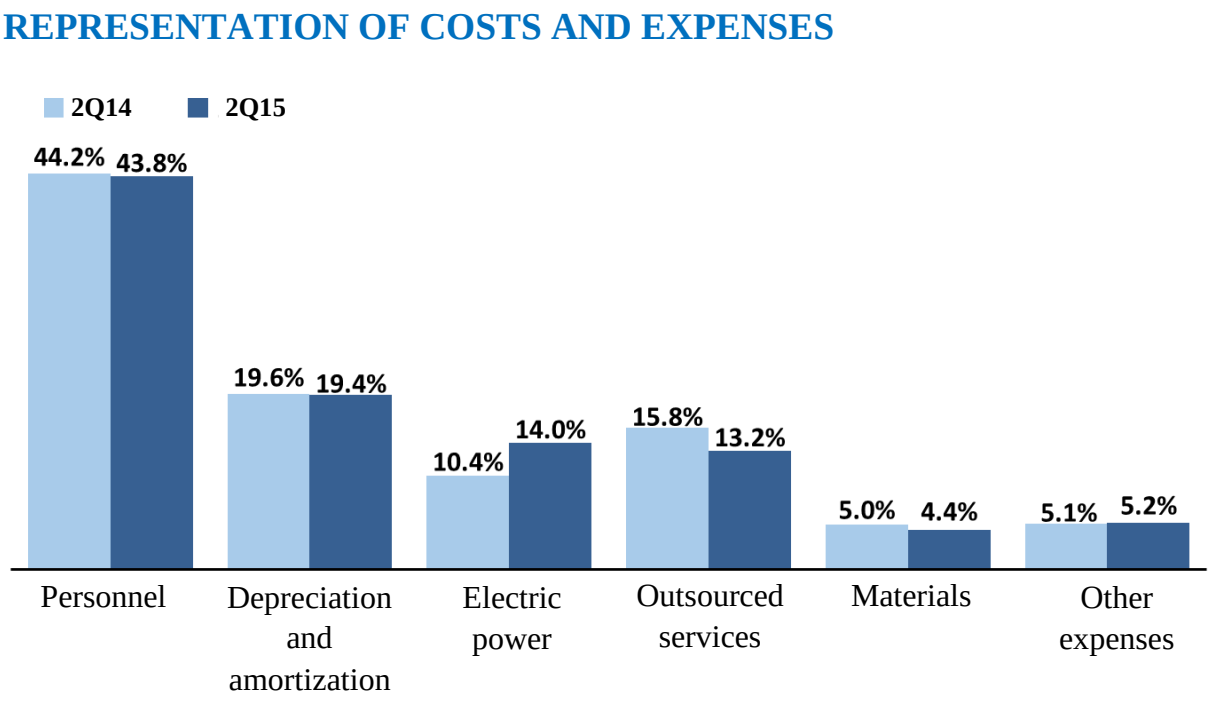
Provision for impairment of trade receivables

The increase of 64.4% is basically due to the change in the criteria for the recording of this provision, as provided in Law 13,097/2015, which now allows the derecognition of bad debts within the following limits: (1) bad debts of up to R$ 15 thousand per operation, overdue for more than 180 days (previously limited to R$ 5 thousand per operation). (2) bad debts of up to R$ 100 thousand per operation, overdue for more than 360 days (previously limited to R$ 30 thousand per operation).

Tax credits

The increase of 19.7% in tax credits is primarily due to the increase in energy expenditure and the procurement of credit based on acquisition costs and charges resulting from the depreciation of machinery, equipment and other property due to its incorporation into property, plant and equipment.

The following chart shows the main items as a proportion of the total Company costs and expenses in 2Q14 and 2Q15.



Other operating income and expenses

Other operating income

The increase of 33.9% in 2Q15 is mainly associated with the reversal of the non-deductible provision relating to bad debts, as recorded in 2014, and of provision for civil litigation due to accounting reconciliations made as from January 2015. Another positive impact arose from the change in the accounting procedure for the reimbursement of corporate health plan expenses relating to the co-participation of plan beneficiaries.

Comments on Company performance

Other operating expenses

Other operating expenses decreased mainly due to the extraordinary maintenance work done in 2Q14 with significant amounts taking place in the Belo Horizonte Metropolitan Region systems.

(R$ thousand)	2Q15	2Q14	2Q15 X 2Q14	2Q13	2Q14 X 2Q13
Other operating income	**33,069**	**24,690**	**33.9%**	**11,715**	**110.8%**
Revenue from technical services	16	306		661	
Reversal of non-deductible provision	15,545	5,110		980	
Recovery of accounts written off	14,465	13,345		8,799	
Other income	3,043	5,929		1,275	
Other operating expenses	**(24,294)**	**(29,653)**	**-18.1%**	**(17,350)**	**70.9%**
Non-recurring or unusual losses	(12,905)	(19,375)		(13,023)	
Other expenses	(11,389)	(10,278)		(4,327)	
Total	**8,775**	**(4,963)**	**-276.8%**	**(5,635)**	**-11.9%**

Equity in the results of subsidiaries

Equity in the results of investees for 2Q15, compared to 2Q14 and 2Q13, is as follows:

Synthetic statement of the subsidiaries (R$ thousand)	Águas Minerais			COPANOR			Irrigation services		
	2Q15	2Q14	2Q13	2Q15	2Q14	2Q13	2Q15	2Q14	2Q13
Net sales and/or services revenue	705	533	813	4,357	4,399	3,149	-	-	(9)
Other operating income	24,511	736	312	684	379	122	57	13	20
Operating costs and expenses	(2,360)	(1,214)	(2,739)	(6,738)	(4,276)	(4,960)	(1)	(33)	(93)
Other operating expenses	(17,248)	(1,635)	(736)	(276)	(212)	(46)	(23)	(173)	(186)
Finance result, net	-	(16)	(15)	(405)	(346)	(348)	-	(22)	(15)
Income tax + social contribution	(757)	-	-	-	-	30	-	-	13
Profit (loss)	**4,851**	**(1,596)**	**(2,365)**	**(2,378)**	**(56)**	**(2,053)**	**33**	**(215)**	**(270)**

*The subsidiary COPASA Serviços de Irrigação S.A. is now being wound up.

Regarding the subsidiary AGMM, other operating income showed an extraordinary and significant increase due to the indemnities relating to the property, plant and equipment items received from CODEMIG due to the concession rescission, as disclosed in the significant event notice of May 14, 2015. This indemnity had a positive impact on results. It was calculated as an adjustment to the historical value of the property, plant and equipment at the General Market Price Index (IGPM). The increase in other operating expenses also resulted from this disposal process, since it related to the accounting derecognition of property, plant and equipment items at their historical value.

Synthetic statement of subsidiaries (R$ thousand)	TOTAL		
	2Q15	2Q14	2Q13
Net sales and/or services revenue	5,062	4,932	3,953
Other operating income	25,252	786	454
Operating costs and expenses	(9,099)	(6,123)	(7,792)
Other operating expenses	(17,547)	(1,078)	(968)
Finance result, net	(405)	(384)	(378)
Income tax + social contribution	(757)	-	43
Profit (loss)	**2,506**	**(1,867)**	**(4,688)**

Comments on Company performance

Finance result, net

Finance income

Finance income decreased by 37.8% mainly due to the reversal of foreign exchange costs, which increased foreign exchange rate income in 2Q14.

Finance costs

The increase of 23.1% in finance costs reflects a higher indebtedness rate and also the increase in the Long-Term Interest Rate (TJLP), the Referential Rate (TR), the Amplified Consumer Price index (IPCA), and the Interbank Deposit Certificate (CDI), which are the major indexes of the Company's debt.

(R$ thousand)	2Q15	2Q14	2Q15 X 2Q14	2Q13	2Q14 X 2Q13
Finance income	**15,445**	**24,846**	**-37.8%**	**21,873**	**13.6%**
Monetary and foreign exchange rate variations	913	9,420		4,462	
Interest	228	1,363		3,403	
Income from financial investments	9,518	7,901		9,951	
Income from financial assets/other	4,786	6,162		4,057	
Finance costs	**(84,296)**	**(68,457)**	**23.1%**	**(65,075)**	**5.2 %**
Monetary and foreign exchange rate variations	(19,478)	(15,634)		(18,309)	
Interest on borrowings	(64,387)	(52,720)		(46,241)	
Sundry	(431)	(103)		(525)	
Finance result, net	**(68,851)**	**(43,611)**	**57.9%**	**(43,202)**	**0.9%**

Profit

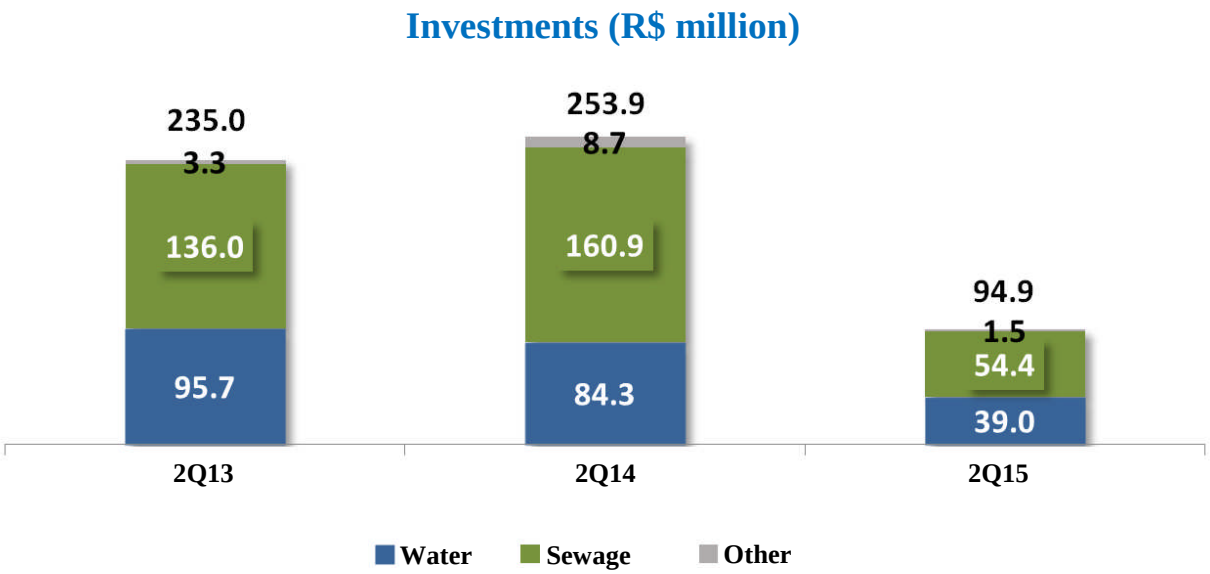
Profit amounted to R$ 3.8 million (R$ 81.9 million in the comparison period). This sharp decrease is a result of the drop in the Company's revenue, as explained above, and the growth of expenses that are not manageable in the short term.

(R$ thousand)	2Q15	2Q14	2Q15 X 2Q14	2Q13	2Q14 X 2Q13
(a) Operating result	**62,877**	**152,922**	**-58.9%**	**152,259**	**0.4%**
(b) Non-operating result	**(59,089)**	**(70,999)**	**-16.8%**	**(76,038)**	**-6.6%**
Finance result, net	(68,851)	(43,611)	57.9%	(43,202)	0.9%
Provision for income tax + social contribution	9,762	(27,388)	-135.6%	(32,836)	-16.6%
Profit (a) + (b)	**3,788**	**81,923**	**-95.4%**	**76,221**	**7.5%**
Earnings (loss) per share (R$)	**0.03**	**0.69**	**-95.7%**	**0.64**	**7.8%**

Comments on Company performance

Investments

The direct investments of COPASA MG in 1Q15 reached R$ 94.9 million (R$ 253.9 million in 2Q14 and R$ 235.0 million in 2Q13), as illustrated in the following chart:



As regards investments in water supply systems in 2Q15, we highlight the following:

- work to improve the connection of the northwest water main in the metropolitan region of Belo Horizonte, and the expansion of the production capacity of the Rio das Velhas system in the metropolitan region of Belo Horizonte; and
- an expansion of water supply capacity in several locations, mainly Mateus Leme, Peçanha, Sabará/Roça Grande, São Gotardo, Teófilo Otoni, and Ubá.

Regarding sewage systems, we highlight:

- work to expand the sewage systems of Belo Horizonte/Contagem, Jaboticatubas, Nanuque, Pedro Lopoldo, and Ribeirão das Neves, and the STP of Ribeirão Arrudas;
- construction work on STPs in Camanducaia, Cataguases, Conselheiro Lafaiete, Diamantina, Ibirité, Mateus Leme, Prados, and Resende Costa; and
- the implementation of the sewage treatment systems of Juvenília, Manga, Morada Nova de Minas, Patos de Minas, Pedras de Maria da Cruz, and Várzea da Palma.

In addition, R$ 112.7 million was invested under the public-private partnership to expand the production production system of Rio Manso, which is a component of the drinking water production system in the metropolitan region of Belo Horizonte. These resources come from the private partner in the venture. Even though the construction works relating to the capturing of raw water in the Paraopeba River for treatment at the Manso River Water Treatment Plant had already started, they had had no effect recorded at the end of 2Q15.

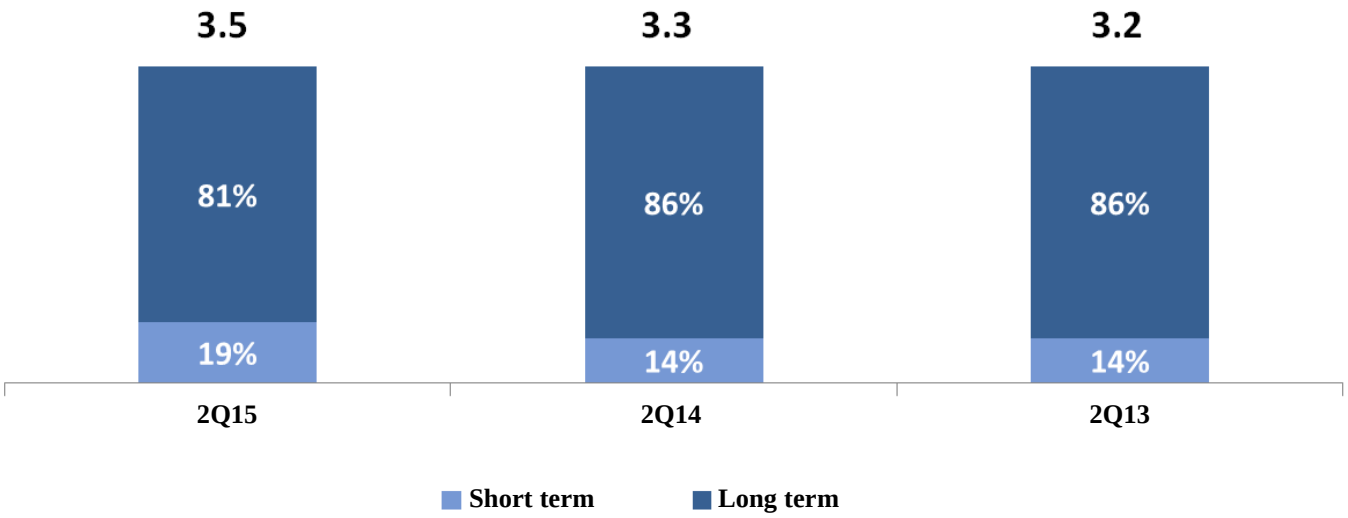
For 2015, the investment program of COPASA MG and its subsidiaries has been redefined, as decided during the Ordinary and Extraordinary General Meeting of 29 April, 2015, as follows: R$ 600.0 million to COPASA MG (the parent company), R$ 0.4 million to AGMM, and R$ 95.0 million to COPANOR, totaling R$ 695.4 million. For COPANOR investments, with non-onerous funds from the State Health Fund, the budget approved by the State Legislature of the State of Minas Gerais reserved only R$ 50.8 million.

Comments on Company performance

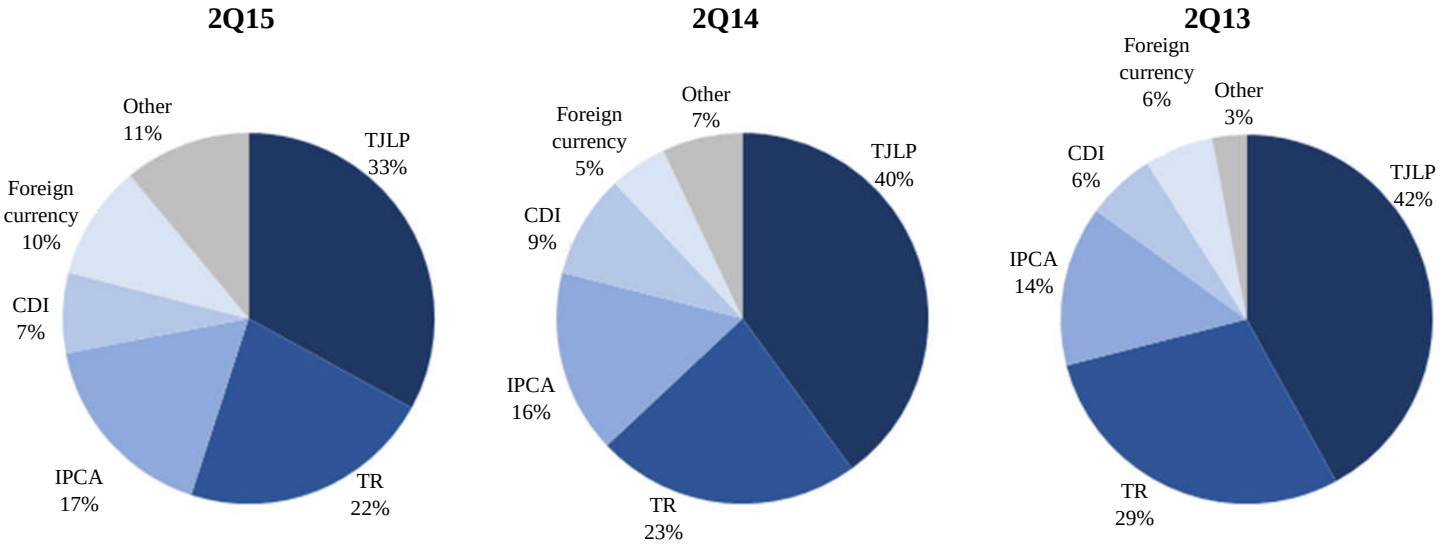
Indebtedness

The gross debt of COPASA MG totaled R$ 3.5 billion at June 30, 2015, while net debt reached R$ 3.2 billion, due to stricter management and efforts to preserve the Company's cash, as shown in the following charts:

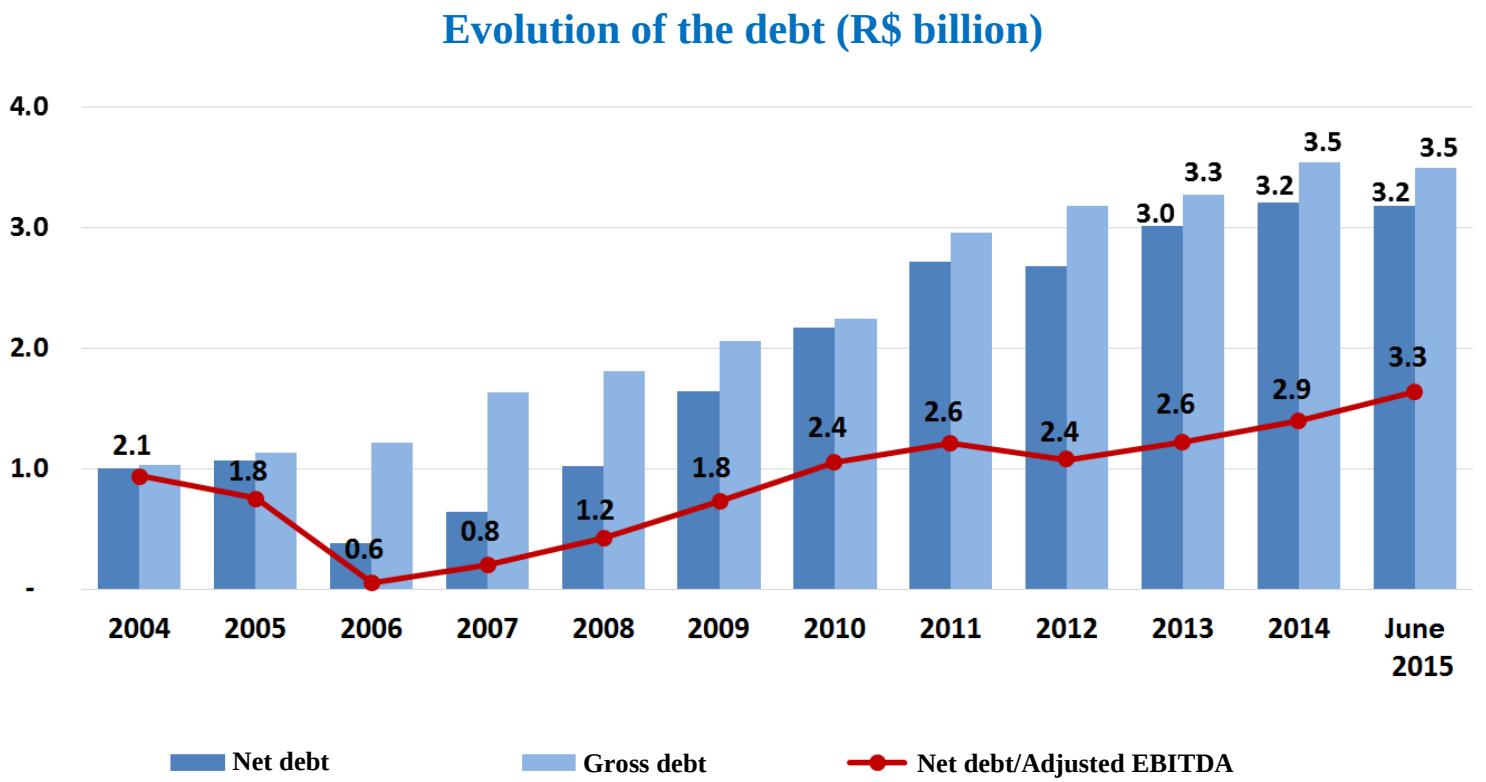
Gross debt (R$ billion)



Debt indices



Comments on Company performance



The Company does not contract hedges regarding foreign currency debt, which represented 9.7% of gross debt, due to its long-term profile. However, in relation to the "Federal Government - Bonus" debt, COPASA MG maintains, with Banco do Brazil, a value pledged in reais (R$) that will be corrected up to 2024 by applying the average zero-coupon bonus prices of the Treasury of the United States of America, and that will settle the last installment due in 2024 (US$ 25 million). The value of this pledge was R$ 62.4 million at June 30, 2015.

The average coupon of these borrowings at June 30, 2015 was 8.07% p.a. (7.55% p.a. at June 30, 2014). Some credit lines also have their debt balances pegged to specific indices, namely: FGTS and Federal Savings and Loans Bank (CEF) funds 5th Issue (TR); National Bank for Economic and Social Development (BNDES) 2nd Series of the 4th Issue, 2nd Series of the 6th Market Debenture Issue and 2nd Series of the 7th Market Debenture Issue (IPCA); 1st Series of the 6th Market Debenture Issue and 1st Series of the 7th Market Debenture Issue (Interbank Deposit Certificate (CDI); Federal Government (U.S. dollar); and KfW (euro).

It is also worth noting that, at June 30, 2015, COPASA MG had a balance of R$ 596.3 million in funds contracted with BNDES and CEF, and of € 20.3 million with KfW. These amounts will be recorded as they are released and used in the investment program.

BORROWING FACILITIES (R$ thousand)	FIXED RATE (ANNUAL RATE)	FLOATING RATE (ANNUAL RATE)	CONTRACT EXPIRATION DATE	DEBT BALANCE AT 6/30/2015 (R$ million)	%
IN LOCAL CURRENCY:					
FGTS FUNDS*	8.21%	TR	10/16/2037	481.9	13.78%
FINAME	3.76%	-	1/15/2025	129.8	3.71%
PROMISSORY NOTES	14.59%	-	12/13/2015	149.5	4.27%
BNDES/BNE	7.56%	TJLP	5/15/2025	538.3	15.39%
BNDES/DEBENTURES - 3rd ISSUE	2.30%	TJLP	12/16/2019	214.7	6.15%
BNDES/DEBENTURES - 4th ISSUE					

Comments on Company performance

BORROWING FACILITIES (R$ thousand)	FIXED RATE (ANNUAL RATE)	FLOATING RATE (ANNUAL RATE)	CONTRACT EXPIRATION DATE	DEBT BALANCE AT 6/30/2015 (R$ million)	%
1st SERIES	1.55%	TJLP	7/15/2022	175.4	5.01%
2nd SERIES	9.05%	IPCA	8/15/2022	294.0	8.40%
3rd SERIES	1.55%	TJLP	7/15/2022	232.2	6.64%
CAIXA/DEBENTURES - 5th ISSUE	9.00%	TR	9/1/2031	286.1	8.19%
MARKET DEBENTURES - 6th ISSUE					
1st SERIES	0.94%	100% of CDI	2/15/2017	116.2	3.32%
2nd SERIES	6.02%	IPCA	2/15/2019	170.1	4.86%
MARKET DEBENTURES - 7th ISSUE					
1st SERIES	-	108.5% of CDI	4/15/2019	133.6	3.82%
2nd SERIES	7.39%	IPCA	4/15/2021	133.7	3.82%
OTHER OBLIGATIONS:					
LIBERTAS (SUPPLEMENTARY PENSION PLAN)	6.00%	INPC	11/8/2021	107.6	3.08%
IN FOREIGN CURRENCY:					
FEDERAL GOVERNMENT - BONUS**	4.27%	U.S. dollar	4/10/2024	78.3	2.24%
KfW Bank	2.07%	Euro	12/20/2023	256.7	7.34%
TOTAL SHORT-TERM + LONG-TERM DEBT				**3,498.0**	**100.00%**
CASH AND CASH EQUIVALENTS				313.6	
NET DEBT				**3,184.4**	

*FGTS funds: CEF, Bradesco, Itaú and Unibanco;
**Average rate (LIBOR + spread) of several bonuses.

Comments on Company performance

SIX-MONTH PERIOD PERFORMANCE

The Company's performance in the first half of 2015 (1H15), in comparison with 1H14 and 1H13, is summarized below:

Net revenue

Specification (R$ thousand)	1H15	1H14	1H15 X 1H14	1H13	1H14 X 1H13
Water	972,889	1,024,563	-5.0%	965,530	6.1%
Sewage	507,346	533,286	-4.9%	498,987	6.9%
Total	**1,480,235**	**1,557,849**	**-5.0%**	**1,464,517**	**6.4%**

Revenue from water and sewage services in 1H15 decreased by 5.0% year-over-year, as a result of the water crisis.

Costs and expenses

(R$ thousand)	1H15	1H14	1H15 X 1H14	1H13	1H14 X 1H13
Costs of services + selling and administrative expenses	**1,329,426**	**1,191,438**	**11.6%**	**1,082,606**	**10.1%**
Personnel	597,600	530,391	12.7%	477,847	11.0%
Depreciation and amortization	269,086	232,878	15.5%	203,544	14.4%
Electric power	166,872	125,047	33.4%	105,868	18.1%
Outsourced services	177,030	184,277	-3.9%	185,968	-0.9%
Materials	64,701	63,656	1.6%	58,803	8.3%
Sundry operating costs	15,973	22,575	-29.2%	21,463	5.2%
Tariffs transferred to municipalities	31,518	35,602	-11.5%	34,985	1.8%
Provision for impairment of trade receivables	64,001	45,196	41.6%	32,534	38.9%
Tax credits	(57,355)	(48,184)	19.0%	(38,406)	25.5%
Cost of services rendered + selling and administrative expenses (excluding depreciation/amortization)	**1,060,340**	**958,560**	**10.6%**	**879,062**	**9.0%**

Regarding the cost of services rendered, selling and administrative expenses, when comparing 1H15 with 1H14, it is worth mentioning the following:

Personnel: the increase is mainly a reflection of the 2014 collective bargaining agreement, the increase of 352 employees in the last 12 months and the increment in expenses relating to indemnities and labor charges, due to a higher number of dismissals via the voluntary termination program, the schedule of which had been anticipated.

Electric power: the increase reflects the tariff adjustments made in April 2014 and at the beginning of 2015 as well as the beginning of the collection of tariff flags.

Provision for impairment of trade receivables: the increase reflects the change in the criteria for recording the provision, as detailed above.

Outsourced services: the decrease is mainly a result of contract renegotiation carried out by the Company with its suppliers.

Comments on Company performance

Profit and EBITDA

The decrease in revenue, combined with the increase in costs and expenses, has impacted the Company's profit and EBITDA as shown below:

(R$ thousand)	1H15	1H14	1H15 X 1H14	1H13	1H14 X 1H13
Profit for the period	20,238	198,536	-89.8%	192,592	3.1%
EBITDA	433,159	583,216	-25.7%	551,752	5.7%
Adjusted EBITDA	428,431	574,259	-25.4%	543,671	5.6%
EBITDA margin	22.6%	29.6%		30.6%	
Adjusted EBITDA margin	27.2%	35.6%		36.5%	

Comments on Company performance

QUARTERLY STATEMENT OF INCOME

PARENT COMPANY (R$ thousand)	2Q15	2Q14	2Q15 X 2Q14	2Q13	2Q14 X 2Q13
OPERATING REVENUE FROM SERVICES					
Water services	487,203	502,681	-3.1%	475,463	5.7%
Sewage services	257,905	265,909	-3.0%	250,393	6.2%
Construction revenue	174,217	200,305	-13.0%	187,467	6.8%
NET OPERATING REVENUE FROM SERVICES	**919,325**	**968,895**	**-5.1%**	**913,323**	**6.1%**
Cost of sales	(491,389)	(429,549)	14.4%	(395,263)	8.7%
Construction costs	(171,985)	(196,120)	-12.3%	(183,281)	7.0%
	(663,374)	**(625,669)**	**6.0%**	**(578,544)**	**8.1%**
GROSS PROFIT	**255,951**	**343,226**	**-25.4%**	**334,779**	**2.5%**
Selling expenses	(87,091)	(67,927)	28.2%	(54,725)	24.1%
General and administrative expenses	(116,625)	(110,781)	5.3%	(111,998)	-1.1%
Other operating income	33,069	24,690	33.9%	11,715	110.8%
Other operating expenses	(24,294)	(29,653)	-18.1%	(17,344)	71.0%
Employee profit sharing	(639)	(4,766)	-86.6%	(5,480)	-13.0%
Equity in the results of investees	2,506	(1,867)	-234.2%	(4,688)	-60.2%
OPERATING EXPENSES	**(193,074)**	**(190,304)**	**1.5%**	**(182,520)**	**4.3%**
PROFIT BEFORE FINANCE RESULT AND TAXES	**62,877**	**152,922**	**-58.9%**	**152,259**	**0.4%**
Finance income	15,445	24,846	-37.8%	21,873	13.6%
Finance costs	(84,296)	(68,457)	23.1%	(65,075)	5.2%
FINANCE RESULT, NET	**(68,851)**	**(43,611)**	**57.9%**	**(43,202)**	**0.9%**
PROFIT (LOSS) BEFORE TAXES	**(5,974)**	**109,311**	**-105.5%**	**109,057**	**0.2%**
Provision for income tax	7,142	(19,618)	-136.4%	(23,911)	-18.0%
Provision for social contribution on net income	2,620	(7,770)	-133.7%	(8,925)	-12.9%
PROFIT FOR THE PERIOD	**3,788**	**81,923**	**-95.4%**	**76,221**	**7.5%**
Number of outstanding shares at the end of the period	119,327,217	119,327,217	0.0%	119,327,217	0.0%
EARNINGS PER SHARE (R$)	**0.03**	**0.69**	**-95.4%**	**0.64**	**7.8%**

Comments on Company performance

SIX-MONTH PERIOD STATEMENT OF INCOME

PARENT COMPANY (R$ thousand)	1H15	1H14	1H15 X 1H14	1H13	1H14 X 1H13
OPERATING REVENUE FROM SERVICES					
Water services	972,889	1,024,563	-5.0%	957,805	7.0%
Sewage services	507,346	533,286	-4.9%	498,987	6.9%
Construction revenue	338,578	359,461	-5.8%	313,980	14.5%
NET OPERATING REVENUE FROM SERVICES	**1,818,813**	**1,917,310**	**-5.1%**	**1,770,772**	**8.3%**
Cost of sales	(948,312)	(849,479)	11.6%	(774,411)	9.7%
Construction costs	(333,850)	(350,504)	-4.8%	(305,899)	14.6%
	(1,282,162)	**(1,199,983)**	**6.8%**	**(1,080,310)**	**11.1%**
GROSS PROFIT	**536,651**	**717,327**	**-25.2%**	**690,462**	**3.9%**
Selling expenses	(154,860)	(128,348)	20.7%	(106,429)	20.6%
General and administrative expenses	(226,254)	(213,611)	5.9%	(201,766)	5.9%
Other operating income	59,776	43,649	36.9%	22,893	90.7%
Other operating expenses	(52,018)	(54,874)	-5.2%	(36,875)	48.8%
Employee profit sharing	(1,957)	(11,394)	-82.8%	(13,385)	-14.9%
Equity in the results of investees	97	(4,369)	-102.2%	(8,654)	-49.5%
OPERATING EXPENSES	**(375,216)**	**(368,947)**	**1.7%**	**(344,216)**	**7.2%**
PROFIT BEFORE FINANCE RESULT AND TAXES	**161,435**	**348,380**	**-53.7%**	**346,246**	**0.6%**
Finance income	46,030	47,770	-3.6%	44,128	8.3%
Finance costs	(196,195)	(135,546)	44.7%	(124,556)	8.8%
FINANCE RESULT, NET	**(150,165)**	**(87,776)**	**71.1%**	**(80,428)**	**9.1%**
PROFIT BEFORE TAXES ON PROFIT	**11,270**	**260,604**	**-95.7%**	**265,818**	**-2.0%**
Provision for income tax	6,668	(44,926)	-114.8%	(53,379)	-15.8%
Provision for social contribution on net income	2,300	(17,142)	-113.4%	(19,847)	-13.6%
PROFIT FOR THE PERIOD	**20,238**	**198,536**	**-89.8%**	**192,592**	**3.1%**
Number of outstanding shares at the end of the period	119,327,217	119,327,217		119,327,193	
EARNINGS PER SHARE (R$)	**0.17**	**1.66**	**-89.8%**	**1.61**	**3.1%**

Comments on Company performance

BALANCE SHEET

PARENT COMPANY ASSETS (R$ thousand)	6/30/2015	6/30/2014	6/30/2015 X 6/30/2014	6/30/2013	6/30/2014 X 6/30/2013
CURRENT ASSETS					
Cash and cash equivalents	313,627	234,414	33.8%	422,955	-44.6%
Trade receivables	706,831	696,141	1.5%	604,621	15.1%
Inventory	42,336	36,915	14.7%	31,576	16.9%
Taxes recoverable	40,801	23,283	75.2%	21,377	8.9%
Technical cooperation agreement	43,848	11,275	288.9%	-	n.m.
Bank account - agreements	24,022	41,775	-42.5%	55,152	-24.3%
Financial assets maintained	-	-	-	20,861	n.m
Sundry receivables	33,806	31,299	8.0%	27,135	15.3%
Total current assets	**1,205,271**	**1,075,102**	**12.1%**	**1,183,677**	**-9.2%**
NON-CURRENT ASSETS					
Long-term receivables:					
Trade receivables	180,410	199,898	-9.7%	211,214	-5.4%
Collateral for financing	168,490	117,711	43.1%	131,832	-10.7%
Restricted investments	97,973	96,643	1.4%	165,759	-41.7%
Available-for-sale assets	41,522	49,761	-16.6%	29,879	66.5%
Receivables from subsidiaries	17,590	15,630	12.5%	112,483	-86.1%
Deferred income tax and social contribution	155,755	131,364	18.6%	189,117	-30.5%
Financial assets	556,752	556,161	0.1%	445,303	24.9%
Sundry receivables	51,689	55,576	-7.0%	51,226	8.5%
	1,270,181	**1,222,744**	**3.9%**	**1,336,813**	**-8.5%**
Fixed					
Investments	17,161	18,621	-7.8%	260	n.m.
Intangible assets	7,745,496	7,115,625	8.9%	6,615,899	7.6%
Property, plant and equipment	181,686	202,011	-10.1%	188,129	7.4%
	7,944,343	**7,336,257**	**8.3%**	**6,804,288**	**7.8%**
Total non-current assets	**9,214,524**	**8,559,001**	**7.7%**	**8,141,101**	**5.1%**
TOTAL ASSETS	**10,419,795**	**9,634,103**	**8.2%**	**9,324,778**	**3.3%**

Comments on Company performance

BALANCE SHEET

PARENT COMPANY LIABILITIES (R$ thousand)	6/30/2015	6/30/2014	6/30/2015 X 6/30/2014	6/30/2013	6/30/2014 X 6/30/2013
CURRENT LIABILITIES					
Contractors and suppliers	107,459	148,980	-27.9%	172,875	-13.8%
Taxes and contributions	52,817	55,065	-4.1%	56,311	-2.2%
Borrowings	347,859	166,181	109.3%	221,389	-24.9%
Debentures	292,948	272,212	7.6%	224,082	21.5%
Employee profit sharing	2,096	27,410	-92.4%	27,299	0.4%
Provision for vacation pay and 13th month salary	128,388	118,479	8.4%	109,885	7.8%
Taxes payable in installments	49,203	42,835	14.9%	37,273	14.9%
Technical cooperation agreement	-	-	n.m.	32,956	n.m.
Retirement benefit obligations	24,181	21,806	10.9%	20,083	8.6%
Interest on capital	6,632	33,431	-80.2%	36,423	-8.2%
Electric power	9,691	16,428	-41.0%	4,949	231.9%
Sundry obligations	46,835	35,959	30.2%	20,948	71.7%
Total current liabilities	**1,068,109**	**938,786**	**13.8%**	**964,473**	**-2.7%**
NON-CURRENT LIABILITIES					
Long-term liabilities:					
Borrowings	1,286,639	1,141,900	12.7%	1,163,983	-1.9%
Debentures	1,462,927	1,640,333	-10.8%	1,460,932	12.3%
Public-private partnership	481,572	-	n.m.	-	-
Provision for litigation	130,426	90,685	43.8%	76,867	18.0%
Taxes payable in installments	180,410	199,898	-9.7%	211,214	-5.4%
Tax provision	-	-	-	16,456	-100.0%
Provision for losses on investments	16,397	12,898	27.1%	87,823	-85.3%
Retirement benefit obligations	126,695	107,895	17.4%	259,882	-58.5%
Sundry obligations	66,549	40,145	65.8%	29,428	36.4%
Total non-current liabilities	3,751,615	3,233,754	16.0%	3,306,586	-2.2%
EQUITY					
Share capital	2,773,985	2,773,985	-	2,773,985	-
Treasury shares	(8,576)	(8,576)	-	(8,576)	-
Revenue reserves	2,726,965	2,508,330	8.7%	2,198,133	14.1%
Carrying value adjustments	35,566	55,477	-35.9%	(30,257)	-283.4%
Retained earnings	16,431	132,347	-87.6%	120,435	9.9%
Funds for capital increase	55,700	-	n.m.	-	-
TOTAL EQUITY	**5,600,071**	**5,461,563**	**2.5%**	**5,053,720**	**8.1%**
TOTAL LIABILITIES AND EQUITY	**10,419,795**	**9,634,103**	**8.2%**	**9,324,778**	**3.3%**

Comments on Company performance

CASH FLOWS

PARENT COMPANY (R$ thousand)	6/30/2015	6/30/2014	6/30/2013
Cash flows from operating activities:			
Profit for the year	**3,788**	**81,923**	**76,221**
Adjustments to reconcile profit to net cash			
Provision for impairment of trade receivables	33,281	25,237	17,424
Recovery of accounts written-off	(14,465)	(13,345)	(8,799)
Charges and monetary/foreign exchange rate variations, net	14,878	1,709	4,065
Interest income and expenses	61,585	49,760	46,911
Deferred income tax and social contribution	953	(6,658)	(7,929)
Equity in the results of investees	(2,506)	1,867	4,688
Net disposal of intangible assets and property, plant and equipment	109	24,222	204
Depreciation and amortization	135,206	119,009	103,801
Constitution (reversal) of provision	6,693	8,898	6,128
Provision for pension obligations	13,260	10,123	12,482
Financial assets	-	-	40
Deferred revenue	-	(1,758)	-
Net margin of construction revenue	(2,232)	(4,185)	(4,186)
Adjusted profit	**250,550**	**296,802**	**251,050**
Decrease (increase) in operating assets			
Trade receivables	(52,233)	17,015	2,451
Inventory	(348)	(2,588)	553
Taxes recoverable	(15,577)	185	(30)
Bank account - agreements	(502)	(8,971)	5,141
Collateral for financing	(3,541)	16,639	3,574
Redemption of marketable securities/restricted investments	2,142	2,000	685
Receivables from subsidiaries	(1,041)	(760)	(1,713)
Other financial assets	(3,964)	(3,333)	249
Other	(5,515)	(16,805)	(13,261)
Increase (decrease) in operating liabilities			
Trade payables	15,820	18,791	32,741
Taxes, contributions and social charges	11,574	(3,572)	(6,416)
Provision for vacation pay and 13th month salary	19,779	19,046	18,680
Employee profit sharing	(19,090)	(11,982)	(8,562)
Technical cooperation agreement	(3,781)	(10,646)	(860)
Contingencies	(897)	(1,587)	785
Retirement benefit obligations	(9,558)	(8,737)	(8,368)
Electric power/other	14,545	29,467	7,022
Interest paid	(61,056)	(47,441)	(49,311)
Payment of actuarial liabilities	(5,610)	(5,426)	(5,725)
Taxes paid in installments	(12,150)	(10,568)	(9,185)
Net cash provided by operating activities	**119,547**	**267,529**	**219,500**
Cash flows from investing activities:			
Advance for future capital increase	55,700	-	-
Additions to intangible assets and purchase of property, plant and equipment	(95,934)	(272,702)	(239,007)
Net cash used in investing activities	**(40,234)**	**(272,702)**	**(239,007)**
Cash flows from financing activities:			
New borrowings and debentures	26,072	310,138	97,288
Repayment of borrowings and debentures	(89,036)	(200,737)	(79,276)
Interest on capital paid	-	(66,340)	(82,036)
Payment of principal and concession debt interest	-	-	(2,285)
Net cash provided by (used in) financing activities	**(62,964)**	**43,061**	**(66,309)**
Increase (decrease) in cash and cash equivalents	**16,349**	**37,888**	**(85,816)**
Cash and cash equivalents at the beginning of the year	**277,193**	**196,526**	**508,771**
Cash and cash equivalents at the end of the year	**313,627**	**234,414**	**422,955**

Comments on Company performance

ABOUT COPASA MG

The main activities of COPASA MG include the planning, preparation and execution of projects, and the expansion and operation of sanitation services. In addition, the Company conducts technical cooperation services in several municipalities of Minas Gerais, including those in which it does not have concessions. COPASA MG focuses its activities in Minas Gerais, which is the third most economically productive state in Brazil. COPASA MG's shares have been traded since February 2006 in the new market, which is the highest corporate governance segment of the São Paulo Commodities, Futures and Stock Exchange (BM&FBovespa), under the CSMG3 code.

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This document may contain forward-looking statements relating to the prospects of COPASA MG’s business. These are merely projections and, as such, are based exclusively on the expectations of COPASA MG for the future of the business. These estimates are subject to risks, uncertainties and assumptions, including those arising fromgeneral economic, political, financial and business conditions in our markets. Prospective investors are cautioned that these forecasts are no guarantee of future performance.

01. Operations

Companhia de Saneamento de Minas Gerais ("COPASA MG", "Parent company" or "Company") is a publicly-traded, mixed-capital (public/private) company, controlled by the Government of the State of Minas Gerais, headquartered in the city of Belo Horizonte at Rua Mar de Espanha 525, Bairro Santo Antônio. The Company is engaged in planning, designing, performing, expanding, remodeling, managing and providing public services comprising water supply and sewage services, and is permitted to operate in Brazil and abroad. The Company is subject to the arbitration of São Paulo Stock Exchange's Market Arbitration Chamber, as set forth in an arbitration clause included in its Bylaws.

At June 30, 2015, COPASA MG had the following wholly-owned subsidiaries:

Copasa Águas Minerais de Minas S/A ("Águas Minerais") was established by State Law 16, 693, of January 11, 2007, and is engaged in the production, bottling, distribution, and sale of mineral water from the springs it owns or has licenses to explore, and managing and exploring the water and spring parks of Caxambu, Araxá, Cambuquira and Lambari.

On May 29, 2015, Companhia de Desenvolvimento Econômico de Minas Gerais - CODEMIG and Copasa Águas Minerais de Minas S/A/ - AGMM canceled the lease agreement relating to mining rights and signed a mutual rescission of the lease agreements for mining rights, equipment and facilities for mineral water bottling located in Caxambu, Cambuquira, Lambari and Araxá, all located in the respective municipalities in Minas Gerais. They also agreed that AGMM, as from June 1, 2015, would operate and manage the factories located in the municipalities where the mineral water bottling facilities are located. As such, the cost of services rendered and the obligations imposed by civil, labor and social security legislation have been assumed by CODEMIG as from that date.

Copasa Serviços de Saneamento Integrado do Norte e Nordeste de Minas Gerais S/A ("COPANOR") was established by State Law 16, 698, of April 17, 2007, and is engaged in planning, designing, executing, expanding, remodeling, exploring and providing public services including water supply and sewage treatment, collection, recycling, treatment and final disposal of urban, domestic and industrial waste, draining and management of rainwater in urban areas in cities of the North of Minas Gerais and the water basins of the Jequitinhonha, Mucuri, São Mateus, Buranhém, Itanhém and Jucuruçu rivers.

Copasa Serviços de Irrigação S/A ("Serviços de Irrigação") was established by State Law 16, 698, of April 17, 2007, and is engaged in managing, executing and exploring the irrigation systems of the Jaíba Project, and conducting maintenance, using both its own and outsourced personnel and resources. This subsidiary may contract, whenever economically feasible, through regular bidding processes, the services and construction work necessary to the operation of the system, and may purchase the products, equipment and materials required for its activities.

Explanatory Notes

In compliance with Minas Gerais State Government Decree 46, 080, dated November 12, 2012, the Executive Board of Copasa Serviços de Irrigação SA considered that the responsibilities imposed by State Law 16,698, dated April 17, 2007, had been met. Therefore, the necessary measures for the transfer of management of the Jaíba II Project to Distrito de Irrigação do Jaíba (DIJ) were concluded on March 2, 2013, upon the termination of Service Agreement 460/12 entered into with RURALMINAS on September 3, 2012. Management is working to close down the operations of Serviços de Irrigação S.A. with the mercantile company registration agencies.

At June 30, 2015, the Company operates in 904 places in the State of Minas Gerais (894 in December 2014) providing water supply or sewage services totaling approximately 4,822,355 connections (4,789,035 in December 2014). The twenty main water supply and sewage service concessions that the Company holds are as follows:

Water concessions			Sewage service concessions		
Location	**Number of connections**	**Expiration**	**Location**	**Number of connections**	**Expiration**
Belo Horizonte	1,006,029	2034	Belo Horizonte	971,253	2034
Contagem	239,345	2073	Contagem	213,910	2073
Betim	147,337	2042	Montes Claros	138,507	2028
Montes Claros	137,688	2028	Betim	119,649	2042
Ribeirão das Neves	102,752	2034	Ipatinga	91,491	2022
Divinópolis	93,772	2041	Divinópolis	83,474	2041
Ipatinga	84,866	2022	Ribeirão das Neves	78,573	2034
Santa Luzia (i)	72,083	2013	Patos de Minas	57,784	2038
Patos de Minas	58,197	2038	Santa Luzia (i)	57,119	2013
Ibirité	54,208	2034	Pouso Alegre	52,523	2046
Pouso Alegre	52,709	2046	Varginha (i)	51,106	2013
Varginha (i)	52,077	2013	Conselheiro Lafaiete	45,174	2044
Conselheiro Lafaiete	51,894	2044	Ibirité	42,944	2034
Teófilo Otoni	44,135	2044	Araxá	40,304	2032
Sabará	43,496	2042	Teófilo Otoni	38,655	2044
Lavras	41,730	2034	Itajubá	34,484	2034
Araxá	41,291	2032	Sabará	33,239	2042
Nova Lima	38,546	2028	Alfenas	32,780	2033
Itajubá	36,891	2034	Coronel Fabriciano	31,899	2033
Ubá (i)	36,758	2014	Nova Serrana	30,752	2027

(i) The concession agreements entered into with some of the aforementioned municipalities have expired, and the Company is currently negotiating their renewal. The data relating to the water and sewage billing from January to December in these municipalities is as follows:

Municipality	Expiration	Water and sewage billing (R$)		% on billing	
		6/30/2015	12/31/2014	6/30/2015	12/31/2014
Varginha	9/1/2013	22,961	49,110	1.34	1.34
Santa Luzia	12/1/2013	24,020	50,895	1.40	1.39
Ubá	2/1/2014	7,358	17,140	0.43	0.47

Explanatory Notes

At June 30, 2015, 81 concessions had expired (79 in December 2014), which represented around 8.96% of the Company's total connections (8.84% in December 2014). The related renewal procedures are currently under negotiation with the municipalities. Management estimates that new concession agreements will be entered into for all expired concessions that have yet to be renewed. Therefore, there is no risk of the discontinuation of water supply and sewage services rendered in these municipalities.

On July 28, 2015, the Executive Board of the Company authorized the issue of the parent company and consolidated quarterly information at June 30, 2015.

02. Presentation of interim accounting information

The parent company and consolidated quarterly information is presented in thousands of Brazilian reais (R$ 000), unless otherwise stated.

2.1 Basis of preparation

The Company's interim financial information comprises parent company and consolidated interim information and is prepared and presented in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and also in accordance with the accounting practices adopted in Brazil, identified as "Parent company" and "Consolidated ".

The accounting practices adopted in Brazil comprise those included in the Brazilian Corporation Law and in the Pronouncements, Guidance and Interpretations issued by the Brazilian Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities Commission (CVM).

The interim parent company information discloses investments in subsidiaries under the equity method of accounting, in accordance with prevailing legislation and in conformity with IFRS.

This interim accounting information should be read in conjunction with the financial statements of the Company for the year ended December 31, 2014.

03. Summary of significant accounting policies

The main accounting policies applied in the preparation of this interim accounting information are consistent with the policies described in Note 3 to the financial statements of the Company for the year ended December 31, 2014, filed with the CVM. These policies have been consistently applied in the periods presented, unless otherwise stated.

Explanatory Notes

The provision for impairment of trade receivables is calculated based on an analysis of receivables and recorded in an amount considered by management sufficient to cover expected losses on receivables, according to the following criteria:

- **Receivables up to R$ 5, overdue for more than 180 days:**

  These receivables, except those relating to the Minas Gerais State Government and the Belo Horizonte Municipal Government, are considered uncollectible when they are overdue for more than 180 days, and are directly written off against income, under selling expenses.

- **Receivables above R$ 5, overdue for more than 180 days**

  Provision for impairment is recognized for all receivables, except those relating to the Minas Gerais State Government and the Belo Horizonte Municipal Government, that are overdue for more than 180 days, as a credit to the allowance for impaired receivables and as a charge to the statement of income. For receivables of up to R$ 30 that are overdue for more than 360 days, the related provision is reversed and they are written off against the statement of income under selling expenses.

  For receivables over R$ 30 that are overdue for more than 360 days, the related provision is reversed and they are written off against the statement of income under selling expenses, provided that the court-ordered collection process has already started. Otherwise, these amounts are maintained under the provision for impairment losses.

As from May 2015, the following criteria established by Law 13,097, of January 19, 2015, were applied:

- **Receivables up to R$ 15, overdue for more than 180 days:**

  These receivables, except those relating to the Minas Gerais State Government and the Belo Horizonte Municipal Government, are considered uncollectible when they are overdue for more than 180 days, and are directly written off against income, under selling expenses.

- **Receivables above R$ 15, overdue for more than 180 days**

  Provision for impairment is recognized for all receivables, except those relating to the Minas Gerais State Government and the Belo Horizonte Municipal Government, that are overdue for more than 180 days, as a credit to the allowance for impaired receivables and as a charge to the statement of income. For receivables of up to R$ 100 that are overdue for more than 360 days, the related provision is reversed and they are written off against the statement of income under selling expenses.

  For receivables over R$ 100 that are overdue for more than 360 days, the related provision is reversed and they are written off against the statement of income under selling expenses, provided that the court-ordered collection process has already started. Otherwise, these amounts are maintained under provision for impairment losses.

Explanatory Notes

04. Public service concession agreements

At June 30, 2015, the Company holds public-utility concessions for water supply and sewage services in 904 locations in the State of Minas Gerais. The concession agreements and/or program agreements are executed with each municipality for periods ranging from 30 to 99 years, and all are fairly similar in terms of the rights and obligations of the holder and concession authority.

The tariff system for water supply and sewage services is controlled by the Minas Gerais State Regulatory Water and Wastewater Agency (ARSAE-MG). These tariffs are intended to maintain the Company's financial and economic balance, pursuant to Federal Law 11,445/07. Therefore, ARSAE-MG is responsible for periodically reviewing tariffs and for determining annually any required readjustments, in order to realign tariff prices with inflation. Services are charged directly to users, based on the volume of water consumed and sewage collected multiplied by the authorized tariff.

The main concession terms and major changes in concession agreements for the period ended June 30, 2015 are described in Note 1.

At June 30, 2015, the Company had accounts receivable from grantors (the municipalities) totaling R$ 556,752, which correspond to the amounts expected to be received at the end of the concession period (R$ 558,964 in December 2014) for assets not depreciated over the concession period. These amounts were discounted to their present value upon initial recognition using the weighted average cost of capital (WACC) rates linked to the respective accounts receivable. Intangible assets were accounted for based on the difference between the fair value of the assets constructed or acquired for the purpose of providing the concession services and the carrying amount of the financial assets recognized.

The results of the construction services performed by the Company during the periods are as follows:

	Parent company and consolidated			
	Quarter ended June 30		Six-month period ended June 30	
	2015	2014	2015	2014
Construction revenue	174,217	200,305	338,578	359,461
Construction costs	(171,985)	(196,120)	(333,850)	(350,504)

Explanatory Notes

05. Cash and cash equivalents

	Parent company	
	6/30/2015	**12/31/2014**
Cash and banks	43,881	49,509
Short-term bank deposit certificates	269,746	279,559
Total	**313,627**	**329,068**

	Consolidated	
	6/30/2015	**12/31/2014**
Cash and banks	44,143	51,480
Short-term bank deposit certificates	293,870	279,559
Total	**338,013**	**331,039**

At June 30, 2015 there had been no changes in the nature and conditions of cash and cash equivalents compared to the disclosures made in Note 6 to the financial statements for the year ended December 31, 2014. Accordingly, management has decided not to repeat such disclosures as part of this interim accounting information.

06. Trade and other receivables

(a) Trade receivables

The aging of trade receivables is as follows:

	Parent company	
	6/30/2015	**12/31/2014**
Not yet due	187,387	196,575
Overdue for up to 30 days	69,765	71,479
Overdue from 31 to 60 days	35,060	38,286
Overdue from 61 to 90 days	19,191	20,011
Overdue from 91 to 180 days	34,689	30,117
Overdue for more than 180 days	14,816	21,864
Billed amounts	360,908	378,332
Amounts to be billed	367,993	338,021
Trade receivables	728,901	716,353
(-) Provision for impairment of trade receivables	(22,070)	(30,268)
	706,831	686,085
Accounts receivable - non-current	180,410	197,511
Trade receivables, net	**887,241**	**883,596**

Explanatory Notes

	Consolidated	
	6/30/2015	**12/31/2014**
Not yet due	190,155	199,674
Overdue for up to 30 days	70,422	72,209
Overdue from 31 to 60 days	35,439	38,766
Overdue from 61 to 90 days	19,448	20,348
Overdue from 91 to 180 days	35,344	30,844
Overdue for more than 180 days	14,923	22,029
Billed amounts	365,731	383,870
Amounts to be billed	368,649	338,702
Trade receivables	734,380	722,572
(-) Provision for impairment of trade receivables	(23,994)	(31,846)
	710,386	690,726
Accounts receivable - non-current	180,410	197,511
Trade receivables, net	**890,796**	**888,237**

(i) Refers to a compensation agreement entered into with the Belo Horizonte Municipal Government, as described in Note 11 to the financial statements of the Company for the year ended December 31, 2014.

Trade and other receivables are denominated only in reais and there are no accounts receivable in foreign currencies.

At June 30, 2015, the parent company and consolidated trade receivables of R$ 735,790 and R$ 739,214 (R$ 732,107 and R$ 735,887 in December 2014), respectively, were fully performing.

At June 30, 2015, the trade receivables of customers of the parent company totaling R$ 151,451 (R$ - 151,489 in December 2014) and consolidated trade receivables totaling R$ 151,582 (R$ 152,350 in December 2014) were past due, but not provisioned. These included amounts relating to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

	Parent company	
	6/30/2015	**12/31/2014**
Up to 3 months	110,391	114,047
3 to 6 months	34,508	28,330
Over 6 months	6,552	9,112
Total	**151,451**	**151,489**

Explanatory Notes

	Consolidated	
	6/30/2015	**12/31/2014**
Up to 3 months	110,250	114,410
3 to 6 months	34,718	28,795
Over 6 months	6,614	9,145
Total	**151,582**	**152,350**

At June 30, 2015, the trade receivables of customers of the parent company totaling R$ 22,070 (R$ - 30,268 in December 2014) and consolidated trade receivables totaling R$ 23,994 (R$ 31,846 in December 2014) were impaired. The individually impaired receivables mainly related to customers who are healthcare providers and to whom COPASA, in accordance with current legislation, cannot interrupt water supply and sewage services. Based on management's assessment, a portion of these accounts receivable may be recovered.

The ageing of these receivables is as follows:

	Parent company	
	6/30/2015	**12/31/2014**
Not yet due	1,086	1,553
Overdue for up to 30 days	1,026	1,797
Overdue from 31 to 60 days	1,006	1,741
Overdue from 61 to 90 days	1,150	1,714
Overdue from 91 to 180 days	3,538	5,108
Overdue from 181 to 360 days	7,613	10,510
Overdue for more than 360 days	6,651	7,845
Total	**22,070**	**30,268**

	Consolidated	
	6/30/2015	**12/31/2014**
Not yet due	1,181	1,634
Overdue for up to 30 days	1,116	1,891
Overdue from 31 to 60 days	1,094	1,831
Overdue from 61 to 90 days	1,250	1,804
Overdue from 91 to 180 days	3,846	5,375
Overdue from 181 to 360 days	8,276	11,057
Overdue for more than 360 days	7,231	8,254
Total	**23,994**	**31,846**

Explanatory Notes

The changes in provision for the impairment of trade receivables were as follows:

Parent company		
	6/30/2015	**12/31/2014**
At January 1	**30,268**	**23,336**
Provision for impairment of trade receivables	55,803	92,358
Receivables written off during the year as uncollectible	(64,001)	(85,426)
On June 30	**22,070**	**30,268**

Consolidated		
	6/30/2015	**12/31/2014**
At January 1	**31,846**	**24,004**
Provision for impairment of trade receivables	57,710	95,377
Receivables written off during the year as uncollectible	(65,562)	(87,535)
On June 30	**23,994**	**31,846**

Provision for the impairment of receivables was recognized in the statement of income as selling expenses. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

(b) Other receivables

The other classes of receivables have no impaired assets.

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivables mentioned below. The Company maintains tariff revenue as collateral for financing (letter "e" of Note 20.1 of the Company's financial statements for the year ended December 31, 2014).

Parent company		
	6/30/2015	**12/31/2014**
Collateral for borrowings and debentures	168,490	137,208
Receivables from subsidiaries	17,590	16,432
Restricted investments - Water Basin Depollution Program (PRODES)	63,499	48,945
Restricted investments - debentures	34,474	32,829
Available-for-sale financial assets	41,522	40,748
Other	51,689	49,333
Total	**377,264**	**325,495**
Non-current assets	**(377,264)**	**(325,495)**
Current assets	**-**	**-**

Explanatory Notes

	Consolidated	
	6/30/2015	**12/31/2014**
Collateral for borrowings and debentures	168,490	137,208
Restricted investments - Water Basin Depollution Program (PRODES)	63,499	48,945
Restricted investments - debentures	34,474	32,829
Available-for-sale financial assets	41,522	40,748
Other	51,689	49,603
Total	**359,674**	**309,333**
Non-current assets	**(359,674)**	**(309,333)**
Current assets	**-**	**-**

At June 30, 2015, except for the item described below, there were no other changes in the nature and conditions of trade and other receivables compared to the disclosures made in Note 7 to the Company's financial statements for the year ended December 31, 2014.

On March 25, 2015 the Company received transfers in the amount of R$ 2,809, R$ 6,437 and R$ 5,358 from the National Water Agency (ANA), in return for the Federal Government participation in the construction of the sewage treatment plants Timóteo/Coronel Fabriciano, Caratinga and Ribeirão das Neves-headquarters, respectively (Note 10).

07. Investments

At June 30, 2015, the equity of the subsidiary Águas Minerais amounted to R$ 16,901, being recorded under "investments" (R$ 13,578 at December 31, 2014). The subsidiaries COPANOR and Serviços de Irrigação had a net capital deficit of R$ 16,397 (R$ 13,171 at December 31, 2014), for which the Company recorded provision for losses in non-current liabilities as "provision for investment losses".

The changes in the provision for investment losses are as follows:

	12/31/2014	**Equity accounting**	**6/30/2015**
Águas Minerais	13,578	3,323	16,901
COPANOR	(12,993)	(3,363)	(16,356)
Serviços de Irrigação	(178)	137	(41)
Total	**407**	**97**	**504**

At June 30, 2015, there had been no changes in the nature and conditions of investments in relation to the disclosures made in Note 8 to the financial statements as at December 31, 2014, except for the agreement entered into by COPASA-MG and CODEMIG, as described in Note 1.

Explanatory Notes

08. Intangible assets

(a) The changes in intangible assets were as follows:

	Parent company						
	Systems of						
	Water	Sewage	Common use (i)	Rights of use	Other	In progress (ii)	Total
At December 31, 2014	**2,069,253**	**3,172,649**	**257,609**	**240,674**	**79,723**	**1,738,969**	**7,558,877**
Additions	27,754	29,128	15,369	7,662	21,276	132,106	**233,295**
Disposals	(29)	(22)	(30)	-	(74)	(7)	**(162)**
Amortization	(87,716)	(105,512)	(45,306)	(9,410)	(1,603)	-	**(249,547)**
Public-Private Partnership (PPP) - Rio Manso	-	-	-	-	-	201,687	**201,687**
Capitalized interest	-	-	-	-	-	12,582	**12,582**
Transfers to financial assets	(267)	10,882	241	122	(1,834)	-	**9,144**
Transfers	69,399	227,492	18,344	22,155	(3,278)	(339,415)	**(5,303)**
Other	1,855	1,945	334	79	795	(20,085)	**(15,077)**
At June 30, 2015	**2,080,249**	**3,336,562**	**246,561**	**261,282**	**95,005**	**1,725,837**	**7,745,496**

The amortization for the first half of 2015, as allocated to profit (loss), amounted to R$ 246,009 as cost of services rendered, R$ 134 as selling expenses, and R$ 3,404 as administrative expenses (R$ 211,867, R$ 120 and R$ 1,483, respectively, in the first half of 2014).

Explanatory Notes

	Consolidated						
	Systems of						
	Water	Sewage	Common use (i)	Rights of use	Other	In progress (ii)	Total
At December 31, 2014	**2,069,253**	**3,172,649**	**257,609**	**240,674**	**79,723**	**1,738,969**	**7,558,877**
Additions	27,754	29,128	15,369	7,662	21,276	132,106	**233,295**
Disposals	(29)	(22)	(30)	-	(74)	(7)	**(162)**
Amortization	(87,716)	(105,512)	(45,306)	(9,410)	(1,603)	-	**(249,547)**
Public-Private Partnership (PPP) - Rio Manso	-	-	-	-	-	201,687	**201,687**
Capitalized interest	-	-	-	-	-	12,582	**12,582**
Transfers to financial assets	(267)	10,882	241	122	(1,834)	-	**9,144**
Transfers	69,399	227,492	18,344	22,155	(3,278)	(339,415)	**(5,303)**
Other	1,855	1,945	334	79	795	(20,085)	**(15,077)**
At June 30, 2015	**2,080,249**	**3,336,562**	**246,561**	**261,282**	**95,005**	**1,725,837**	**7,745,496**

The amortization for the first half of 2015, as allocated to profit (loss), amounted to R$ 246,009 as cost of services rendered, R$ 134 as selling expenses, and R$ 3,404 as administrative expenses (R$ 211,867, R$ 120 and R$ 1,485, respectively, in the first half of 2014).

At June 30, 2015, additions to intangible assets amounting to R$ 233,295 related mainly to the expansion works of the Rio Manso system, the implementation of the Ibirité sewage treatment system and the expansion and improvement of the sewage systems in Cataguases, Mateus Leme, Contagem, São Joaquim de Bicas and Santa Luzia.

(i) Considering that common use systems have specific economic useful lives, these assets are classed in a separate group named "common use systems", as from 2012.

(ii) The balance of R$ 20,085, classified as “others”, relates to the transfer of amounts relating to construction works carried out using funds from agreements and incorrectly classified as “investments with own funds”.

Explanatory Notes

(b) Public-Private Partnership (PPP)

Rio Manso Production System

On December 20, 2013 COPASA MG and Odebrecht Ambiental - Manso S.A., a special-purpose corporation, signed a public-private partnership agreement of the administrative concession type to expand the capacity of the Rio Manso Water Production System, in the metropolitan region of Belo Horizonte, and provide services through this system.

This contract is effective for 15 years from the signature date.

The contract includes: (i) a period for the completion of works of, at most, 24 months, and (ii) the subsequent period for the provision of services, which corresponds to 13 years. The established term may be extended under the terms of the law, exclusively for the adjustment of the financial and economic balance of the agreement.

The consideration to which the Special Purpose Entity (SPE) is entitled will be paid from the date of issuance of the authorization for the beginning of the operation.

Amounts relating to works carried out until June 30, 2015, amounting to R$ 481,572 (R$ 279,885 up to December 31, 2014) were recorded as debt under intangible assets and credit under non-current liabilities, in the public-private partnership - Rio Manso account.

This PPP contract is backed by the fiduciary lien of a portion of the revenue accrued from the rendering of public water supply and sewage services, in an amount corresponding, monthly, to 1/12 of the annual amount expected for each effective year of this contract, and also by deposits in a reserve account the minimum balance of which corresponds to 1/6 of the annual amount expected for each effective year of this contract. The balance of this account, recorded as "collateral for financing", is R$ 17,199 at June 30, 2015 (R$ 10,573 at December 31, 2014).

Explanatory Notes

09. Property, plant and equipment

The changes in property, plant and equipment were as follows:

	Parent company				
	Machinery and equipment	**Vehicles**	**Other**	**Land and buildings**	**Total**
At December 31, 2014	**83,601**	**28,918**	**15**	**82,928**	**195,462**
Additions	471	-	-	-	**471**
Disposals	(26)	-	-	-	**(26)**
Depreciation	(12,845)	(4,848)	(2)	(1,844)	**(19,539)**
Transfers to financial assets	15	-	-	-	**15**
Transfers	1,264	1,036	-	3,003	**5,303**
At June 30, 2015	**72,480**	**25,106**	**13**	**84,087**	**181,686**

The depreciation for the first half of 2015, as allocated to profit (loss), amounted to R$ 11,788 as cost of services rendered, R$ 3,029 as selling expenses, and R$ 4,722 as administrative expenses (R$ 11,012, R$ 2,933 and R$ 5,463, respectively, in the first half of 2014).

	Consolidated				
	Machinery and equipment	**Vehicles**	**Other**	**Land and buildings**	**Total**
At December 31, 2014	**96,312**	**28,927**	**47**	**87,758**	**213,044**
Additions	471	265	-	-	**736**
Disposals	(11,790)	(251)	(19)	(4,191)	**(16,251)**
Depreciation	(13,744)	(4,871)	(4)	(2,011)	**(20,630)**
Transfers to financial assets	15	-	-	-	**15**
Transfers	1,264	1,036	-	3,003	**5,303**
Other	-	-	-	1	**1**
At June 30, 2015	**72,528**	**25,106**	**24**	**84,560**	**182,218**

The depreciation for the first half of 2015, as allocated to profit (loss), amounted to R$ 12,852 as cost of services rendered, R$ 3,029 as selling expenses, and R$ 4,749 as administrative expenses (R$ 12,209, R$ 2,933 and R$ 5,507, respectively, in the first half of 2014).

Explanatory Notes

10. Other obligations

Parent company		
	6/30/2015	**12/31/2014**
Taxes, contributions and social charges **(i)**	52,817	50,289
Taxes payable in installments	229,613	244,914
Deposit for construction **(ii)**	64,936	47,557
Other obligations	48,448	41,179
Total	**395,814**	**383,939**
Non-current liabilities	**(246,959)**	**(256,803)**
Current liabilities	**148,855**	**127,136**

Consolidated		
	6/30/2015	**12/31/2014**
Taxes, contributions and social charges **(i)**	54,191	50,836
Taxes payable in installments	229,613	244,914
Deposit for construction **(ii)**	64,939	47,560
Other obligations	48,567	41,359
Total	**397,310**	**384,669**
Non-current liabilities	**(246,962)**	**(256,805)**
Current liabilities	**150,348**	**127,864**

The non-current portion is mainly composed of taxes to be paid in installments.

(i) Taxes, contributions and social charges are as follows:

Parent company		
	6/30/2015	**12/31/2014**
National Institute of Social Security (INSS)	20,351	20,336
Social Contribution on Revenue (COFINS)	15,768	12,381
Social Integration Program (PIS)	3,423	2,688
Withholding Income Tax (IRRF)	5,987	7,196
FGTS	4,007	3,580
Other	3,281	4,108
Taxes, contributions and social charges (i)	**52,817**	**50,289**

Explanatory Notes

	Consolidated	
	6/30/2015	**12/31/2014**
National Institute of Social Security (INSS)	20,690	20,518
Social Contribution on Revenues (COFINS)	15,829	12,482
Social Integration Program (PIS)	3,436	2,710
Withholding Income Tax (IRRF)	6,767	7,229
FGTS	4,056	3,626
Other	3,413	4,271
Taxes, contributions and social charges (i)	**54,191**	**50,836**

(ii) On March 25, 2015 the Company received transfers in the amount of R$ 2,809, R$ 6,437 and R$ 5,358 from the ANA, in return for the Federal Government participation in the construction of the sewage treatment plants Timóteo/Coronel Fabriciano, Caratinga and Ribeirão das Neves-headquarters, respectively.

As set forth in Clause 6 of Contracts 084/2014, 086/2014 and 087/2014, payment for the treatment of sewage will be released in twelve quarterly, consecutive installments after the Company has obtained a pollution reduction target certificate to be issued by the ANA. The contractual expiry dates are December 31, 2021, May 31, 2020 and November 30, 2021, respectively.

As at June 30, 2015, except for the item described above, there had been no changes in the nature and conditions of obligations in relation to the disclosures made in Note 11 to the financial statements at December 31, 2014.

11. Borrowings and debentures

Borrowings and debentures did not change significantly compared to the disclosures made in Note 12 to the financial statements for the year ended December 31, 2014. Accordingly, management decided not to repeat such disclosures in this interim accounting information as at June 30, 2015.

(a) Borrowings

At June 30, 2015, the book values of the Company's borrowing in foreign currency total R$ 334,993 (R$ 286,919 in December 2014), of which R$ 78,255 is in U.S. dollars and R$ 256,738 in euros (R$ 67,194 in U.S. dollars and R$ 219,725 in euros in December 2014).

Explanatory Notes

The aging of amounts recorded under non-current liabilities is as follows:

Parent company		
Maturity year	**6/30/2015**	**12/31/2014**
2016	70,571	155,941
2017	138,225	124,594
2018	138,929	125,012
2019	133,129	123,423
2020	127,166	117,403
2021	122,995	113,175
2022 to 2037	555,624	504,088
Total	**1,286,639**	**1,263,636**

Consolidated		
Maturity year	**6/30/2015**	**12/31/2014**
2016	70,899	156,664
2017	138,784	125,153
2018	138,999	125,083
2019	133,199	123,494
2020	127,236	117,473
2021	123,066	113,245
2022 to 2037	555,700	504,164
Total	**1,287,883**	**1,265,276**

The changes in borrowings are as follows:

Parent company	
At December 31, 2014	**1,589,789**
New borrowings	103,570
Provision for interest and financial charges	54,832
Monetary and foreign exchange variation	30,516
Repayment of principal	(98,524)
Payment of financial charges	(45,685)
At June 30, 2015	**1,634,498**
Current liabilities	**(347,859)**
Non-current liabilities	**1,286,639**

Explanatory Notes

	Consolidated
At December 31, 2014	**1,592,290**
New borrowings	103,570
Provision for interest and financial charges	54,958
Monetary and foreign exchange variation	30,516
Repayment of principal	(98,852)
Payment of financial charges	(45,810)
At June 30, 2015	**1,636,672**
Current liabilities	**(348,789)**
Non-current liabilities	**1,287,883**

Borrowings and debentures mature through 2037 and have an average coupon of 8.14% p.a. for the parent company and 8.14% in the consolidated accounts (7.63% in December 2014 for the parent company and consolidated accounts). The balances of borrowing lines are subject to specific rates, as follows:

Parent company and consolidated	
Borrowing line	**Rates**
State government/BDMG	General Market Price Index (IGPM)
Federal Savings and Loan Bank (CEF)	TR
National Treasury	TR
BNDES - BNE	Exceeding 6% of Long-term Interest Rate (TJLP)
Promissory Notes	Interbank Deposit
Federal government - bonus	U.S. dollar
KfW Bank	Euro
Banco do Brasil - COPANOR	CDI
Debentures	**(i)**

(i) See item "c" of Note 12 to the financial statements for the year ended December 31, 2014.

(b) Debentures

The changes in debentures are as follows:

Parent company and Consolidated	
At December 31, 2014	**1,845,040**
New debentures	-
Provision for interest and financial charges	77,068
Monetary variation	33,858
Repayment of principal	(125,443)
Payment of financial charges	(74,648)
At June 30, 2015	**1,755,875**
Current liabilities	**(292,948)**
Non-current liabilities	**1,462,927**

Explanatory Notes

(c) Other significant information on borrowings

Guarantees for bank borrowings

There were no significant changes in the guarantees provided by the Company for its borrowings in relation to those disclosed in the financial statements as at December 31, 2014. Accordingly, management decided not to repeat such disclosures in this interim accounting information as at June 30, 2015.

Restrictive contractual clauses - covenants

The Company has borrowing agreements that contain restrictive covenants requiring it to maintain certain financial ratios, as specified below:

(i) *Covenants on FGTS syndicated loans:*

Index	Limit
Total debt/equity	Equal to or less than 1.0
Adjusted EBITDA/debt service	Minimum of 1.5
Water and sewage connections/number of employees	Above 350

Semi-annual calculation (June and December) with cumulative 12-month data.

(ii) *Covenants in agreements with BNDES:*

Index	Limit	Range
Adjusted EBITDA/adjusted finance costs	Equal to or above 3.8	Equal to or above 3.0
Adjusted net debt/adjusted EBITDA	Equal to or less than 3.0	Equal to or above 3.8
Other onerous debt/adjusted EBITDA	Equal to or less than 1.0	Equal to or above 1.3

Quarterly calculation with cumulative 12-month data.

(iii) *Covenants of the 5th debenture issue (Caixa FI):*

Index	Limit
Total debt/equity	Equal to or less than 1.0
Adjusted EBITDA/debt service	Equal to or above 1.5
Net debt/equity	Equal to or less than 1.0
Net debt/adjusted EBITDA	Equal to or less than 3.0
Adjusted EBITA/adjusted net operating revenue	Equal to or above 36%

Annual calculation with cumulative data for the year.

Explanatory Notes

(iv) *Covenants in agreements with KfW:*

Index	Limit
Total debt/equity	Equal to or less than 1.0
Adjusted EBITDA/debt service	Equal to or above 1.5

Annual calculation with cumulative data for the year.

(v) *Covenants of the 6th and 7th debenture issues (public)*:

Index	Limit
Net debt/adjusted EBITDA	Equal to or less than 3.0
Adjusted EBITDA/debt service	Equal to or above 1.5

Annual calculation with cumulative data for the year.

For the contracts with the National Bank for Economic and Social Development (BNDES), if the results meet the ranges established in item (ii) above, whether or not in two consecutive quarters, within a time period of 12 months, the Company will be obliged to offer an additional guarantee linked to the borrowing. If some of these indexes exceed the ranges, the BNDES will have the option, at its own discretion, to request additional guarantees from COPASA MG, to suspend the releasing of funds and/or to request the early maturity of the borrowing.

12. Provision for contingencies

(a) Probable loss

The provision is as follows:

	Parent company					
	6/30/2015			12/31/2014		
	Contingencies	Judicial deposits	Net balance	Contingencies	Judicial deposits	Net balance
Civil	59,465	(1,282)	58,183	48,951	(1,227)	47,724
Labor	64,524	(1,438)	63,086	59,099	(1,237)	57,862
Tax	949	(452)	497	890	(435)	455
Environmental	8,660	-	8,660	7,717	-	7,717
Total	**133,598**	**(3,172)**	**130,426**	**116,657**	**(2,899)**	**113,758**

Explanatory Notes

	Consolidated					
	6/30/2015			12/31/2014		
	Contingencies	Judicial deposits	Net balance	Contingencies	Judicial deposits	Net balance
Civil	59,495	(1,282)	58,213	48,981	(1,227)	47,754
Labor	67,895	(2,150)	65,745	61,788	(1,932)	59,856
Tax	949	(452)	497	890	(435)	455
Environmental	8,660	-	8,660	7,717	-	7,717
Total	**136,999**	**(3,884)**	**133,115**	**119,376**	**(3,594)**	**115,782**

The changes in provision are as follows:

	Parent company	Consolidated
At December 31, 2014, before the offsetting of judicial deposits	**116,657**	**119,376**
Additions	26,979	28,021
Use	(4,154)	(4,154)
Reversals	(5,884)	(6,244)
(-) Offsetting of judicial deposits	(3,172)	(3,884)
At June 30, 2015	**130,426**	**133,115**

“Use” refers to provision settled or cases lost by the Company and classified as accounts payable.

The provision for contingencies recorded are considered sufficient by management to cover probable losses on administrative and judicial proceedings involving tax, labor and civil matters, taking into account the advice of its legal advisors.

(b) Possible losses

COPASA MG is a party to other litigation for which the likelihood of loss is estimated as possible. No provision for losses on these matters was recognized, as the Company believes it has well-founded, legitimate defenses.

The ongoing proceedings at various administrative and judicial levels in which the Company is a defendant are as follows:

Explanatory Notes

	Parent company and Consolidated	
Nature	**6/30/2015**	**12/31/2014**
Civil	729,606	436,983
Tax	47,384	36,748
Environmental	9,280	3,336
Total	**786,270**	**477,067**

At June 30, 2015, the status of proceedings, the likelihood of loss and the contingent assets had not changed significantly compared to the disclosures made in Note 13 to the financial statements at December 31, 2014. Accordingly, management has decided not to repeat such disclosures as part of this interim accounting information.

13. Profit sharing

As resolved by the Company's Board of Directors in a meeting held on March 1, 2011 and in accordance with prevailing legislation, the amount to be distributed as employee profit sharing is equivalent to 25% of the mandatory minimum dividends paid to stockholders, after deduction of the legal reserve. The computational basis of the measurement of goals is the percentage of completion of the investment program approved by the Company for the year, the number of connections per employee and the Company’s operating income.

The 2008/2010 Collective Agreement, signed at the meeting held on July 25, 2008 and ratified by the 2015 Collective Agreement, signed on July 18, 2015, determines that the computed amount of profit sharing shall be distributed among all employees, in a single installment payable in April.

At June 30, 2015, the Company recognized R$ 1,957 as provision for employee profit sharing (R$ 11,394 in the first half of 2014).

Explanatory Notes

14. Income tax and social contribution

(a) Current income tax and social contribution

In Brazil, income taxes include both federal income tax and social contribution. The statutory rates applicable to income tax and social contribution are 25% and 9%, respectively, resulting in a combined rate of 34% for 2015 and 2014. The amounts reported as income tax expenses in the statements of income of the parent company are reconciled with the statutory tax rates as follows:

	Parent company			
	Quarter ended June 30		Six-month period ended June 30	
	2015	2014	2015	2014
Profit for the year before taxes and contributions	(5,974)	109,311	11,270	260,604
Statutory rate	34%	34%	34%	34%
Estimated expenses at statutory rate	**2,031**	**(37,166)**	**(3,832)**	**(88,605)**
Income tax and social contribution levied on: (Additions)/exclusions				
Equity accounting	852	(636)	33	(1,486)
Realization of special monetary restatement	1	(8)	(14)	(69)
Donations and subsidies	-	598	-	1,180
Provision for actuarial liability (costs)	816	-	4,977	-
Reversal of provision for contingencies	2,001	-	2,001	-
Deduction of income capitalized in property, plant and equipment	(312)	-	(312)	-
Other (additions)/exclusions	3,790	(3,493)	3,554	1,046
Other reconciling items				
Interest on capital	719	11,349	2,282	23,167
Tax incentives	(136)	1,968	279	2,699
Income tax and social contribution	**9,762**	**(27,388)**	**8,968**	**(62,068)**
Current income tax and social contribution	10,715	(34,046)	(8,711)	(71,296)
Deferred income tax and social contribution	(953)	6,658	17,679	9,228
Income tax and social contribution	**9,762**	**(27,388)**	**8,968**	**(62,068)**

Explanatory Notes

	Consolidated			
	Quarter ended June 30		Six-month period ended June 30	
	2015	2014	2015	2014
Profit for the year before taxes and contributions	(5,216)	109,311	12,028	260,604
Statutory rate	34%	34%	34%	34%
Estimated expenses at statutory rate	**1,773**	**(37,166)**	**(4,090)**	**(88,605)**
Income tax and social contribution levied on: (Additions)/exclusions				
Realization of special monetary restatement	1	(8)	(14)	(69)
Donations and subsidies	-	598	-	1,180
Provision for actuarial liability (costs)	816	-	4,977	-
Reversal of provision for contingencies	2,131	-	2,131	-
Deduction of income capitalized in property, plant and equipment	(312)	-	(312)	-
Other (additions)/exclusions	4,012	(4,129)	2,957	(440)
Other reconciling items				
Interest on capital	719	11,349	2,282	23,167
Tax incentives	(136)	1,968	279	2,699
Income tax and social contribution	**9,004**	**(27,388)**	**8,210**	**(62,068)**
Current income tax and social contribution	9,957	(34,046)	(9,469)	(71,296)
Deferred income tax and social contribution	(953)	6,658	17,679	9,228
Income tax and social contribution	**9,004**	**(27,388)**	**8,210**	**(62,068)**

(b) Deferred income tax and social contribution

Deferred taxes are calculated on income tax and social contribution losses and the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The currently enacted tax rates of 25% for income tax and 9% for social contribution are used to calculate deferred taxes.

Deferred tax assets are recognized to the extent it is probable that future taxable profits will be available to utilize temporary differences and/or tax losses, considering projections of future results based on internal assumptions and future economic scenarios, which are subject to change.

Explanatory Notes

The deferred tax amounts are as follows:

	Parent company and Consolidated	
Balances	**6/30/2015**	**12/31/2014**
In long-term receivables		
Temporary differences:		
Provision for impairment of trade receivables and for litigation	155,668	146,925
Provision for losses in actuarial liabilities - comprehensive income	28,501	17,459
Provision for adjustments required under CPCs	452,494	437,599
Provision for tax contingencies	95,137	105,331
Other temporary provisions - sundry	74,727	26,530
Total	**806,527**	**733,844**
Deferred income tax	201,632	183,461
Deferred social contribution	72,587	66,046
	274,219	**249,507**
In long-term payables		
Temporary differences:		
Deferred foreign exchange variation	18,279	20,460
Provision for CPC-related adjustments	249,745	235,120
Provision for CPC-related adjustments - comprehensive income	44,729	46,753
Provision for actuarial obligations	35,672	35,672
Total	**348,425**	**338,005**
Deferred income tax	87,106	84,501
Deferred social contribution	31,358	30,421
	118,464	**114,922**
Deferred income tax and social contribution, net	**155,755**	**134,585**

At June 30, 2015, there had been no changes in the nature and conditions of income tax and social contribution compared to the disclosures made in Note 15 to the financial statements at December 31, 2014. Accordingly, management has decided not to repeat such disclosures as part of this interim accounting information.

Explanatory Notes

15. Technical cooperation agreements

The net balance of these agreements is as follows:

	Parent company		
	Receivables (assets)	**Advances (liabilities)**	**Net**
June 30, 2015			
State	57,257	(41,143)	**16,114**
Other	170,954	(143,220)	**27,734**
Total	**228,211**	**(184,363)**	**43,848**
December 31, 2014			
State	73,042	(57,303)	**15,739**
Other	131,288	(109,633)	**21,655**
Total	**204,330**	**(166,936)**	**37,394**

	Consolidated		
	Receivables (assets)	**Advances (liabilities)**	**Net**
June 30, 2015			
State	587,521	(569,666)	**17,855**
Other	170,954	(143,220)	**27,734**
Total	**758,475**	**(712,886)**	**45,589**
December 31, 2014			
State	588,709	(560,501)	**28,208**
Other	131,288	(109,633)	**21,655**
Total	**719,997**	**(670,134)**	**49,863**

At June 30, 2015, there had been no changes in the nature and conditions of technical cooperation agreements compared to the disclosures made in Note 16 to the financial statements at December 31, 2014. Accordingly, management has decided not to repeat such disclosures as part of this interim accounting information.

Explanatory Notes

16. Pension plan obligations

The related amounts and information on retirement benefit obligations are as follows:

	Parent company and consolidated	
	6/30/2015	**12/31/2014**
Obligations - Long-term	126,695	121,582
Obligations - Short-term	17,433	16,050
	144,128	**137,632**
Normal contributions	6,748	12,680
Total obligations recorded in the balance sheet	**150,876**	**150,312**

Changes in net liabilities are as follows:

	Parent company and consolidated
Net liabilities at December 31, 2014	**150,312**
Amounts recognized in the statement of income	6,496
Actuarial losses recognized directly in other comprehensive income (losses)	11,042
Amortization of interest on debt	(3,148)
Amortization of the principal	(7,893)
Expenses recognized in the statement of income - Contributions from COPASA	18,475
Provision for monthly contributions	22,684
Amortization - monthly contributions	(47,092)
Net liabilities at June 30, 2015	**150,876**
Current liabilities	**(24,181)**
Non-current liabilities	**126,695**

At June 30, 2015, there had been no changes in the nature and conditions of retirement benefit plans compared to the disclosures made in Note 17 to the financial statements at December 31, 2014.

Explanatory Notes

17. Equity and dividends

(a) Capital

The Company is authorized to increase capital up to the limit of R$ 3 billion, subject to approval of the Board of Directors. The Company's subscribed and paid-up capital amounts to R$ 2,773,985,614.66, represented by 119,684,430 registered common shares with no par value.

The Company is allowed to issue common shares, debentures convertible into common shares and subscription bonuses within the authorized capital limit, as authorized by the Board of Directors. Capital increases over the authorized capital limit are subject to approval at General Meetings of Stockholders, with capital increase proposals submitted by the Board of Directors. This procedure is adopted when payment is made using assets.

Concerning the Company's capital increases, at General Meetings the stockholders may exclude preferential rights or reduce the period for them to be exercised in the issue of shares, debentures convertible into shares and subscription warrants, the allocation of which is made through trading in stock markets or public subscription, according to the pertinent legislation, and within the authorized capital limit.

Stockholders have preference in the subscription of capital increases according to the number of shares they hold, pursuant to articles 171 and 172 of Law 6, 404/76.

In addition, in accordance with the Constitution of the State of Minas Gerais, if the Company's controlling stockholder - that is, the State of Minas Gerais - includes COPASA MG in a privatization process, such a process will only occur after a public referendum approves it. After the privatization is approved through this public referendum, the State Legislature of the State of Minas Gerais will enact a law authorizing the transfer of ownership control by the State, according to the applicable state legislation.

The Company is controlled by the Government of Minas Gerais, which holds 51.1% of the Company's shares. The Company also holds in treasury 357 thousand of its own common shares , amounting to R$ 8,576, mostly acquired from the State of Minas Gerais through transactions relating to the settlement of debts originating from the provision of water supply and sewage services and technical cooperation agreements. The Company has the right to reissue these shares, held as "treasury shares", on a subsequent date.

The remaining 48.6% of the shares, which represent the Company's free float, are held by various stockholders.

Explanatory Notes

At June 30, 2015, the Company's capital was as follows:

Stockholder	Number of shares	Ownership interest - %
State of Minas Gerais	61,189	51.13
Directors and officers	1	-
Other stockholders	58,137	48.57
Treasury shares	357	0.30
Total	**119,684**	**100.00**

According to the significant event notice disclosed by the Company on April 23, 2015, the Board of Directors approved the constitution of Advances for Future Capital Increase (AFAC) by the controlling stockholder, the State of Minas Gerais, to further increase capital by R$ 128.4 million. Of this amount, R$ 30.0 million was transferred to the Company on April 24, 2015, R$ 25.7 million on June 10, 2015 and R$ 22.7 million on July 10, 2015. The remaining balance of R$ 50.0 million will be transferred based on the physical and financial schedule of the venture that will receive the funds, as follows: R$ 24.1 million on August 10, 2015, R$ 16.1 million on September 10, 2015, and R$ 9.8 million on October 10, 2015. Such installments may be prepaid. The constitution of the AFAC will result in a subsequent capital increase, through the private subscription of the Company's shares.

(b) Revenue reserves

At June 30, 2015, there had been no changes in the nature and conditions of reserves in relation to the disclosures made in Note 18(b) to the financial statements at December 31, 2014. Accordingly, management has decided not to repeat such disclosures as part of this interim accounting information.

(c) Carrying value adjustments

Carrying value adjustments relate to:

(i) Actuarial gains and losses calculated in conformity with CPC 33 (R1) and IAS 19 (R1) (Note 17). At June 30, 2015, the credit balance on this account totaled R$ 5,868 (R$ 13,155 in December 2014).

(ii) The monetary restatement of assets following the application of IAS 29 for the period during which it was considered that Brazil had a hyperinflationary economy. This restatement is amortized based on the useful lives of property, plant and equipment items and intangible assets against retained earnings. At June 30, 2015, the credit balance on this account totaled R$ 16,681 (R$ 18,529 in December 2014).

(iii) The fair value of available-for-sale financial assets (investments without significant influence relating to Foz de Jeceaba). At June 30, 2015, the credit balance of this account totaled R$ 13,017 (R$ 12,506 in December 2014).

Explanatory Notes

(d) Dividends and interest on capital paid to stockholders

Under the bylaws, stockholders of any class are entitled to a mandatory minimum dividend of 25% of the profit for the year, adjusted for the deduction or addition of the amounts specified in items I, II and III of Article 202 of Law 6,404/76. The approved dividend amounts bear no interest and any dividends not claimed within three years after the date when they are made available to the stockholders become time-barred in favor of the Company.

As determined at the Extraordinary General Meeting held on April 28, 2009, the Company's Board of Directors has the power to define the annual percentage to be paid as interest on capital. Accordingly, on March 18, 2015, the Company's Board of Directors approved the interest on capital dividend distribution for 2015 as equivalent to 25% of the profit for the year adjusted by the deduction or addition of the amounts specified in Items I, II and III of Article 202 of Law 6, 404/76.

The Company's Board of Directors approved the payment of interest on capital to stockholders at the following meetings:

Date	Gross amount disclosed	Amount per share
5/7/2015	4,596	0.04
8/4/2015	1,058	0.01
	5,654	

The interest on capital disclosed will be deducted from the mandatory dividends for 2015.

As provided for in Article 9 of Law 9, 249/95, and based on the Long-term Interest Rate (TJLP), interest on capital was recorded as finance costs deductible for income tax and social contribution calculation purposes, thereby generating a tax benefit of R$ 1,922. Under Brazilian corporation law, interest on capital is disclosed as a reduction of retained earnings in equity.

Changes in the balance of interest on capital payable are as follows:

	6/30/2015	12/31/2014
Opening balance	**2,516**	**31,646**
Interest on capital proposed	5,654	103,340
Withholding Income Tax (IRRF) on interest on capital	(1,538)	(6,961)
Interest on capital paid	-	(125,509)
Balance of interest on capital in current liabilities	**6,632**	**2,516**

Explanatory Notes

(e) Earnings per share

- Basic

Basic earnings per share is calculated by dividing the profit payable to stockholders of the Company by the weighted average number of common shares outstanding during the year, excluding common shares purchased and held as treasury shares (item (a) of this note).

	Parent company and consolidated			
	Quarter ended June 30		Six-month period ended June 30	
	2015	2014	2015	2014
Profit attributable to stockholders of the Company	3,788	81,923	20,238	198,536
Weighted average number of common shares issued (thousands)	119,327	119,327	119,327	119,327
Basic earnings per share	**0.03**	**0.69**	**0.17**	**1.66**

- Diluted

At June 30, 2015 and 2014, diluted earnings per share are equivalent to the basic earnings per share, because there are no marketable securities convertible into shares.

Explanatory Notes

18. Segment information

The Company's management defined the operating segments used for the strategic decision-making as “water supply and sewage treatment” and “sale of products”.

	Consolidated		
	1H2015		
	Water and sewage	**Sale of products**	**Financial statement balance**
Gross sales and services revenue	1,980,391	1,722	1,982,113
Deductions from gross revenue	(152,156)	(258)	(152,414)
Net sales and services revenue	1,828,235	1,464	1,829,699
Costs and selling and administrative expenses	(1,675,783)	(4,390)	(1,680,173)
Operating profit (loss) before other net operating expenses	152,452	(2,926)	149,526
Other net operating expenses			13,457
Finance result, net			(150,955)
Operating profit before taxes			12,028

	Consolidated		
	2Q15		
	Water and sewage	**Sale of products**	**Financial statement balance**
Gross sales and services revenue	1,000,190	828	1,001,018
Deductions from gross revenue	(76,508)	(123)	(76,631)
Net sales and services revenue	923,682	705	924,387
Costs and selling and administrative expenses	(873,827)	(2,360)	(876,187)
Operating profit (loss) before other net operating expenses	49,855	(1,655)	48,200
Other net operating expenses			15,839
Finance result, net			(69,255)
Operating loss before taxes			(5,216)

Explanatory Notes

	Consolidated		
	1H2014		
	Water and sewage	Sale of products	Financial statement balance
Gross sales and services revenue	2,086,235	1,597	2,087,832
Deductions from gross revenue	(160,397)	(246)	(160,643)
Net sales and services revenue	1,925,838	1,351	1,927,189
Costs and selling and administrative expenses	(1,550,666)	(4,000)	(1,554,666)
Operating profit (loss) before other net operating expenses	375,172	(2,649)	372,523
Other net operating expenses			(23,428)
Finance result, net			(88,491)
Operating profit before taxes			260,604

	Consolidated		
	2Q14		
	Water and sewage	Sale of products	Financial statement balance
Gross sales and services revenue	1,052,518	631	1,053,149
Deductions from gross revenue	(79,224)	(97)	(79,321)
Net sales and services revenue	973,294	534	973,828
Costs and selling and administrative expenses	(808,687)	(1,815)	(810,502)
Operating profit (loss) before other net operating expenses	164,607	(1,281)	163,326
Other net operating expenses			(10,021)
Finance result, net			(43,994)
Operating profit before taxes			109,311

Explanatory Notes

19. Financial risk management

At June 30, 2015, there had been no changes in the financial risk policies and management in relation to the disclosures made in Note 20 to the financial statements at December 31, 2014.

The information relating to (a) liabilities subject to foreign exchange rate variations; (b) the credit quality of financial assets; (c) the cash flow from financial instruments; and (d) financial leverage ratios had not changed significantly compared to the disclosures made in Note 20 to the financial statements at December 31, 2014. Accordingly, management decided not to repeat such disclosures as part of the interim accounting information at June 30, 2015.

19.1 Sensitivity analysis

(i) Interest rate sensitivity

The Company analyzed its sensitivity to the effects of possible changes in the interest rates to which borrowings payable are subject. With all other variables held constant, the Company's profit before tax is affected by these floating rates as shown below:

	Parent company	
	Increase/decrease in basis points	**Effect on profit (loss) before taxes (R$)**
6/30/2015		
	+ 0.5%	(1,391)
	- 0.5%	1,391
12/31/2014		
	+ 0.5%	(1,327)
	- 0.5%	1,327

	Consolidated	
	Increase/decrease in basis points	**Effect on profit (loss) before taxes (R$)**
6/30/2015		
	+ 0.5%	(1,392)
	- 0.5%	1,392
12/31/2014		
	+ 0.5%	(1,329)
	- 0.5%	1,329

The presumed change in basis points assumed in the analysis of sensitivity to interest rates is based on current interest rates prevailing in the market, indicating volatility significantly higher than in previous years.

Explanatory Notes

(ii) Foreign exchange rate sensitivity

The Company analyzed the sensitivity to the effects of fluctuations in the U.S. dollar and euro foreign exchange rates on the Company's results and equity. With all other variables held constant, the Company's result before taxes is affected by the impact on borrowings payable subject to foreign exchange rate variations as shown below:

	Change in U.S. dollar rate (USD)	Effect on profit (loss) before taxes (R$)
6/30/2015	+ 20%	(66,824)
	- 20%	66,824
	+10%	(33,412)
	-10%	33,412
12/31/2014	+ 20%	(28,918)
	- 20%	28,918
	+10%	(14,459)
	-10%	14,459

Changes in income and equity derive from changes in U.S. dollar borrowings.

19.2 Fair value estimation

The carrying values of trade receivables and payables, less impairment provision in the case of trade receivables, are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flow at the current market interest rate that is available to the Company for similar financial instruments.

(a) Financial instruments measured in the balance sheet at fair value

The Company and its subsidiaries have adopted CPC 40/IFRS 7 for financial instruments that are measured in the balance sheet at fair value. This requires the disclosure of fair value measurements according to their level in the following hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are adopted by the market for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on data adopted by the market (that is, unobservable inputs) (Level 3).

Explanatory Notes

The following table presents the Company's and its subsidiaries' assets and liabilities measured at fair value at June 30, 2015 and December 31, 2014:

Parent company and consolidated				
	Assets			
	Available-for-sale financial assets		Total assets	
	6/30/2015	12/31/2014	6/30/2015	12/31/2014
Prices quoted in active markets (Level 1)	-	-	-	-
Other significant observable data (Level 2)	-	-	-	-
Significant unobservable data (Level 3)	41,522	40,748	41,522	40,748
Total balance	**41,522**	**40,748**	**41,522**	**40,748**

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on market prices quoted at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. At June 30, 2015 and December 31, 2014, the Company and its subsidiaries did not have financial instruments with a fair value measured at Level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data when available, and rely as little as possible on Company's specific estimates. If all significant inputs required to measure the fair value of an instrument are adopted by the market, the instrument is included in Level 2. At June 30, 2015 and December 31, 2014, the Company and its subsidiaries did not have financial instruments with a fair value measured at Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer/financial institution quotes for similar instruments;
- Other techniques, such as discounted cash flow analysis, used to determine the fair values of the remaining financial instruments.

Explanatory Notes

(b) Fair value of borrowings

The carrying amounts compared to the respective fair values are as follows:

Parent company

	Amounts			
	Carrying amount	Fair value	Carrying amount	Fair value
	6/30/2015	6/30/2015	12/31/2014	12/31/2014
Bank borrowings	1,634,498	1,628,448	1,589,789	1,586,768
Simple debentures	1,755,875	1,702,473	1,845,040	1,800,856
Total	**3,390,373**	**3,330,921**	**3,434,829**	**3,387,624**

Consolidated

	Amounts			
	Carrying amount	Fair value	Carrying amount	Fair value
	6/30/2015	6/30/2015	12/31/2014	12/31/2014
Bank borrowings	1,636,672	1,630,562	1,592,290	1,589,203
Simple debentures	1,755,875	1,702,473	1,845,040	1,800,856
Total	**3,392,547**	**3,333,035**	**3,437,330**	**3,390,059**

The market values of liabilities are calculated on the projected balances, restated at their contractual rates over the months for payment. These values are adjusted to present value using the following market rates:

Parent company and consolidated

Borrowing lines	Contractual rate	Period (months)	Market rate	Comments
CEF/FGTS	8.21%	223	7.70%	Quoted CEF rate in June 2015
BNDES/BNE	7.56%	83	7.55%	Quoted BNDES/BNE rate in June 2015
FINAME	3.76%	116	6.00%	Quoted FINAME rate in June 2015
Federal government	4.27%	107	7.70%	CEF rate, since there is no similar one
Simple debentures	9.18%	77	10.47%	Quoted BNDES/BND rate in June 2015
KfW Bank	2.07%	103	2.07%	Quoted KfW rate in June 2015
NP Bradesco	14.59%	3	15.69%	Market rate quotation for working capital in June 2015
FINAME - COPASA Águas Minerais de Minas Gerais (AGMM)	2.50%	92	6.00%	Quoted FINAME rate in June 2015
Banco do Brasil - Copanor	15.41%	18	16.37%	CEF rate, since there is no similar one

Explanatory Notes

20. Financial instruments by category

(a) Parent company

	6/30/2015		
	Loans and receivables	**Available-for-sale assets**	**Total**
Assets			
Cash and cash equivalents	313,627	-	313,627
Trade receivables	887,241	-	887,241
Bank account - agreements	24,022	-	24,022
Restricted investments	97,973	-	97,973
Equity securities	-	41,522	41,522
Receivables from subsidiaries	17,590	-	17,590
Financial assets - concession agreements	556,752	-	556,752
Other receivables (excluding prepayments)	202,296	-	202,296
Total	**2,099,501**	**41,522**	**2,141,023**

	6/30/2015	
	Other financial liabilities	**Total**
Liabilities		
Trade payables	107,459	107,459
Borrowings and debentures	3,390,373	3,390,373
Public-Private Partnership (PPP) - Rio Manso	481,572	481,572
Contract with IBM	1,271	1,271
Total	**3,980,675**	**3,980,675**

	12/31/2014		
	Loans and receivables	**Available-for-sale assets**	**Total**
Assets			
Cash and cash equivalents	329,068	-	329,068
Trade receivables	883,596	-	883,596
Bank account - agreements	24,493	-	24,493
Restricted investments	81,774	-	81,774
Equity securities	-	40,748	40,748
Receivables from subsidiaries	16,432	-	16,432
Financial assets - concession agreements	558,964	-	558,964
Other receivables (excluding prepayments)	168,997	-	168,997
Total	**2,063,324**	**40,748**	**2,104,072**

Explanatory Notes

	12/31/2014	
	Other financial liabilities	**Total**
Liabilities		
Trade payables	114,433	114,433
Borrowings and debentures	3,434,829	3,434,829
Public-Private Partnership (PPP) - Rio Manso	279,885	279,885
Contract with IBM	3,441	3,441
Total	**3,832,588**	**3,832,588**

(b) Consolidated

	6/30/2015		
	Loans and receivables	**Available-for-sale assets**	**Total**
Assets			
Cash and cash equivalents	338,013	-	338,013
Trade receivables	890,796	-	890,796
Bank account - agreements	26,276	-	26,276
Restricted investments	97,973	-	97,973
Equity securities	-	41,522	41,522
Financial assets - concession agreements	556,752	-	556,752
Other receivables (excluding prepayments)	196,379	-	196,379
Total	**2,106,189**	**41,522**	**2,147,711**

	6/30/2015	
	Other financial liabilities	**Total**
Liabilities		
Trade payables	111,895	111,895
Borrowings and debentures	3,392,547	3,392,547
Public-Private Partnership (PPP) - Rio Manso	481,572	481,572
Contract with IBM	1,271	1,271
Total	**3,987,285**	**3,987,285**

Explanatory Notes

	12/31/2014		
	Loans and receivables	**Available-for-sale assets**	**Total**
Assets			
Cash and cash equivalents	331,039	-	331,039
Trade receivables	888,237	-	888,237
Bank account - agreements	25,151	-	25,151
Restricted investments	81,774	-	81,774
Equity securities	-	40,748	40,748
Financial assets - concession agreements	558,964	-	558,964
Other receivables (excluding prepayments)	164,518	-	164,518
Total	**2,049,683**	**40,748**	**2,090,431**

	12/31/2014	
	Other financial liabilities	**Total**
Liabilities		
Trade payables	128,471	128,471
Borrowings and debentures	3,437,330	3,437,330
Public-Private Partnership (PPP) - Rio Manso	279,885	279,885
Contract with IBM	3,441	3,441
Total	**3,849,127**	**3,849,127**

21. Revenue

The reconciliation between gross and net sales and services revenue is as follows:

	Parent company			
	Quarter ended June 30		**Six-month period ended June 30**	
	2015	**2014**	**2015**	**2014**
Gross revenue from water supply and sewage services	821,162	847,361	1,631,377	1,717,358
Construction revenue	174,217	200,305	338,578	359,461
Total revenue	995,379	1,047,666	1,969,955	2,076,819
Taxes on sales and services	(76,054)	(78,771)	(151,142)	(159,509)
Net revenue	**919,325**	**968,895**	**1,818,813**	**1,917,310**

Explanatory Notes

	Consolidated			
	Quarter ended June 30		Six-month period ended June 30	
	2015	2014	2015	2014
Gross revenue from water supply and sewage services	825,973	852,213	1,641,813	1,726,774
Gross revenue from the sale of products	828	631	1,722	1,597
Construction revenue	174,217	200,305	338,578	359,461
Total revenue	1,001,018	1,053,149	1,982,113	2,087,832
Taxes on sales and services	(76,631)	(79,321)	(152,414)	(160,643)
Net revenue	**924,387**	**973,828**	**1,829,699**	**1,927,189**

The Company's other operating income for the periods ended June 30, 2015 and 2014 is set out below:

	Parent company			
	Quarter ended June 30		Six-month period ended June 30	
	2015	2014	2015	2014
Reversal of non-deductible provision	15,545	5,110	18,747	9,696
Recovery of accounts written off	14,465	13,345	25,948	22,947
Reimbursement for health program	1,638	-	10,713	-
Other income	1,421	6,235	4,368	11,006
Total other operating income	**33,069**	**24,690**	**59,776**	**43,649**

	Consolidated			
	Quarter ended June 30		Six-month period ended June 30	
	2015	2014	2015	2014
Reversal of non-deductible provision	15,625	5,285	19,110	9,972
Recovery of accounts written-off	14,997	13,407	26,645	23,099
Reimbursement for health program	1,638	-	10,713	-
Other income	26,061	6,784	29,496	11,872
Total other operating income	**58,321**	**25,476**	**85,964**	**44,943**

Explanatory Notes

22. Expenses by nature

	Parent company			
	Quarter ended June 30		Six-month period ended June 30	
	2015	2014	2015	2014
Salaries and social charges	304,359	268,693	597,600	530,391
Materials	30,662	30,429	64,701	63,656
Outsourced services	189,110	159,267	343,902	309,324
General	23,444	29,913	47,186	58,050
Depreciation and amortization	135,206	119,009	269,086	232,878
Impairment of trade receivables	41,479	25,237	64,001	45,196
Provision for losses on obsolete materials	(57)	12	305	127
Construction costs **(i)**	171,985	196,120	333,850	350,504
Provision for litigation	11,704	11,160	26,979	21,046
Equity accounting	(2,506)	1,867	(97)	4,369
Employee profit sharing	639	4,766	1,957	11,394
Other	12,590	18,493	25,039	33,828
Operating expenses	**918,615**	**864,966**	**1,774,509**	**1,660,763**
(-) Tax credits	**(29,098)**	**(24,303)**	**(57,355)**	**(48,184)**
Operating expenses, net	**889,517**	**840,663**	**1,717,154**	**1,612,579**
Costs	**663,374**	**625,669**	**1,282,162**	**1,199,983**
Expenses	**226,143**	**214,994**	**434,992**	**412,596**

	Consolidated			
	Quarter ended June 30		Six-month period ended June 30	
	2015	2014	2015	2014
Salaries and social charges	307,891	270,865	604,035	535,428
Materials	31,340	30,952	66,198	64,751
Outsourced services	192,112	161,363	349,105	313,167
General	23,718	30,076	47,780	58,436
Depreciation and amortization	135,645	119,592	270,177	234,121
Impairment of trade receivables	42,538	26,086	65,934	46,725
Provision for losses on obsolete materials	(56)	11	307	135
Construction costs **(a)**	171,985	196,120	333,850	350,504
Cost of sales	381	(40)	661	35
Provision for litigation	12,514	11,361	28,021	21,795
Employee profit sharing	639	4,766	1,957	11,394
Other	29,329	19,370	42,529	35,182
Operating expenses	**948,036**	**870,522**	**1,810,554**	**1,671,673**
(-) Tax credits	**(29,367)**	**(24,523)**	**(57,874)**	**(48,636)**
Operating expenses, net	**918,669**	**845,999**	**1,752,680**	**1,623,037**
Costs	**669,947**	**629,808**	**1,294,480**	**1,208,515**
Expenses	**248,722**	**216,191**	**458,200**	**414,522**

Explanatory Notes

(*) Breakdown of construction costs:

	Parent company and Consolidated			
	Quarter ended June 30		Six-month period ended June 30	
	2015	2014	2015	2014
Salaries and social charges	6,351	7,309	13,122	14,104
Materials	10,072	23,725	19,969	37,624
Equipment	2,068	15,093	9,222	42,327
Outsourced services	147,941	138,340	278,395	230,748
Borrowing costs	5,423	11,384	12,505	24,204
Other	130	269	637	1,497
Total construction costs	**171,985**	**196,120**	**333,850**	**350,504**

23. Employee benefit expenses

	Parent company			
	Quarter ended June 30		Six-month period ended June 30	
	2015	2014	2015	2014
Salaries	170,155	148,132	325,480	290,293
Social security costs	51,853	47,552	99,133	90,468
FGTS	14,950	14,801	29,636	32,060
Pension plan contributions	9,391	8,634	18,475	17,188
Workers' meal program	37,535	31,062	73,498	60,686
Healthcare plan	12,268	11,701	38,502	24,321
Other benefits	8,207	6,811	12,876	15,375
Total	**304,359**	**268,693**	**597,600**	**530,391**
Number of employees (not reviewed)	12,271	12,115	12,271	12,115

	Consolidated			
	Quarter ended June 30		Six-month period ended June 30	
	2015	2014	2015	2014
Salaries	172,326	149,534	329,529	293,557
Social security costs	52,460	47,949	100,336	91,316
FGTS	15,107	14,906	29,922	32,283
Pension plan contributions	9,389	8,634	18,476	17,188
Workers' meal program	38,053	31,308	74,227	61,328
Healthcare plan	12,338	11,717	38,647	24,363
Other benefits	8,218	6,817	12,898	15,393
Total	**307,891**	**270,865**	**604,035**	**535,428**
Number of employees (not reviewed)	12,689	12,483	12,689	12,483

Explanatory Notes

24. Finance income and costs

Finance income (costs) can be summarized as follows:

	Parent company			
	Quarter ended June 30		Six-month period ended June 30	
	2015	2014	2015	2014
Interest received	228	1,363	1,607	2,448
Income from financial investments	9,518	7,901	17,701	15,490
Monetary and foreign exchange rate gains	913	9,420	15,660	20,248
Income from financial assets/other	4,786	6,162	11,062	9,584
Total revenue	**15,445**	**24,846**	**46,030**	**47,770**
Interest on borrowings	(64,387)	(52,720)	(124,131)	(104,475)
Monetary and foreign exchange rate expense	(19,478)	(15,634)	(71,538)	(30,864)
Other expenses	(431)	(103)	(526)	(207)
Total expenses	**(84,296)**	**(68,457)**	**(196,195)**	**(135,546)**
Finance result, net	**(68,851)**	**(43,611)**	**(150,165)**	**(87,776)**

	Consolidated			
	Quarter ended June 30		Six-month period ended June 30	
	2015	2014	2015	2014
Interest received	(124)	1,065	933	1,873
Income from financial investments	9,530	7,901	17,715	15,490
Monetary and foreign exchange rate gains	922	9,409	15,681	20,224
Income from financial assets/other	4,786	6,162	11,062	9,584
Total revenue	**15,114**	**24,537**	**45,391**	**47,171**
Interest on borrowings	(64,450)	(52,762)	(124,259)	(104,547)
Monetary and foreign exchange rate expense	(19,477)	(15,633)	(71,538)	(30,864)
Other expenses	(442)	(136)	(549)	(251)
Total expenses	**(84,369)**	**(68,531)**	**(196,346)**	**(135,662)**
Finance result, net	**(69,255)**	**(43,994)**	**(150,955)**	**(88,491)**

Explanatory Notes

25. Related-party transactions

The Company is controlled by the Government of Minas Gerais, which holds 51.13% of the Company's shares (Note 17).

(a) Assets, liabilities, profit or loss

In addition to the agreements described in Note 15, other transactions with related parties mainly represent those carried out with the State of Minas Gerais, CEMIG, Foz de Jeceaba and subsidiaries. Significant balances and transactions with related parties are set out below:

	Parent company						
	6/30/2015						
	Subsidiaries				Other		
	Águas Minerais	COPANOR	Serviços de Irrigação	Total	State MG	CEMIG	Foz de Jeceaba
Assets							
Current							
Customers							
Billed amounts	-	-	-	-	22,957	-	-
Agreements	-	-	-	-	16,114	-	-
Sundry receivables							
Receivables from subsidiaries	270	5,734	-	6,004	-	-	-
Non-current							
Borrowings	-	11,449	75	11,524	-	-	-
AFAC	6,066	-	-	6,066	-	-	-
Available-for-sale assets	-	-	-	-	-	-	41,522
Investments	16,901	-	-	16,901	-	-	-
Total assets	**23,237**	**17,183**	**75**	**40,495**	**39,071**	**-**	**41,522**
Liabilities							
Current							
Interest on capital	-	-	-	-	2,899	-	-
Electric power	-	-	-	-	-	9,691	-
Non-current							
Provision for losses on investments	-	16,356	41	16,397	-	-	-
Total liabilities	**-**	**16,356**	**41**	**16,397**	**2,899**	**9,691**	**-**
Result							
	Quarter ended June 30, 2015						
Revenue from water supply and sewage services	-	-	-	-	26,650	-	-
Monetary variation gains and interest	-	390	-	390	-	-	-
Expenses of electric power	-	-	-	-	-	93,489	-
	Six-month period ended June 30, 2015						
Revenue from water supply and sewage services	-	-	-	-	52,332	-	-
Monetary variation gains and interest	-	749	-	749	-	-	-
Expenses of electric power	-	-	-	-	-	159,634	-

Explanatory Notes

	Parent company						
	12/31/2014						
	Subsidiaries				Other		
	Águas Minerais	COPANOR	Serviços de Irrigação	Total	State MG	CEMIG	Foz de Jeceaba
Assets							
Current							
Customers							
Billed amounts	-	-	-	-	23,842	-	-
Agreements	-	-	-	-	15,739	-	-
Sundry receivables							
Receivables from subsidiaries	141	4,406	-	4,547	-	-	-
Non-current							
Borrowings	-	11,706	75	11,781	-	-	-
AFAC	4,651	-	-	4,651	-	-	-
Available-for-sale assets	-	-	-	-	-	-	40,748
Investments	13,578	-	-	13,578	-	-	-
Total assets	**18,370**	**16,112**	**75**	**34,557**	**39,581**	**-**	**40,748**
Liabilities							
Current							
Interest on capital	-	-	-	-	1,257	-	-
Electric power	-	-	-	-	-	6,930	-
Non-current							
Provision for losses on investments	-	12,993	178	13,171	-	-	-
Total liabilities	**-**	**12,993**	**178**	**13,171**	**1,257**	**6,930**	**-**
Result							
	Quarter ended June 30, 2014						
Revenue from water supply and sewage services	-	-	-	-	29,616	-	-
Monetary variation gains and interest	-	310	23	333	-	-	-
Dividends/interest on capital received	-	-	-	-	-	-	2,641
Expenses of electric power	-	-	-	-	-	60,722	-
	Six-month period ended June 30, 2014						
Revenue from water supply and sewage services	-	-	-	-	55,325	-	-
Monetary variation gains and interest	-	627	46	673	-	-	-
Dividends/interest on capital received	-	-	-	-	-	-	3,259
Expenses of electric power	-	-	-	-	-	119,457	-

Explanatory Notes

Balances and transactions with related parties are conducted at prices and under conditions considered by management to be similar to those prevailing in the market, except for the financial settlement, which may occur through special negotiations (offsetting of accounts).

At June 30, 2015, there had been no changes in the nature and conditions of related-party transactions compared to the disclosures made in Note 26 to the financial statements for the year ended December 31, 2014. Accordingly, management has decided not to repeat such disclosures as part of this interim accounting information.

(b) Key management compensation

	Quarter ended June 30		Six-month period ended June 30	
	2015	**2014**	**2015**	**2014**
Remuneration	1,073	1,210	2,119	2,475
Welfare benefits	68	207	523	369
Total	**1,141**	**1,417**	**2,642**	**2,844**

26. Commitments

The Company has entered into contracts for new construction works under which obligations are recorded as the services are rendered. The main outstanding contracts with contractors and suppliers at June 30, 2015 are listed below:

Contractor	Amount	Signed on	Term in days (1)
Odebrecht Ambiental	693,731	12/20/2013	5,475
Orteng/Sonel Consortium	71,075	2/21/2013	990
Prefisan Ltda.	68,299	11/18/2014	690
Perfil Engenharia S/A	33,385	11/11/2014	720
Sonel Engenharia S/A	27,824	12/22/2014	1,080
Convap Engenharia e Contruções S/A	24,672	4/06/2015	210
Prefisan Ltda	20,118	12/11/2014	540
Comim Construtora Ltda.	19,541	8/9/2013	720
Prefisan Ltda	18,865	1/5/2015	720
Infracon Engenharia e Comércio Ltda.	13,092	11/5/2014	540
Infracon Engenharia e Comércio Ltda.	11,159	5/7/2015	450
Prefisan Ltda.	10,475	5/18/2015	570
Socienge Construções Ltda.	9,424	1/5/2015	600

1) As from the date set in the first service order.

Explanatory Notes

Upon the renewal or revision of certain concession agreements, the Company has assumed commitments to participate financially in sewage network construction and river valley treatment works, to be carried out by the municipal governments. Among the works to be carried out, those at public sites (stream channeling, open sewage channels) are treated as intangible assets - "concession rights", and amortized over the remaining concession term. Sewage interceptors are recorded in the Company's intangible assets.

The main committed amounts relate to the following municipalities:

	Amount		
Municipality	Committed	Realized	% realization
Belo Horizonte	261,140	94,658	36.25
Betim	80,286	73,521	91.57
Contagem	83,707	83,707	100.00
Montes Claros	121,941	61,417	50.37
Ribeirão das Neves	86,411	70,977	82.14
Teófilo Otoni	54,360	-	-

27. Transactions not involving cash and cash equivalents

During the first six-month period of 2015 and 2014, the Company and its subsidiaries carried out the following non-cash investing and financing activities, which are not reflected in the statement of cash flows:

	Parent company and consolidated	
Event	**6/30/2015**	**6/30/2014**
Transfer of PRODES/ANA agreement (Notes 6 and 10)	17,814	1,456

28. Notes to the annual financial statements that are not repeated in this interim accounting information

Pursuant to Circular CVM/SNC/SEP 003/2011, the Company has disclosed the explanatory notes considered to be relevant in the context of the "Basic Accounting Pronouncement - Conceptual Framework for Financial Statements". All of the information the omission or distortion of which could influence a user's economic decisions has been duly disclosed in this interim accounting information, which should be read in conjunction with the financial statements at December 31, 2014.

An index to the exact location of the explanatory notes, the information in which was not repeated in this interim financial information because it was redundant or not significant, is set out below:

Note 4 - Critical accounting estimates and judgments
Note 27 - Water supply and sewage services in Belo Horizonte
Note 29 - Insurance
Note 31 - Asset impairment testing

Comments on business projections

1. Projections

The disclosure of projections and estimates is optional. If the issuer has disclosed projections and estimates, they should be included in this section.

1.1 Projections disclosed for 2015: Investment program for 2015

The Annual General Meeting held on April 29, 2015 approved the value of the investment program of COPASA MG and its subsidiaries for the year, totaling R$ 695.4 million, distributed as follows:

- R$ 600 million to COPASA MG;
- R$ 0.4 million to AGMM; and
- R$ 95.0 million to COPANOR, transferred by the State of Minas Gerais.

1.2. Projections disclosed in the past three years

"Água da Gente" (Our Water) Program

In March 2013, the "Água da Gente" Program was launched, detailing the investments in sanitation to be made by the Company in the State of Minas Gerais from 2013 to 2016.

The amount expected to be invested through the program is R$ 4.55 billion in this period, of which R$ 4.20 billion will be invested by COPASA MG and R$ 350.0 million by the subsidiary Copanor. Investments relating to Copanor will be held with funds transferred by the State Government.

These goals are summarized in the table below:

Item	Unit	Situation: Dec/12	Goal: Dec/16
% of treated sewage	%	65	85
Parent company investments	**billion in the period**	**-**	**4.20**
COPANOR investments	**billion in the period**	**-**	**0.35**

The following table shows the evolution of this program, and until June 2015, the company invested R$ 2.46 billion to Parent company, including Public Private Partnership (PPP) and R$ 85 million by the subsidiary Copanor:

Item	Unit	Situation: Dec/14	Situation: June/15
% of treated sewage	%	74	78
Parent company investments	**billion in the period**	**2.03**	**2.46**
Own funds and funds from third parties	billion in the period	1.77	1.98
Public-Private Partnership (PPP)	billion in the period	0.26	0.48
COPANOR investments	**billion in the period**	**0.70**	**0.08**

In order to adapt to the current situation of the sanitation sector and the performance of the Brazilian economy, the Company is revising their planning and their goals for the next four years, including the investment plans.

It should be pointed out that COPASA MG does not disclose guidance about its revenue, costs and results. However, to facilitate the development of projections, the following table shows some indicators recorded in the last three years.

We also note that, for a better understanding of the Company, the projections should take into account the behavior of revenue, costs and expenses, as well as the effects of changes in tax policies, interest and foreign exchange rates.

Water - Amount related to the last 12 months of the period

Item	Unit	06/2015	12/2014	12/2013	12/2012
Number of connections	unit (annual)	4,879,445	4,811,414	4,654,255	4,488,592
Billed volume	thousand m³	661,090	689,737	684,359	667,325
Total net revenue	R$/thousand	2,020,411	2,071,191	1,996,268	1,874,992
Average tariff	R$/m³	3.06	3.00	2.92	2.81
Revenue per connection	R$/conn (annual)	414.07	430.47	428.91	417.72

Sewage - Amount related to the last 12 months of the period

Item	Unit	06/2015	12/2014	12/2013	12/2012
Number of connections	unit (annual average)	3,203,475	3,137,378	2,982,287	2,804,057
Billed volume	Thousand m³	434,949	453,448	446,754	428,220
Total net revenue	R$/thousand	1,053,020	1,078,960	1,027,064	909,999
Average tariff	R$/m³	2.42	2.38	2.31	2.13
Revenue per connection	R$/conn (annual average)	328.71	343.91	344.39	324.53

Water + Sewage - Amount related to the last 12 months of the period

Item*	Unit	06/2015	12/2014	12/2013	12/2012
Total costs and expenses	R$/thousand	2,621,436	2,479,275	2,316,423	2,043,297
Total costs and expenses without depreciation	R$/Thousand	2,097,250	1,991,145	1,885,805	1,663,367
Total costs and expenses per connection	R$/conn (annual average)	324.32	311.91	303.33	280.19
Costs and expenses without depreciation per connection	R$/conn (annual average)	259.47	250.50	246.94	228.09

*Water + sewage information is disclosed together, since these costs and expenses are not recorded separately.