



## **SANEPAR HIGHLIGHTS**

### **1ST QUARTER 2017**

- ✓ **NET RESULT OF BRL 160.1 million, 10.9% HIGHER THAN FOR 1Q2016;**
- ✓ **RESULT OF FIRST PERIODIC TARIFF REVIEW – 25.63%;**

### **MISSION**

To sustainably provide services in Environmental Sanitation, contributing to the improvement of quality of life.

### **VISION**

To be a company of excellence, committed to universalizing Environmental Sanitation.

### **OUR VALUES**

Competence

Commitment

Ethics

Innovation

Professionalism

Respect

Responsibility

Transparency



## RESULTS 1st QUARTER 2017

Curitiba, Brasil, 09 May 2017 – Companhia de Saneamento do Paraná – Sanepar (B3: SAPR3 and SAPR4), one of Brazil's main providers of basic sanitation services, acting in the State of Paraná, on this date posted the results for the first quarter 2017 (1Q17). The following financial and operating information, except where stated otherwise, are shown in compliance with Brazilian corporate legislation and comparisons are with respect to first quarter 2016 (1Q16).

Tables with the results are shown at the end of this document and available for download at <http://site.sanepar.com.br/investidores/informacoes-financeiras/relatorios-trim-aneais>

## FINANCIAL AND OPERATING INFORMATION

### PERIOD COVERED: 01/01/2017 TO 31/03/2017

- ✓ Adjusted EBITDA for 1Q17 was of BRL 408.8 million, 44.7% higher as compared to 1<sup>st</sup> quarter of the previous year (EBITDA Adjusted for 1Q16 BRL 282.6 million);
- ✓ 1Q17 EBIT was of BRL 350.5 million, 52.0% higher as compared to 1st quarter of the previous year (1Q16 EBIT BRL 230.6 million);
- ✓ Gross Operating Revenue for 1Q17 was of BRL 998.8 million, 15.4% higher as compared to 1st quarter of the previous year (Gross Operating Revenue for 1Q16 was of BRL 865.7 million);
- ✓ Net Operating Revenue for 1Q17 was of BRL 926.4 million, 14.9% higher as compared to 1st quarter of the previous year (Net Operating Revenue for 1Q16 was of BRL 806,6 million);
- ✓ Net Profit was of BRL 566.7 million in 1Q17 as compared to 1st quarter of the previous year (net Profit of BRL 448.1 million in 1Q16) with positive variation of 26.5%, and Gross Operating Margin was of 57.0%, an increase of 9.6%;
- ✓ Net profit for 1Q17 was of BRL 160.1 million, 10.9% higher than the 1st quarter of the previous year (Net Profit 1Q16 BRL 144.3 million);
- ✓ Investment Plan - In 1Q17, the Company invested BRL 153.9 million as compared to BRL 151.0 million for 1Q16, for the purpose of improving and expanding our water production and distribution systems and sewage and solid waste collection and treatment systems, enhance and protect water resources in order to preserve the quality of services currently provided, in particular given the rising demand for sewage services in the municipalities serviced by the Company.
- ✓ The Loss per Connection Index (IPL) – Average IPL at the end of 1Q17 was of 227.2 as compared to the end of 1Q16's of 227.1. Despite the operating measures applied, a stable condition can be observed.

## NET PROFIT

It is important to highlight the increase of 10.9% in the Company's Net Profit as compared to the same period of the previous year (1Q16) even with the accounting provision established for Volunteer Redundancy Program with Transfer of Knowledge - PDVTC and the Encouraged Retirement Program –



PAI that together reached a total of BRL 15.5 million as well as the increase in civil provisions due to indemnities for moral losses in connection with the shortage of water in the Municipality of Maringá. The Net Margin remained in the same threshold as in the 1st quarter of the previous year, on the order of 17%.

## FINANCIAL AND OPERATING INFORMATION

FINANCIAL INFORMATION	
Profitability over PL	3.3%
Net Equity	BRL 4,968.7 million
Total Assets	BRL 9,711.3 million
Investments in Quarter	BRL 165.1 million
Resources Attracted	BRL 44.9 million

OPERATING INFORMATION	
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WATER TREATMENT AND DISTRIBUTION	
Treated water supply index	100%
Total connections <sup>1</sup>	3.047.486
Extent of distribution mains	51.865 km

(1) Includes 04 industrial connections

SEWAGE TREATMENT AND DISTRIBUTION	
Sewage collection index <sup>1</sup>	70%
Sewage treatment index	100%
Total connections	1,976,253
Extent of sewage collection mains	33,242 km

(1) Urban Homes

OPERATING REVENUE, NET	PERIOD		
	1Q17 (BRL thousand)	1Q16 (BRL thousand)	Var. %
Operating Revenue (Water + Sewage + Services and Others)	926,431	806,624	14.85
Gross Profit	566,653	448,106	26.46
EBIT	350,459	230,597	51.98
<b>Adjusted EBITDA <sup>1</sup></b>	408,842	282,595	44.67
Depreciation/Amortization	(58,383)	(51,998)	12.28
<b>Net Profit</b>	160,054	144,282	10.93
LPA PN (Profit per preferential share)	0,3277	0,3167	
LPA ON (Profit per ordinary share)	0,2979	0,2879	

(1) Adjusted EBITDA = Net Result before Income Tax and Social Contribution, plus Financial Expenses net of Depreciation and Amortization, and Contingency Provisions and for Pension and Medical Insurance plans, net of Reversals (as long as said provisions have no cash effect).



## RESULTS

### GROSS OPERATING REVENUES

Gross Operating Revenues were of BRL 998.8 million in 1Q17, an increase of 15.4%, as compared to BRL 865.7 million in 1Q16. The tariff readjustment of 10.48% applied to the bills starting on 01/04/2016 and the increase in water and sewage services, with an increase in water and sewage volumes invoiced and the growth in the number of water and sewage connections influenced the increase in relation to the same period for the previous year.

It is important to stress that in 1Q17, around 184 thousand families covered by the Social Tariff were benefited, representing 2.3% of the Gross Operating Revenue.

#### Water

Revenues from water increased in 14.11%, going from BRL 539.0 million in 1Q16 to BRL 615.0 million in 1Q17, varying based on the 3.20% increase in volume of water billed and an increase in water connections of 1.96%.

#### Revenues from Sewage

Revenues from sewage increased in 17.49%, going from BRL 342.6 million in 1Q16 to BRL 342.6 million in 1Q17, and an increase in the volume of sewage billed of 6.34%. The number of sewage connections increased in 5.52%.

#### Revenues from Services and Other Sources

Revenues from Services and other revenues increased in BRL 35.1 million in 1Q16 to BRL 41.2 million in 1Q17, with a variation of 17.36%. This material variation is owed to private donations (increment of Corporate equity) of 31.3% resulting in the increase of BRL 2.4 million in 1Q16 to BRL 3.1 million in 1Q17.

GROSS OPERATING INCOME	PERIOD		
	1Q17 (BRL thousand)	1Q16 (BRL thousand)	Var. %
Water	615,009	538,983	14.11
Sewage	342,580	291,589	17.49
Services and Others	41,238	35,130	17.39
<b>Total</b>	<b>998,827</b>	<b>865,702</b>	<b>15.38</b>



## Costs of Products and Services

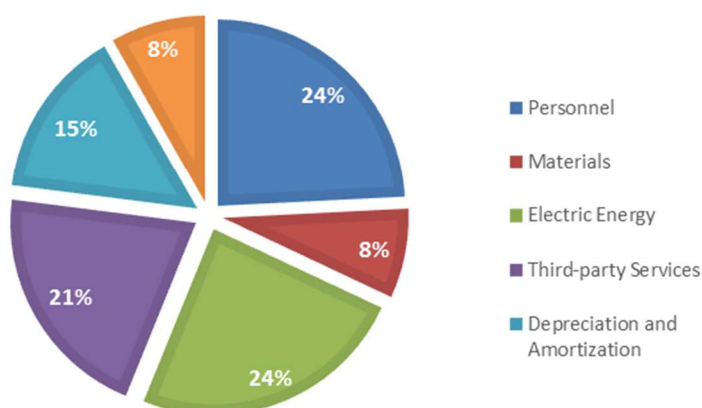
Costs of Products and Services Provided in the water segment totaled BRL 260.3 million in 1Q17, a reduction of 4.0% with respect to the BRL 271.1 million in 1Q16. For the sewage segment, the total was of BRL 99.4 million in 1Q17, an increase of 13.8% with respect to 1Q16's BRL 87.4 million. Here, it is important to inform that the costs with reference to the solid waste segment were added to the sewage segment, representing around 6.0% of the cost for 1Q17.

In total costs, the expenses threshold reached in the same period in 2016 was maintained. The main variations occurred in reduction of the cost of Electric Energy due, largely, to the discount for the flags representing average savings of 21.5%. Expenses with materials increased, on average, in 20.0% due to cost increases in products used in treatments (also readjusted in approximately 4.0%) as a function of the increased volume treated. Another important variation stems from the increase in maintenance and electro-mechanical refurbishing that required increased deployment of materials with the consequent acquisition costs, resulting in a material variation of 61.7% in the sewage segment.

DESCRIPTION	Water			Sewage*			TOTAL		
	1Q17	1Q16	Var %	1Q17	1Q16	Var %	1Q17	1Q16	Var %
Personnel	(65,023)	(63,260)	2.79	(22,071)	(18,737)	17.79	(87,094)	(81,997)	6.22
Material	(20,527)	(18,668)	9.96	(7,336)	(4,537)	61.69	(27,863)	(23,205)	20.07
Electric Energy	(79,264)	(100,249)	(20.93)	(7,896)	(10,963)	(27.98)	(87,160)	(111,212)	(21.63)
Third-party Services	(45,041)	(42,375)	6.29	(29,849)	(25,902)	15.24	(74,890)	(68,277)	9.69
<b>Subtotal</b>	<b>(209,855)</b>	<b>(224,552)</b>	<b>(6.55)</b>	<b>(67,152)</b>	<b>(60,139)</b>	<b>11.66</b>	<b>(277,007)</b>	<b>(284,691)</b>	<b>(2.70)</b>
Depreciation and Amortization	(27,949)	(25,248)	10.70	(25,075)	(21,722)	15.44	(53,024)	(46,970)	12.89
Other Costs	(22,524)	(21,340)	5.55	(7,223)	(5,517)	30.92	(29,747)	(26,857)	10.76
<b>TOTAL</b>	<b>260,328</b>	<b>271,140</b>	<b>(3.99)</b>	<b>(99,450)</b>	<b>(87,378)</b>	<b>13.82</b>	<b>(359,778)</b>	<b>(358,518)</b>	<b>0.35</b>

\* Costs with reference to the solid waste segment are included in the sewage segment

## OPERATING COSTS - 1T17



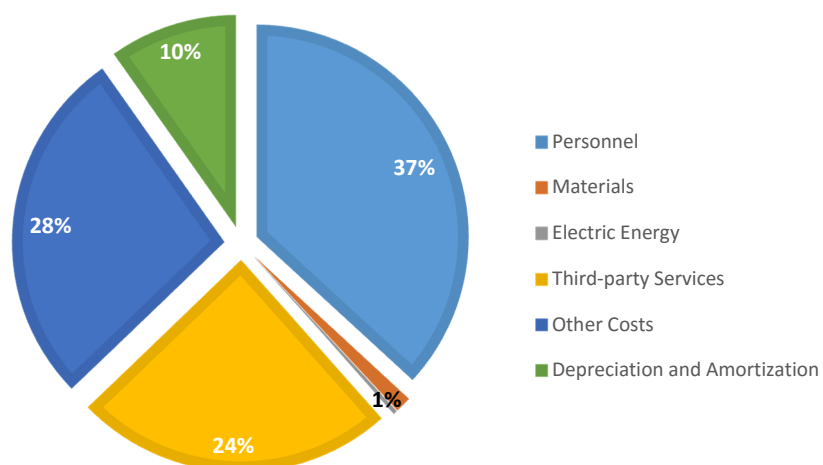


## Commercial Expenses

In Commercial Expenses, the increase was of 37.2%, going from BRL 52.9 million reached in 1Q16 to BRL 72.5 million in 1Q17 with the main variation occurring in miscellaneous expenses.

COMMERCIAL EXPENSES	1Q17	1Q16	%
Personnel	(26,729)	(23,950)	11.60
Materials	(898)	(783)	14.69
Electric Energy	(225)	(275)	-18.18
Third-Party Services	(17,680)	(14,963)	18.16
Other Costs	(19,887)	(10,021)	98.45
Depreciation and Amortization	(7,089)	(2,874)	146.66
<b>TOTAIS</b>	<b>(72,508)</b>	<b>(52,866)</b>	<b>37.15</b>

COMMERCIAL EXPENSES - 1T17



## Administrative Expenses

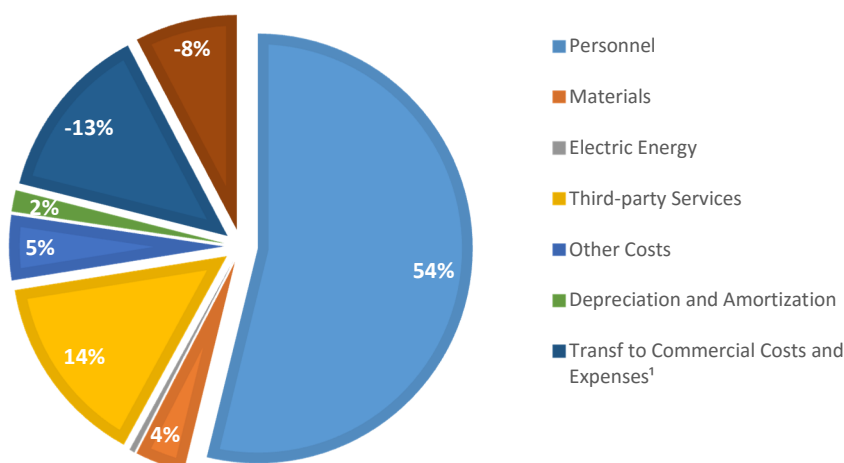
Administrative Expenses fell in (14.2%), with respect to 1Q16 going from BRL 163.7 million to BRL 140.5 million in 1Q17. The main negative variation occurred in personnel expenses resulting in (18.3%) due to the reduction in expenses with bonuses, indemnities and advance dismissal notices, as well as the Encouraged Retirement Program – PAI.

ADMINISTRATIVE EXPENSES	1Q17	1Q16	%
Personnel	(130,648)	(159,983)	-18.34
Materials	(9,105)	(7,157)	27.22
Electric Energy	(1,017)	(1,220)	-16.64
Third-Party Services	(35,150)	(27,219)	29.14
Other Costs	(11,834)	(12,885)	-8.16
Depreciation and Amortization	(3,871)	(3,543)	9.26
Transf. to Commercial Costs and Expenses <sup>1</sup>	32,409	29,774	8.85
Capitalized Expenses <sup>2</sup>	18,704	18,544	0.86
<b>TOTAIS</b>	<b>(140,512)</b>	<b>(163,689)</b>	<b>-14.16</b>

(1) Expenses previously entered as administrative and reallocated to commercial expenses

(2) Expenses capitalized from works, project related and others

ADMINISTRATIVE EXPENSES - 1T17





## Financial Revenues/(Expenses)

The results obtained for Financial Revenues for 1Q17 was negative in relation to 1Q16, with a variation of (12.7%). Amounts reached were BRL 31.6 million for the reference period in 2016 and BRL 27.5 for the current quarter. The main driver was the reduction of AVP on Contract Financial Assets of 90.9%, corresponding to BRL 18.5 million and 1.7 million for 1Q16 and 1Q17, respectively. It is important to emphasize the gains occurred through financial investments in the period corresponding to 187.5% resulting in BRL 21.9 million in 1Q17 as compared to BRL 7.6 million in 1Q16.

Financial expenses remained in the same threshold with a significant variation of (0.5%) corresponding to BRL 60.9 million in 1Q16 and BRL 60.6 million in 1Q17.

FINANCIAL REVENUES	1Q17	1Q16	Var %
FINANCIAL INVESTMENTS	21,893	7,614	187.54
OTHER FINANCIAL REVENUES	3,458	19,225	-82.01
ACTIVE MONETARY VARIATIONS	2,194	4,722	-53.54
<b>TOTAL</b>	<b>27,545</b>	<b>31,561</b>	<b>-12.72</b>

FINANCIAL EXPENSES	1Q17	1Q16	Var %
INTEREST AND FINANCING CHARGES AND DEBENTURES	(50,824)	(42,823)	18.68
PASSIVE MONETARY VARIATIONS	(8,803)	(15,416)	-42.90
OTHER FINANCIAL EXPENSES	(935)	(2,619)	-64.30
<b>TOTAL</b>	<b>(60,562)</b>	<b>(60,858)</b>	<b>-0.49</b>

## Accounts Receivable from Customers

Amounts Receivable from customers, net of Provision for Losses, grew in 3.5% with respect to 2016 for an amount of BRL 570.5 million, corresponding to BRL 590.7 million in 1Q17, divided into customers not yet due BRL 397.0 million and customers past due BRL 193.6 million, classified into short and long term for amounts of BRL 579.5 million and BRL 11.2 million, respectively.

Part of this amount (BRL 26.7 million in 1Q17 and BRL 31.0 million in 2016) are in reference to Public Administration, on which the applicable collection measures are not applied, such as shutting interruption of delivery. To this end, the Company has been striving, through negotiations with the Municipal agencies in case in point, where possible, by merging of bills and for State Agencies by off-setting amounts (Company bills x payment of dividends and/or interest on shareholder capital) when backed by the State Attorney General's office – PGE.

The level of Losses in Realizing Accounts Receivable (BRL 151.0 million in 1Q17 and BRL 146.0 million in 2016) converges with that of the sanitation sector, being considered within normal boundaries.

Balances for Accounts Receivable from Customers have the following due date-based composition:

ACCOUNTS RECEIVABLE FROM CUSTOMERS	1Q17	2016	%
ACCOUNTS RECEIVABLE NOT YET DUE	215,905	199,442	8.25
ACCOUNTS RECEIVABLE FROM INSTALLMENT PLANS	36,527	37,151	EBTENDNESS
ADJUSTMENT TO PRESENT VALUE	(3,188)	(3,408)	-6.46
ACCOUNTS FOR BILLING (Consumption Unbilled)	147,846	160,852	-8.09
<b>TOTAL</b>	<b>397,090</b>	<b>394,037</b>	<b>0.77</b>





ACCOUNTS RECEIVABLE PAST DUE, NET	1Q17	2016	%
FROM 1 to 30 DAYS	112,446	100,748	11.61
FROM 31 to 60 DAYS	29,518	25,850	14.19
FROM 61 to 90 DAYS	11,997	11,431	4.95
FROM 91 to 180 DAYS	21,098	19,505	8.17
MAIS FROM 180 DAYS	169,978	165,268	2.85
PROVISION FOR LOSSES IN REALIZING CREDITS	(151,406)	(146,336)	3.46
<b>TOTAL</b>	<b>193,631</b>	<b>176,466</b>	<b>9.73</b>

<b>TOTAL ACCOUNTS RECEIVABLE, NET</b>	<b>590,721</b>	<b>570,503</b>	<b>3.54</b>
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<b>SHORT TERM</b>	<b>579,507</b>	<b>559,797</b>	<b>3.52</b>
<b>LONG TERM</b>	<b>11,214</b>	<b>10,706</b>	<b>4.75</b>

## ENDEBTEDNESS

### LOANS, FINANCING AND DEBENTURES

Balances for loans, financing and debentures showed a reduction of 0,4%, from BRL 2,712.0 million at the end of 2016 to BRL 2,700.0 million incurred in 1Q17.

Average maturity term for the debt is of 52 months, equivalent to 04 years and 04 months and representing 28% of Total Assets.

Description	Actual Annual Interest Rate	Indexer	Last Due date	1Q17	2016
DEBENTURES 6th Issuance - 1st series	1.53%	DI	2018	80,834	83,369
DEBENTURES 6th Issuance - 2nd series	1.58%	DI	2019	171,675	177,137
DEBENTURES 5th Issuance - 1st series	1.18%	DI	2017	115,563	111,886
DEBENTURES 5th Issuance - 2nd series	1.27%	DI	2018	196,330	190,044
DEBENTURES 3rd Issuance - 1st Series	1.31%	DI	2018	140,176	135,687
DEBENTURES 3rd Issuance - 2nd Series	6.99%	IPCA	2020	131,876	128,296
BNDES	1.82% and 2.50%	TJLP	2023	109,439	126,561
BNDES/BNDESPAR - DEBENTURES 2nd Issuance	1.92% and 9.20%	TJLP/IPCA	2024	355,022	-
Banco do Brasil	3.00% to 6.00%	-	2024	21,691	22,535
DEBENTURES 2nd Issuance - 1st series	1.92%	TJLP	2024	-	93,072
DEBENTURES 2nd Issuance - 2nd series	9.19%	IPCA	2024	-	139,504
DEBENTURES 2nd Issuance - 3rd series	1.92%	TJLP	2024	-	124,096
Banco Itaú – PSI/13	3.00% to 6.00%	-	2025	24,919	25,806
DEBENTURES 4th Issuance - 1st series	1.67%	TJLP	2027	181,799	180,759
DEBENTURES 4th Issuance - 2nd series	7.44%	IPCA	2027	84,105	83,635
BNDES – PAC2	1.76% and 2.05%	TJLP	2028	174,415	178,149
Merchant Financial Lease	12.12%	IPC-FIPE	2036	41,412	41,108
Caixa Econômica Federal	6.62% to 12.68%	TR	2038	870,699	870,430

<b>Balance at End of Period</b>				<b>2,699,955</b>	<b>2,712,074</b>
<b>Short term Due Installments</b>				<b>(396,680)</b>	<b>(379,163)</b>
<b>Long Term Due Installments</b>				<b>2,303,275</b>	<b>2,332,911</b>

<b>DEBT SERVICING</b>				<b>ACUMULADO</b>	<b>ACUMULADO</b>
<b>Interest</b>				<b>51,316</b>	<b>227,344</b>
<b>Principal</b>				<b>44,913</b>	<b>219,152</b>
<b>Total</b>				<b>96,229</b>	<b>446,496</b>



## OPERATING INDICATORS

WATER	1Q2017	2016	2015	2014	2013
Savings in water provided through distribution mains - IARDA	3,757	3,730	3,643	3,525	3,388
Mains distribution service index - %	100,0	100,0	100,0	100,0	100,0
No. of treatment stations	164	164	170	168	176
No. of Wells	1,044	1,037	1,027	1,019	999
No. of surface collection points	228	232	228	239	237
No. of connections	3,047,486	3,025,780	2,979,363	2,909,401	2,816,414
Km of mains in place	51,865	51,558	49,603	47,176	45,262
Gross revenue - BRL Thousand	615,009	2,309,458	1,944,616	1,752,115	1,600,522
Volume produced - m <sup>3</sup>	192,398,811	742,253,014	725,768,543	735,028,348	721,041,283
Volume measured - m <sup>3</sup>	130,077,740	483,984,520	480,253,979	494,064,389	475,310,852
Volume invoiced - m <sup>3</sup>	153,621,862	587,459,667	582,593,620	586,594,073	564,037,262
Loss indices:					
In distribution system - %	32.4	34.8	33.8	32.8	34.1
In billing - %	20.2	20.9	19.7	20.2	21.8
Fugue of revenue - %	3.2	3.3	2.7	1.3	2.5
Loss per connection/day (Liters) Index	227.2	233.1	225.8	226.9	239.0
SEWAGE	1Q2017	2016	2015	2014	2013
Savings in sewage provided through collection mains - IARCE	2,610	2,579	2,446	2,300	2,168
Collection mains treatment index - %	69,5	69,1	67,1	65,3	64,0
No. of treatment stations	239	239	234	234	230
No. of connections	1,976,253	1,953,484	1,859,533	1,759,422	1,667,163
Km of mains in place	33,342	33,069	31,073	28,937	27,875
Gross revenue - BRL Thousand	342,580	1,270,631	1,044,212	917,527	827,166
Volume collected - m <sup>3</sup>	91,403,691	337,683,281	324,921,875	326,133,979	308,738,444
Volume treated - m <sup>3</sup>	91,387,213	337,479,509	324,408,577	324,464,460	306,521,830
Volume invoiced - m <sup>3</sup>	108,201,773	408,529,723	392,453,018	385,047,354	363,627,081
Analyses:					
Treated/Collected - %	99.9	99.9	99.8	99.5	99.3
Billed/Collected - %	118.4	121.0	120.8	118.1	117.8

## PRODUCTIVITY

The Company ended 2016 with a total headcount of 7344 employees. In 1Q17, the Company had 7343 employees compared to the same period for the previous year with 7201 - a variation of 2.0%. Sanepar works round the clock committed to guaranteeing health and quality of life for the population. In addition to involving employees in modern management practices that guarantee continuity for the business, investing in occupational safety and customer satisfaction. It is also a protagonist in environmental preservation and has a commitment to returning the water in adequate conditions to the rivers from which they are taken for its processes.

## EXPANSION

In 1Q17, 1562 km of water mains were added to the existing permanent assets, reaching 51,865 km. A total of 58,534 new water connections were added as compared to the same Quarter in 2016. In the Sewage system, 1928 km of collection mains were added to the existing system, reaching 33,242 km, and an increment of 103,401 new connections, as compared to the same Quarter in 2016.



In 1Q17, the Company invested BRL 153.9 million, representing 2.6 times the value of depreciation for the year. Investments in the water segment correspond to BRL 66.7 million. For the sewage segment, investment was of BRL 77.0 million and BRL 10.2 million in other fixed assets.

In 2016, the Company invested BRL 701.3 million in expansion works, improvements and technology updates with a view to increasing efficiency and reducing environmental impacts of its operating complex.

## FINANCIAL INDICATORS

BALANCE FOR THE PERIODO	1Q2017	2016	2015	2014	2013
Net Revenue	926,431	3,477,525	2,971,185	2,617,040	2,370,179
Adjusted Profit for the Activity (EBITDA)	408,842	1,312,619	967,494	942,155	937,573
Net profit	160,054	626,847	438,444	421,586	402,904
Net equity	4,968,727	4,808,673	4,180,307	3,801,085	3,566,842
Investments	165,077	708,833	795,089	959,566	787,001
Shareholder compensation	0	297,585	207,903	167,545	126,837
INDICATORS	1Q2017	2016	2015	2014	2013
EBITDA Margin	44.1%	37.7%	32.6%	36.0%	39.6%
Net Margin	17.3%	18.0%	14.8%	16.1%	17.0%
Profitability of SC	3.2%	13.0%	10.5%	11.1%	11.3%
Asset Turnover	0.1X	0.4X	0.4X	0.4X	0.4X
Share value BRL	9.86	9.55	8.77	7.98	7.48
Current Liquidity	1.4	1.3	1.0	0.7	1.1
Net Debt/SC	0.5X	0.6X	0.6X	0.4X	0.4X
Price/Profit	34.6	8.6	3.6X	6.6X	8.0X
Price/VPS	0.9X	0.8X	0.3X	0.7X	0.9X
Market Value	5,541,087	5,415,153	1,596,678	2,764,397	3,231,485

## CAPITAL STRUCTURE

In 25/11/2016, shareholders, Government of the State of Paraná and Dominó Holdings S.A. requested conversion of 23,056,232 and 41,000,000 of their ordinary shares into preferential shares, respectively and, due to the Primary Shares Emission Public Offering, 27,114,967 new preferential shares were added, changing the corporate shareholding composition, as shown below:

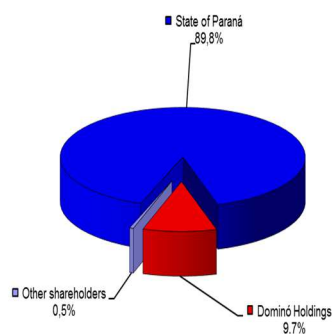
Share Capital comprises 503,735,173 shares, of which 167,911,724 ordinary shares and 335,823,449 preferential shares without nominal value, fully paid in by individuals and legal entities residing and domiciled in country and abroad.

The Share Capital underwritten and paid in on 31 March 2017 is of BRL 2,854,952, net of the attraction of BRL 2,847,664 with the current shareholding composition shown below.

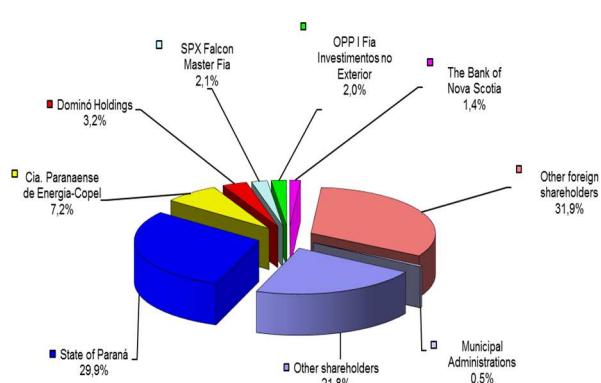
## SANEPAR CAPITAL STRUCTURE

SHAREHOLDERS	No. of Shares			Shareholder Capital - BRL thousand		
	ON	PN	Total	ON	PN	Total
State of Paraná	150,845,890	1	150,845,891	854,929	-	854,929
Cia. Paranaense de Energia-Copel	-	36,343,267	36,343,267	-	205,978	205,978
Dominó Holdings	16,237,359	1	16,237,360	92,026	-	92,026
SPX Falcon Master Fia	-	10,337,700	10,337,700	-	58,590	58,590
OPP I Fia Offshore Investments	-	9,884,948	9,884,948	-	56,024	56,024
The Bank of Nova Scotia	-	6,974,000	6,974,000	-	39,526	39,526
Other foreign shareholders	100	160,925,670	160,925,770	1	912,057	912,057
Municipal Administrations	-	2,339,005	2,339,005	-	13,256	13,256
Other shareholders	828,375	109,018,857	109,847,232	4,695	617,871	622,566
<b>Total</b>	<b>167,911,724</b>	<b>335,823,449</b>	<b>503,735,173</b>	<b>951,651</b>	<b>1,903,301</b>	<b>2,854,952</b>

VOTING CAPITAL

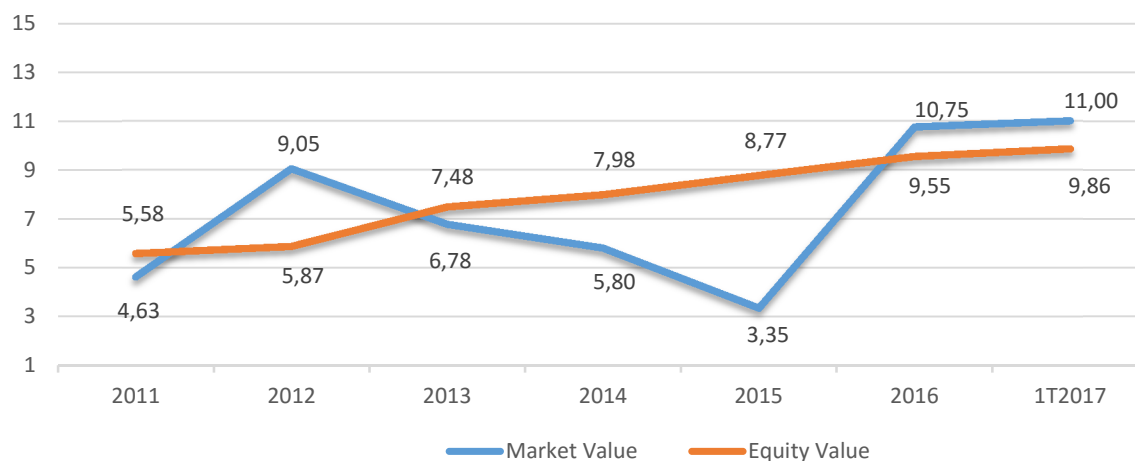


TOTAL CAPITAL



## SANEPAR SHARE PRICES

COMPARATIVE BETWEEN EQUITY VALUE AND MARKET VALUE



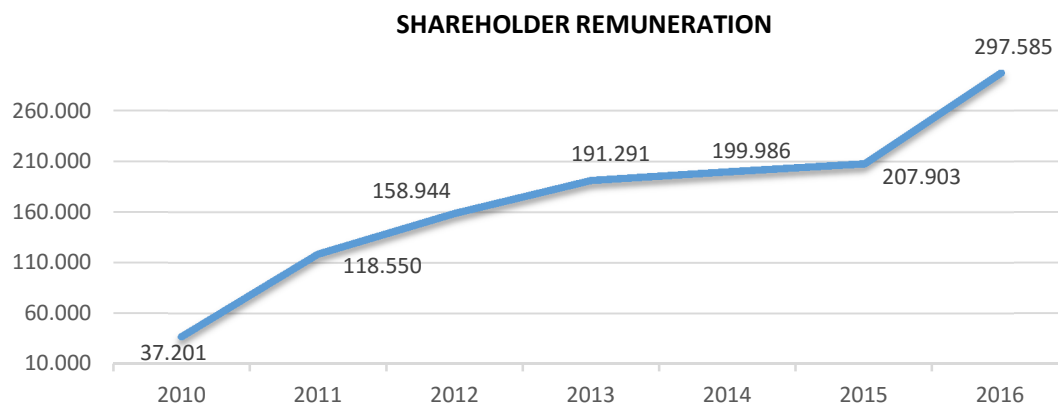
## CAPITAL MARKETS

In 1Q17, Sanepar nominative preferential share (PN), SAPR4, closed at BRL 11.00 as compared to BRL 3.89 in 1Q16.

Sanepar preferential share price (SAPR4) at the São Paulo Stock Exchange (B3) closed 1Q17 with a positive cumulative variation of 4.96%, as compared to a positive variation of 23.9% posted for the same period of the previous year.

The share price in 1Q17 was of BRL 9.86 and in 1Q16, the price was BRL 9.06.

The financial transaction volume with Sanepar shares in 1Q17 was of BRL 4.2 billion as compared to BRL 31.1 million recorded in 1Q16.



Company By-Laws establish mandatory dividend distribution of 25% of the adjusted net result in compliance with Brazilian corporate legislation. Shareholders of preferential shares received Interest on Share Capital (dividend) per share of 10% higher than attributed to ordinary shares.

The Shareholder agreement, signed on 27/08/2013, between the State of Paraná and Dominó Holdings S.A., was automatically extinguished in full right, as a result of the conversion of ordinary shares into preferential shares on 25/11/2016, considering that Dominó Holdings S.A. shareholding interest has 10% less of the Company voting capital.

Company shareholder compensation credit is attributed based on the shareholding position on 30 June and 31 December of each tax year and eventual negotiations after the credit announcement are considered ex-dividends (interest on share capital and dividends).

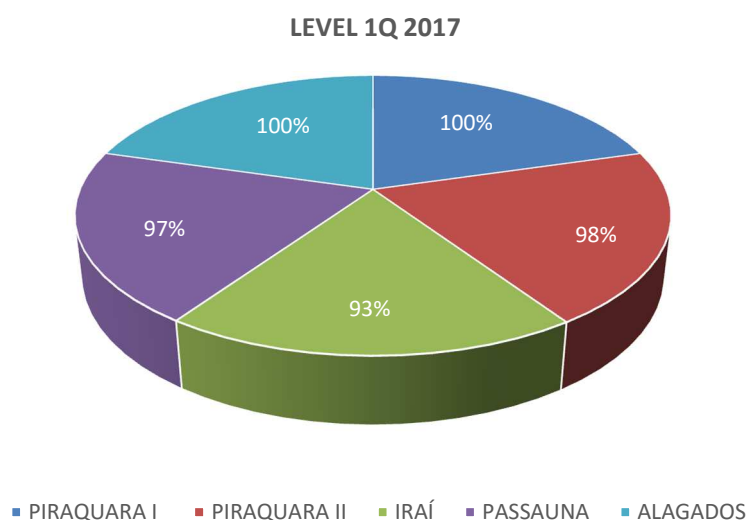
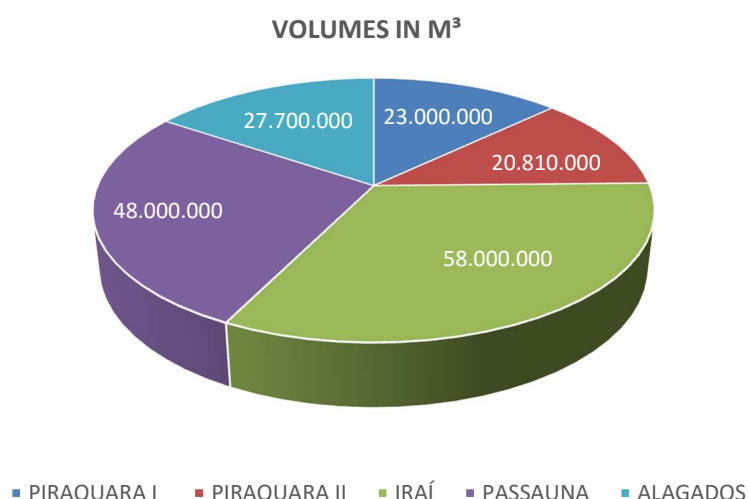
## WATER VOLUMES

The average volume of water available to the Integrated Supply System of Curitiba (Sistema de Abastecimento Integrado de Curitiba - SAIC) is comprised by the reservoir dams of Piraquara I, Piraquara II, Iraí and Passaúna.

In the Municipality of Foz do Iguaçu, Sanepar uses water from the Lake of Itaipu formed by the reservoir of Itaipu Binational Hydropower Plant on the Paraná River.

To supply the Municipality of Ponta Grossa, Sanepar has been authorized to use the water from the Alagados Capture Dam belonging to Companhia Paranaense de Energia – Copel.

Our reservoirs are considered to be of medium scale for the volume stored, but large scale for their height/depth being in excess of 15 meters.



(data collected on the last day of each quarter)





## LARGEST CONCESSIONS

10 Largest Contracts (53.7% of Total Revenue)					Coverage Index		Total economy gains ('000)	
Municipalities	% total revenue	Remaining concession term	Type of concession	Type of Contract	Water	Sewage collection	Water	Sewage
Curitiba	23.7%	14.8 years	Water and Sewage	Concession	100%	94.1%	784,3	738,6
Londrina	7.0%	29.3 years	Water and Sewage	Program	100%	89.5%	234,6	213,9
Maringá	5.1%	23.4 years	Water and Sewage	Concession	100%	98.2%	161,2	158,7
Ponta Grossa	3.6%	9.0 years	Water and Sewage	Concession	100%	89.9%	135,2	120.5
Foz do Iguaçu	3.4%	26.9 years	Water and Sewage	Program	100%	74.9%	78,9	116,3
Cascavel	3.4%	7.7 years	Water and Sewage	Concession	100%	96.9%	115,7	114,1
São José dos Pinhais	2.7%	26.8 years	Water and Sewage	Program	100%	67.4%	101,9	69,3
Colombo	1.8%	Expired	Water and Sewage	Concession	100%	59.3%	77,8	47,3
Guarapuava	1.6%	25.6 years	Water and Sewage	Program	100%	76.9%	61,3	47,9
Araucária	1.4%	15.5 years	Water and Sewage	Concession	100%	61.7%	47,0	290.1
					<b>100%</b>	<b>69.5%</b>	<b>3.767.6</b>	<b>2.656.2</b>

Through municipal concession agreements, the Company provides services of treatment and distribution of water and collection and treatment of sewage. Contract terms require renewals at average terms of 20 to 30 years. Out of the total 346 municipalities serviced, approximately 5.5% of contracts are currently being renewed for having expired, 17.6% expire between 2017 and 2026 and 76.9% have been renewed and expiries being starting in 2027. For the cases where concessions were not renewed, on their expiry, municipalities must refund the Company residual amounts for the assets in connection with the concession.

## Number of Water and Sewage Connections

CLASSES	Water			Sewage		
	1Q17	1Q16	Var %	1Q17	1Q16	Var %
RESIDENTIAL	2,781,393	2,728,042	1.96	1,789,786	1,694,584	5.62
COMMERCIAL	205,348	200,615	2.36	155,104	148,423	4.50
INDUSTRIAL	12,338	12,516	(1.42)	4,867	4,727	2.96
PUBLIC ADMINISTRATION	22,521	22,136	1.74	13,462	12,748	5.60
PUBLIC AGENCIES	25,886	25,643	0.95	13,034	12,370	5.37
<b>TOTAL</b>	<b>3,047,486</b>	<b>2,988,952</b>	<b>1.96</b>	<b>1,976,253</b>	<b>1,872,852</b>	<b>5.52</b>

### Water and Sewage Volume Invoiced by use category in m<sup>3</sup>

CLASSES	Water			Sewage		
	1Q17	1Q16	Var %	1Q17	1Q16	Var %
RESIDENTIAL	132,159,611	127,730,834	3.47	92,344,588	86,406,401	6.87
COMMERCIAL	12,376,956	12,158,921	1.79	10,774,527	10,380,939	3.79
INDUSTRIAL	3,054,106	3,058,443	(0.14)	755,326	785,502	(3.84)
PUBLIC ADMINISTRATION	1,334,908	1,344,141	(0.69)	967,190	938,099	3.10
PUBLIC AGENCIES	4,696,281	4,565,246	2.87	3,360,142	3,238,878	3.74
<b>TOTAL</b>	<b>153,621,862</b>	<b>148,857,585</b>	<b>3.20</b>	<b>108,201,773</b>	<b>101,749,819</b>	<b>6.34</b>

### CORPORATE GOVERNANCE – B3

With the execution of Re-IPO, Sanepar moved to a new Level of Corporate Governance. On 21 December 2016, the Company signed the Level 2 Participation Contract with B3, entering the special B3 share market segment called Level 2, regulated by the appropriate Regulations (Level 2), which establishes stricter corporate governance rules than the ones found in Brazilian Corporate Legislation, in particular with respect to transparency and protection for minority shareholders. The Company's ordinary and preferential shares are now listed and traded in this special segment.

In addressing Level 2 B3 Corporate Governance a Corporate Governance Commission was established and the Audit Committee, the Referral and Assessment Committee are also currently in the implementation stages. The Company Administration Council also now has three independent members appointed by minority shareholders.

### REGULATORY FRAMEWORK – REGULATION OF THE SANITATION SECTOR

On 27 December 2016, Complementary Law no. 202/2016 (State of Paraná) was enacted establishing the competence of providing functions in regulation, and inspection and control of the basic sanitation service, comprised by the public utility services of supply of drinking water, sewage drainage, urban cleaning and management of solid waste and drainage and handling of urban rain water mains, by the Regulatory Agency of Paraná - AGEPAR as long as there is associative management between State and municipalities in the form authorized by Federal Law no. 11,107 of 06 April 2005 and in the terms of Federal Law no. 11,445 of 05 January 2007. Additionally, the same Complementary Law revoked this same competence from the Instituto das Águas do Paraná.

In compliance with the guidelines of Law 11,445 of 05 January 2007, the Granting Power may delegate the delivery of sanitation services through Program Contract authorized by Cooperation Agreement to the Companhia de Saneamento do Paraná – Sanepar. Regulation of said services ensures a balance of relations between the Granting Power, the service provider and users, in order to, among other issues, establish adequate service delivery standards and norms to achieve user satisfaction; guarantee compliance with conditions and targets established; prevent and repress abuse of economic power; and define tariffs and other public prices that assure both the economic-financial balance of contracts, and the tariff affordability through mechanisms that drive efficiency and efficacy of services and enable Social appropriation for gains in productivity.

Through this resolution, the agency shall decide, ratify and set, at administrative scope and in final decision, any requests for modification, review and readjustment of tariffs, as well as for the other



services provided by Sanepar. Processes implying in directly affecting the rights of the economic agents regulated or of users must be preceded by a public hearing.

The First Periodic Tariff Review – RTP started in 2015, upon request from Aguasparaná, at the time the regulatory agency. In entering the regulated environment, the Company put in place the Regulation Unit with the objective of defining conditions for Sanepar's actions under the regulatory practices defined for the sector. The conclusion of this process came to fruition through Ratifying Resolution no. 003 of 12 April 2017, published by AGEPAR.

## **SANEPAR RISES IN RANKING OF 500 LARGEST IN THE SOUTH**

For the 10th time, the Company is among the largest of Brazil's Southern region, a position achieved and maintained since 2005. This is indicated by the Grandes & Líderes Yearbook – the 500 Largest in the South 2016, published in the November edition of Amanhã magazine.

According to the publication, Sanepar is the 1st place in the South in class Public Utility Service and in 8<sup>th</sup> place in the ranking of the State of Paraná's public and private companies. In the list of the 500 Largest, the Company climbed up one more position as compared to the previous edition, reaching the 19<sup>th</sup> place among the South's largest ventures, based on the 2015 financial performance.

The Grandes & Líderes – 500 Largest in the South ranking was created in 1990 by the Amanhã magazine in a technical partnership with PwC (Pricewaterhouse Coopers) – specialist in audit, and tax and corporate advisory services. The publication displays a complete panorama of Southern Brazil's corporate scenario, establishing the 500 largest ventures in the region based on the balance sheets for the previous tax year.

## **SANEPAR RECEIVES 2016 TRANSPARENCY TROPHY**

Companhia de Saneamento do Paraná – Sanepar is recognized for its good Corporate Governance practices and, on 20 October, was awarded the Transparency Trophy. This award is an initiative by Anefac (National Association of Finances, Administration and Accounting Executives) in partnership with Fipecafi (Foundation Institute of Accounting, Actuarial and Financial Research) and Serasa Experian. The award is a public recognition of quality and good practices in company governance when publishing their financial statements. This is the fourth time Sanepar receives the Transparency Trophy. The other times were in the years of 2002, 2003 and 2004.

In order to be among the award winners, companies must comply with technical criteria – to wit: quality and degree of information contained in the Financial Statements and the respective Explanatory Notes, transparency of information provided, clarity of the Management Report and its consistency with the information disclosed, total compliance with Accounting Practices and Standards, no caveats in the independent auditors reports, presentation of disclosure in terms of layout, legibility, conciseness, clarity and relevance of facts disclosed, even when these are not legally required, but important for the business such as: EBITDA, economic value added, social and environmental balance sheets, among others.



## **SANEPAR AWARDED FOUR SANITATION QUALITY TROPHIES**

The Company received, on 23 September, four trophies of the National Quality in Sanitation Prize (PNQS), promoted by the Brazilian Association of Sanitation and Environmental Engineering (ABES). This is the country's most important recognition for the sector.

The trophies given to Sanepar were earned by general Administration of Curitiba and Metropolitan Region, which also covers the coast, and by the regional units of Cascavel, Toledo and Foz do Iguaçu. To earn the Quíron, the PNQS trophy, Sanepar applied good management practices as well as displayed high performance results.

One of the items assessed is directly linked to customer relations tools. In the region of Foz do Iguaçu, Sanepar stood out for the operation of the Customer Council, with participation of entities from civil society and individual clients. The result is that the customer satisfaction index for the region went from 62.8% in 2013 to 86.5% in 2015.

Another strength was the establishment at the regional of Cascavel, in 2013, of the Continued Qualification School for the area of sewage. The Project has disseminated knowledge about all the phases of the process for workers in the sector. The outcome is the appearance of innovative ideas in the teams. One of these, resulted in a reduction in the volume of chemical substances used in the treatment process.

## **GENDER EQUALITY AT SANEPAR**

On 28 October, the Company launched an internal gender equality program, called Equidade@Sanepar. At the event, held in Curitiba, the Company also signed the joining term for Agenda 2030 for Sustainable Development, which proposes 17 Sustainable Development Goals (SDG).

"The proposal is challenging: we will be the first sanitation company in Brazil to run a gender equality program", said the president of Sanepar. According to him, addressing the SDGs goes directly towards the Company's main strategic objective, that is ensuring economic, financial and social-environmental sustainability.

The Equidade@Sanepar program will follow the guidelines of the UN establishing the Women's Empowerment Principles (WEP). At the beginning of 1ST quarter 2017, of Sanepar's total headcount of 7343, 1565 are women, corresponding to 21.3% of the staff. Of this total, 15 hold managerial roles and 39 are in coordination roles.

Following this line, on 03 March, Sanepar's board approved the gender Equality Policy, stating the intent of "Continually promoting gender equality in social and work relations ", assuring equality of opportunities between men and women, in addition to reinforcing the Company's image as a company committed to public policies and sustainable development.



## OPERATION OF CS BIOENERGIA TO START IN 2017

Enough sustainable energy to address the needs of 2100 families.

In 2017, CS Bioenergia's sustainable energy production unit should start operating – a venture established in Curitiba by Companhia de Saneamento do Paraná - Sanepar and Cattalini Bioenergia. With investments on the order of BRL 62 million, CS Bioenergia will treat 600 m<sup>3</sup> of sewage sludge and 150 tonnes of organic waste (food residues) a day. Installed power is 2.8 MW (Mega Watts), enough energy to supply the needs of 2100 homes or 8400 people.

In the first stage of operation, the raw material used in bio-digestion is the sludge generated in the Belém Sewage Treatment Station. Still in the first semester, the process should extend to organic waste from CEASA and large kitchens, such as restaurants and food courts from shopping malls.

The energy will be produced by burning biogas formed during the degradation of the sludge and of the organic waste. "This thermal-electric generation unit, installed next to Sanepar's largest sewage treatment facility, represents a major contribution by Paraná to sustainability in Brazil".

The residues left after the energy production process can be used as fertilizers.

90% of the civil construction Works, started in January 2014, have already been concluded. Currently, equipment items are being installed, such as two 1.4 MW gensets; the waste sorting and separation system; organic waste homogenizing systems as well as sludge de-watering systems.

"In Brazil, biogas is still a new business, despite the technology being well-known abroad. The country needs to put in place a public policy to develop a biogas supply chain. The sanitation sector has much to contribute to the public sector", stresses the technical director of CS Bioenergia.

The main discussions carried out by Brazilian and German specialists in the area of production of biogas from sewage treatment stations (STs) are available at the website of the Companhia de Saneamento do Paraná - Sanepar. The document containing the studies is the outcome of the 4th International Biogas Energy Use from STs Workshop, held in July 2016, in Curitiba. The download is available at: <http://site.sanepar.com.br/a-sanepar/inovacao/publicacoes>

## SANITATION INDICES IN CURITIBA ARE NATIONAL STANDOUTS AGAIN

Published on 22 April 2017, the ranking of the best capitals to live by Exame Magazine: Curitiba is considered the country's state capital with the best basic sanitation, according to the latest ranking of Instituto Trata Brasil. Once again, the capital of Paraná is a standout. This time, it was considered the best city to live among Brazilian state capitals. On a survey carried out by Macroplan, Curitiba indices in sanitation, sustainability and health are better than for the other Brazilian capitals.

The survey analyzed municipalities with more than 266 thousand inhabitants and applied 16 indicators, split into four areas: health; education and culture; security; sanitation and sustainability. Considering all four areas, in the general assessment, Curitiba came out ahead and placed 1<sup>st</sup> among all cities assessed.

In the areas of health, sanitation and sustainability the capital of Paraná also placed 1st. In Curitiba, 100% of the population is served by Companhia de Saneamento do Paraná - Sanepar with treated water. Curitiba also has the best sewage collection index: over 70%, with all the sewage collected being treated.





## FUTURE EVENTS

### ➤ Interest on Share Capital and Additional Dividends

On 27 April 2017, at the 53rd Shareholder Assembly a payment of Interest on Share Capital and Additional Dividends was approved, credited to shareholders in the 2016 tax year, for a gross amount of BRL 297,585 million, to be paid out by 26 June 2017. The compensation amount per share to shareholders was of 0.57312 per ordinary share and 0.63043 per preferential share.

### Tariff Review

The first Periodic Tariff Review – RTP started in 2015, upon request from Aguasparaná, at the time the regulatory agency. The conclusion of this process came to fruition through Ratifying Resolution no. 003 of 12 April 2017, published by AGEPAR approving Final Technical Note 001/2017 ruling on the Repositioning, Deferment and Restructuring of the Tariff to be adopted by Sanepar.

The tariff repositioning index approved was of 25.63% deferred in 08 years with the first installment of 8.53% to be applied in 2017 and the others with a rate of 2.11% plus financial correction applying the SELIC rate (Sistema Especial de Liquidação e Custódia) on the difference between Revenues required and Achieved.

Tariff restructuring will be applied by changing the minimum tariff for the minimum volume of 5m<sup>3</sup> (five cubic meters) and its consequent adjustments, as well as increment on consumption bands. It is important to highlight that the requirements and benefits of the Social Tariff have been preserved.

## COMPANY PROFILE

Established in the 1960s and today one of the largest companies in operation in the state, Companhia de Saneamento do Paraná - Sanepar is a mixed capital corporation, traded in stock exchanges and controlled by the State of Paraná. The Company provides public utility services in drinking water supply, sewage collection and treatment and solid urban waste management.

Responsible for public basic sanitation services in 345 cities in Paraná and a further 291 smaller localities, in addition to Porto União, State of Santa Catarina, the Company has a mains grid of 84.6 thousand kilometers of piping used in capture, distribution of drinking water, collection of sewage and disposal of treated effluent. In the solid waste segment, the Company operates sanitary landfills in Apucarana, Cornélio Procopio and Cianorte – the later also addressing the Municipalities of São Tomé, Terra Boa, Guaporema and Indianópolis.

With headquarters in Curitiba (PR) and a work force comprised of over 7 thousand employees, Sanepar is a reference in the country for basic sanitation. The Company offers a universal water supply mains in every municipality addressed. In the sewage segment, the Company achieves a treatment rate of 100% of the sewage collected before disposing of it into water bodies.

Investments in maintaining excellence in activity are ongoing. In the first quarter 2017, the Company targeted BRL 165.1 million at technology update works, improvement and expansion of its operational complex – comprised of Water Treatment Stations (WTS), wells, reservoirs, Sewage Treatment Stations (STS) and other assets –, that revert into financial and environmental gains for the Company and for society as a whole. 46 thousand new water connections and 94 thousand sewage connections were also put in place.





The Company also has a 40% shareholding interest in CS Bioenergia S.A., specific purpose Corporation established with Cattalini Bioenergia to explore production of energy based on sewage treatment sludge, at the bio-digestion unit located next to the Belém STS, in Curitiba. CS Bioenergia's activities will address the National Solid Waste Policy (PNRS), acting on the streams of non-generation/reduction, reuse, treatment and disposal of waste.

The Company prides itself in the equity of treatment given to the different audiences in strategic decision making. In order to provide for this, through its By-Laws, the Company ensures that the composition of the different instances are divided in a fair manner among the representatives of the two shareholder segments – majority and minority. Financial and economic items, including concession contracts, are analyzed by the Technical Committee, which supports senior management. All information is subjected to internal and external audits. Sanepar is also attentive to risks that may adversely affect the Company. To this end, the Company maintains the practice continual business hazard identification and mitigation.

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FINANCIAL STATEMENT	1Q2017	1Q2016
<b>ASSET</b>		
<b>CURRENT</b>		
Available	4,265	6,136
Financial Investments	720,715	191,621
Accounts Receivable from Customers, Net	579,507	509,145
Operating inventory	36,299	36,629
Taxes and Contributions to Recover	1,137	778
Linked Deposits	9,944	9,188
Other Accounts receivable	37,980	19,392
Expenses paid in advance	7,535	11,267
<b>TOTAL CURRENT</b>	<b>1,397,382</b>	<b>784,156</b>
<b>NON CURRENT</b>		
<b>Long Term Realizable</b>	<b>872,096</b>	<b>643,619</b>
Linked Deposits	47,215	35,680
Accounts Receivable from Customers, Net	11,213	10,277
Taxes and Contributions to Recover	760	684
Income Tax and Social Contribution Deferred	407,572	336,116
Court Deposits	182,709	137,842
Contractual Financial Assets	178,842	105,359
Advanced Expenses	43,052	16,928
Other Credits Receivable	733	733
<b>Investments</b>	<b>21,085</b>	<b>9,445</b>
<b>Intangible</b>	<b>7,287,902</b>	<b>6,852,084</b>
<b>Permanent</b>	<b>132,822</b>	<b>128,320</b>
<b>TOTAL NON CURRENT</b>	<b>8,313,905</b>	<b>7,633,468</b>
<b>TOTAL ASSETS</b>	<b>9,711,287</b>	<b>8,417,624</b>



FINANCIAL STATEMENT	1Q2017	1Q2016
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Contractors and Suppliers	116,394	114,383
Salaries and Social Charges	173,751	155,807
Taxes and Contributions	72,341	57,567
Loans, Financing and Debentures	396,680	255,381
Dividends and Interest on Share Capital	134,131	95,062
Concession Contracts	7,572	7,180
Contract Bails and Retentions	2,606	2,762
Income Tax and Social Contribution Deferred	0	0
Provision for Tax Contingencies	0	0
Pension and Medical Insurance Plans	54,879	49,231
Revenues to Accrue	4,200	2,979
Bonds Payable	0	1,244
Other Accounts Payable	38,202	33,135
<b>TOTAL CURRENT</b>	<b>1,000,756</b>	<b>774,731</b>
<b>NON CURRENT</b>		
Loans, Financing and Debentures	2,303,275	2,114,489
Concession Contracts	88,266	91,618
Taxes and Contributions	1,435	1,481
Income Tax and Social Contribution Deferred	-	-
Provisions	559,004	423,222
Pension and Medical Insurance Plans	768,310	689,231
Revenues to Accrue	16,450	0
Programs Linked to ANA	5,064	4,550
Bonds Payable	0	0
Credits for Capital Increases / Related Party	0	0
<b>TOTAL NON CURRENT</b>	<b>3,741,804</b>	<b>3,324,591</b>
<b>NET EQUITY</b>		
<b>Share Capital</b>	<b>2,847,664</b>	<b>2,597,359</b>
<b>Capital Reserves</b>	<b>-</b>	<b>-</b>
<b>Equity Assessment</b>	<b>179,485</b>	<b>176,633</b>
Adjustments to Equity Assessment	10,215	12,032
Reassessment Reserves	85,808	91,385
Other Comprehensive Results	83,462	73,216
<b>Profit Reserves</b>	<b>1,779,937</b>	<b>1,398,475</b>
<b>Result for Tax Year</b>	<b>161,641</b>	<b>145,835</b>
<b>TOTAL NET EQUITY</b>	<b>4,968,727</b>	<b>4,318,302</b>
<b>TOTAL LIABILITIES</b>	<b>9,711,287</b>	<b>8,417,624</b>



P&L STATEMENT	1Q17	1Q16	%
<b>Gross Sales and/or Service Revenues</b>	<b>998,826</b>	<b>865,701</b>	<b>15</b>
Deductions from Gross Revenue	(72,395)	(59,077)	
<b>Net Sales and/or Service Revenues</b>	<b>926,431</b>	<b>806,624</b>	<b>15</b>
Cost of Goods and/or Services Sold	(359,778)	(358,518)	
<b>Gross Result</b>	<b>566,653</b>	<b>448,106</b>	<b>26</b>
Operating Expenses/Revenues	(325,726)	(231,151)	
Commercial	(72,508)	(52,866)	
General and Administrative	(140,512)	(163,689)	
Financial	(32,083)	(26,679)	
Financial Revenues	27,544	31,561	
Financial Expenses	(59,627)	(58,240)	
Interest on Financing	(50,824)	(42,824)	
Monetary Variations	(8,803)	(15,416)	
Pension and Medical Insurance Plans	(27,261)	(25,499)	
Other Revenues (Expenses) Financial and Tax	(934)	(2,619)	
Provision for Contingencies	(52,428)	(40,201)	
Other Operating Revenues	(3,174)	(953)	
<b>Operating Result</b>	<b>237,753</b>	<b>216,002</b>	<b>10</b>
Result before Taxes and Contributions	237,753	216,002	
Provision for Income Tax and Social Contribution	(77,699)	(71,720)	
<b>Period Profit/Loss</b>	<b>160,054</b>	<b>144,282</b>	<b>11</b>
TOTAL SHARES	503,735,173	476,620,206	
PROFIT PER SHARE	0,3177	0,3027	



CASH FLOW	1Q17	1Q16
<b>CASH FLOW FOR OPERATIONAL ACTIVITIES</b>	<b>344,232</b>	<b>238,538</b>
Net Profit for the Period	160,054	144,282
Result to Availability Conciliation Adjustments		
Depreciation and Amortization	58,383	51,998
Cost of Permanent and Intangible Write Offs	803	876
Reversal of Investment Write Offs	214	-
Losses in Realization of Credits	5,600	1,388
Adjustment to Asset Recoverable Value	(111)	(129)
Adjustment to Present Value of Financial Asset	(1,679)	(18,481)
Income Tax and Social Contribution Deferred, net	(33,574)	1,898
Provisions	52,428	(40,201)
Pension and Medical Insurance Plans	27,261	25,499
Interest on Financing	63,139	55,258
Monetary Variation on Financing	9,240	15,908
Accrual of Costs in Attracting Third-party Funds	213	36
Result of equity Equivalence	135	206
Adjustment at Fair Value - Investments	2,126	
<b>Reduction (Increase) of Operating Assets</b>	<b>(35,858)</b>	<b>(19,972)</b>
Accounts Receivable from Customers	(25,818)	(33,793)
Taxes and Contributions Recoverable	37,884	28,050
Inventory	423	(967)
Court Deposits	(26,267)	(4,947)
Other Accounts Receivable	(22,080)	(8,315)
<b>Reduction (Increase) of Operating Liabilities</b>	<b>29,544</b>	<b>6,269</b>
Contractors and Suppliers	(17,111)	(11,021)
Concession Contracts	(1,088)	632
Contract Bails and Retentions	268	78
Taxes and Contributions	9,181	7,417
Salaries and Charges Payable	16,372	15,521
Revenues to Accrue	20,108	(813)
Bonds Payable	-	(1,843)
Other Accounts Payable	1,814	(3,702)
<b>Net Availability from Operating Activities</b>	<b>337,918</b>	<b>224,835</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Investments		
<b>Availability Net of Investment Activities</b>	<b>(165,077)</b>	<b>(152,391)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Availability Net of Financing Activities</b>	<b>(86,191)</b>	<b>(38,484)</b>
<b>INCREASE (REDUCTION) IN CASH AND EQUIVALENT BALANCES</b>	<b>86,650</b>	<b>33,960</b>
<b>At beginning of period</b>	<b>638,330</b>	<b>163,797</b>
<b>At end of period</b>	<b>724,980</b>	<b>197,757</b>