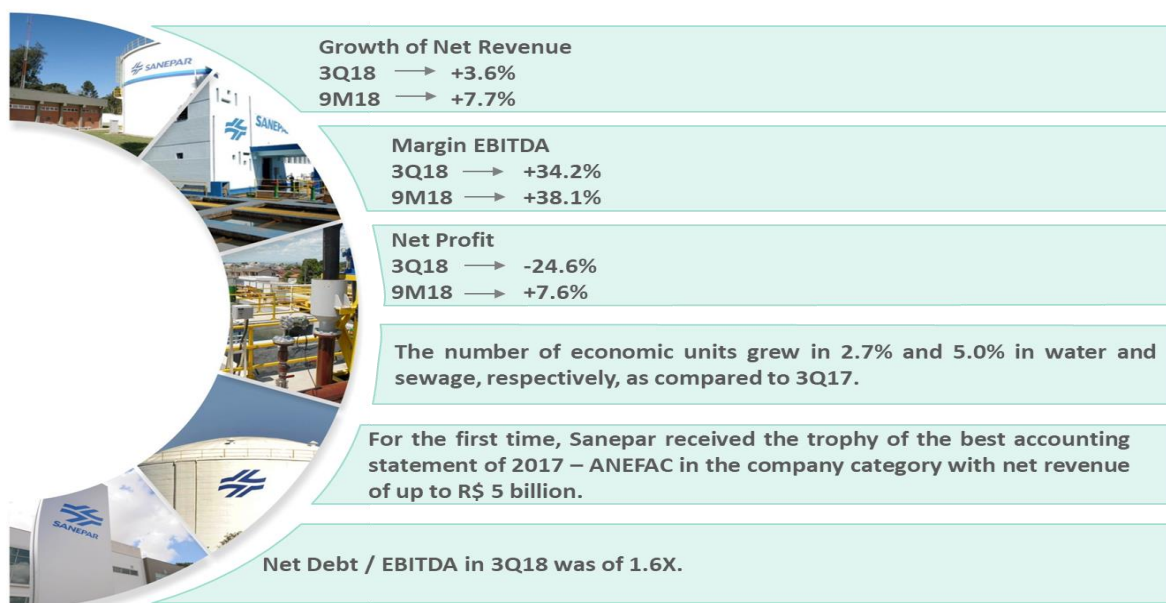


PRESS RELEASE 3Q18

Curitiba, November 06, 2018.

This release features the financial and operational results achieved by Companhia de Saneamento do Paraná – SANEPAR (SAPR3 – ON; SAPR4 – PN; SAPR11 – UNITS) in reference to the 3rd quarter 2018 (3Q18). The economic information contained herein was prepared in compliance with the accepted accounting practices adopted in Brazil with standards set by the Federal Accounting Council (Conselho Federal de Contabilidade – CFC) and by the Securities Commission (Comissão de Valores Mobiliários – CVM), in alignment with the international accounting standards issued by the Accounting Rules Committee (Comitê de Pronunciamentos Contábeis – CPC)

Highlights



	3Q18 (1)	3Q17 (2)	Var. (1/2)	3T16 (3)	Var. (2/3)
Net Revenue	1,045.3	1,008.6	3.6 %	868.2	16.2 %
Operating Result	288.2	289.6	-0.5 %	220.2	31.5 %
EBITDA	357.0	350.1	2.0 %	339.6	3.1 %
Net Profit	132.0	175.1	-24.6 %	114.5	52.9 %
ROE (Annualized)	13.8	14.0	-1.4 p.p.	14.2	-0.2 p.p.
ROIC (Annualized)	11.7	11.3	3.5 p.p.	11.1	0.2 p.p.
Net Debt	2,451.4	2,099.3	16.8 %	2,304.0	-8.9 %
Gross Margin	52.7	56.1	-3.4 p.p.	55.6	0.5 p.p.
Operating Margin	19.6	24.1	-4.5 p.p.	18.3	5.8 p.p.
Net Margin	12.6	17.4	-4.8 p.p.	13.2	4.2 p.p.
EBITDA Margin	34.2	34.7	-0.5 p.p.	39.1	-4.4 p.p.
Total Current Indebtedness	48.8	49.0	-0.2 p.p.	51.0	-2.0 p.p.
Net Debt/EBITDA	1.6	1.7	-0.1 p.p.	2.1	-0.4 p.p.

MARKET VALUE – R\$
09/30/2018

4.1 billion
 SAPR3: 8.01
 SAPR4: 8.32
 SAPR11: 41.44

CONFERENCE CALL
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 Elzira Koswoski Scaramella
 Fabiane Queiroz Santos Heinisch
 Ricardo Garcia Gonçalves

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1. OPERATING DATA

1.1 MARKET

The table below shows the 10 largest contracts (in %) of the Company's Total Revenues:

10 Largest Contracts (% of Total Revenue)					Coverage Rate		Total Active Units serviced (in millions)	
Municipality	% Total Revenue	Remaining term of concession	Type of Concession	Type of Contract	Water	Sewage Collection	Water	Sewage Collection
Curitiba	24.5%	29.8 years	Water & Sewage	Program	100%	94.6%	815.0	773.6
Londrina	7.2%	27.8 years	Water & Sewage	Program	100%	91.6%	241.9	224.5
Maringá	5.2%	21.9 years	Water & Sewage	Concession	100%	100.0%	162.0	167.0
Ponta Grossa	3.5%	7.5 years	Water & Sewage	Concession	100%	90.3%	138.3	123.9
Foz do Iguaçu	3.4%	25.4 years	Water & Sewage	Program	100%	77.3%	108.0	84.9
Cascavel	3.4%	6.2 years	Water & Sewage	Concession	100%	98.6%	122.3	123.1
São José dos	2.9%	25.3 years	Water & Sewage	Program	100%	71.7%	110.0	80.0
Colombo	1.8%	29.6 years	Water & Sewage	Program	100%	60.4%	83.2	51.8
Guarapuava	1.6%	24.1 years	Water & Sewage	Program	100%	78.6%	63.1	50.6
Araucária	1.4%	14.0 years	Water & Sewage	Concession	100%	72.1%	50.3	36.4
Others	45.1%						2,010.1	1,139.3
					100%	71.8%	3,904.	2,855.1

* Information not reviewed by independent auditors.

The treated water coverage rate is 100% and the sewage collection rate is of 71.8% for the urban population in the concession area, with a treatment rate of 100%, according to the Company Information System.

Revenues stem mainly from water connections of the residential type, which represent 90.8% of the total existing water connections on 30 September 2018.

The 3,125,179 water connections existing in September 2018 is 1.9% higher than the number of connections (3,068,242) existing in September 2017, representing a growth of 56,937 water connections, as shown below:

Number of Water Connections *	SEP/18 (1)	%	SEP/17 (2)	%	Var. % (1/2)
Residential	2,838,717	90.8	2,790,986	91.0	1.7
Commercial	223,987	7.2	215,658	7.0	3.9
Industrial	12,758	0.4	12,576	0.4	1.4
Public Utility	23,571	0.8	23,094	0.8	2.1
Public Administration	26,146	0.8	25,928	0.8	0.8
Total	3,125,179	100.0	3,068,242	100.0	1.9

* Information not reviewed by independent auditors.

The 2,108,551 sewage connections existing in September 2018 is 4.7% higher than the total connections (2,012,976) existing in September 2017, representing a growth of 95,575 new sewage connections, as shown below:

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Number of Sewage Connections *	SEP/18 (1)	%	SEP/17 (2)	%	Var. % (1/2)
Residential	1.902.440	90,2	1.816.860	90,3	4,7
Commercial	172.647	8,2	163.915	8,1	5,3
Industrial	5.118	0,2	4.979	0,2	2,8
Public Utility	14.632	0,7	13.964	0,7	4,8
Public Administration	13.714	0,7	13.258	0,7	3,4
Total	2.108.551	100,0	2.012.976	100,0	4,7

* Information not reviewed by independent auditors.

1.2 PRODUCTIVITY

In 3Q18, the volume of treated water measured was of 120.7 million m³, as compared to 123.0 million m³ in 3Q17, representing a reduction of 1.9%, as shown below:

Volume of Water Measured – million m ³ *	3Q18 (1)	3Q17 (2)	Var. % (1/2)	9M18 (3)	9M17 (4)	Var. % (3/4)
Residential	101.5	103.7	-2.1	312.7	315.7	-1.0
Commercial	10.1	10.2	-1.0	30.4	30.1	1.0
Industrial	2.8	2.7	3.7	7.8	8.4	-7.1
Public Utility	1.3	1.5	-13.3	4.0	4.3	-7.0
Public Administration	5.0	4.9	2.0	14.5	14.2	2.1
Total	120.7	123.0	-1.9	369.4	372.7	-0.9

* Information not reviewed by independent auditors.

In 3Q18, the volume of treated water invoiced was of 126.1 million m³, as compared to 127.8 million m³ in 3Q17, representing a reduction of 1.3%, a reflex of the changes undertaken in the company's tariff structure, occurring in June 2017 with changes to the consumption bands and, in particular, in the minimum tariff consumption that went from 10m³ to 5 m³, as shown below:

Volume of Water Invoiced – million m ³ *	3Q18 (1)	3Q17 (2)	Var. % (1/2)	9M18 (3)	9M17 (4)	Var. % (3/4)
Residential	106.3	108.0	-1.6	326.0	358.8	-9.1
Commercial	10.8	10.8	-	32.6	34.7	-6.1
Industrial	2.8	2.7	3.7	7.9	8.5	-7.1
Public Utility	1.2	1.3	-7.7	3.4	3.9	-12.8
Public Administration	5.0	5.0	-	14.7	14.7	-
Total Invoiced	126.1	127.8	-1.3	384.6	420.6	-8.6

* Information not reviewed by independent auditors.

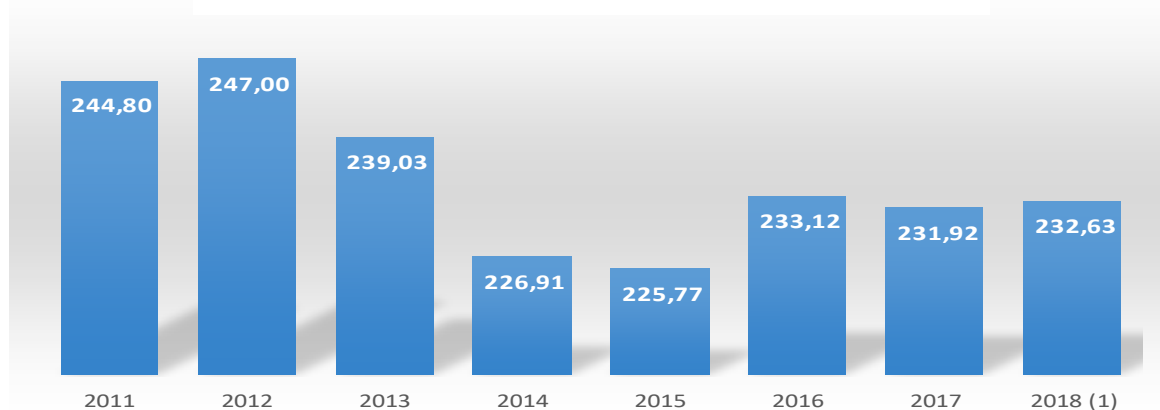
The sewage volume invoiced in 3Q18 showed a growth of 1.3% as compared to 3Q17, again, a reflex of the change in the Company tariff structure, as shown below:

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Volume Sewage Invoiced – million m ³ *	3Q18 (1)	3Q17 (2)	Var. % (1/2)	9M18 (3)	9M17 (4)	Var. % (3/4)
Residential	78.3	77.3	1.3	237.2	254.0	-6.6
Commercial	9.8	9.7	1.0	29.4	30.7	-4.2
Industrial	0.8	0.7	14.3	2.4	2.2	9.1
Public Utility	0.9	1.0	-10.0	2.7	2.9	-6.9
Public Administration	3.8	3.7	2.7	11.0	10.7	2.8
TOTAL INVOICED	93.6	92.4	1.3	282.7	300.5	-5.9

* Information not reviewed by independent auditors.

DEMONSTRATION OF LOSSES RATE PER CONNECTION * Liters/Connection/Day



* Information not reviewed by independent auditors.

(1) Cumulative values for January to September 2018.

1.3 OPERATIONAL INDICATORS

Water*	9M18 (1)	9M17 (2)	Var. (1/2)	9M16 (3)	Var. (2/3)
Economic units serviced through the distribution mains	3,904,196	3,821,335	2.2 %	3,710,958	3.0 %
Number of treatment stations	166	166	-	170	-2.4 %
Number of wells	1,179	1,058	11.4 %	1,035	2.2 %
Number of surface capture	230	229	0.4 %	232	-1.3 %
Kilometers of mains in place	53,808	52,353	2.8 %	50,985	2.7 %
Volume produced	567,774,838	568,133,691	-0.1 %	552,342,764	2.9 %
Loss rates:					
In the distribution system - %	34.94	34.40	0.54 p.p.	34.56	-0.16 p.p.
In invoicing - %	32.27	25.97	6.30 p.p.	20.41	5.56 p.p.
Revenue evasion - %	1.57	2.91	1.34 p.p.	3.46	-0.55 p.p.

(1) This indicator reflects the difference between volumes produced and invoiced. The growth stems mainly from the new tariff structure put in place starting in June 2017.

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Sewage*	9M18 (1)	9M17 (2)	Var. (1/2)	9M16 (3)	Var. (2/3)
Economic units serviced through the collection	2,855,124	2,723,459	4.8 %	2,573,428	5.8 %
Number of treatment stations	243	242	0.4 %	238	1.7 %
Kilometers of mains in place	35,655	34,082	4.6 %	32,152	6.0 %
Volume collected in m ³	270,406,204	265,980,050	1.7 %	251,181,798	5.9 %

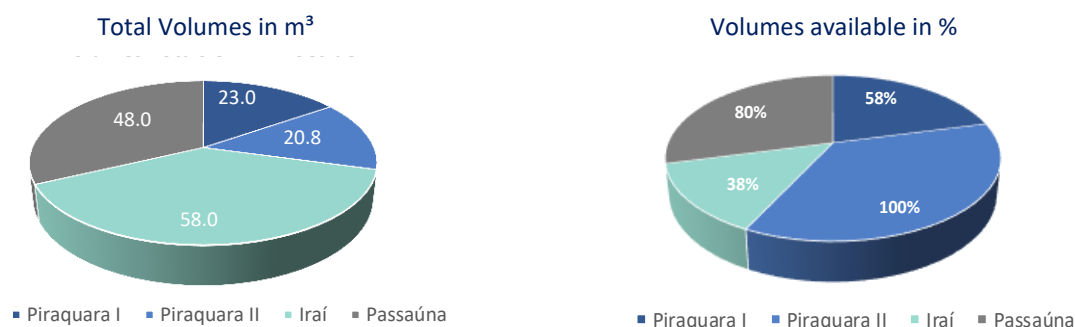
* Information not reviewed by independent auditors.

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.

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. Due to the low volume of rains and higher usage of dammed reserves, the end of quarter average reservoir volume was at 63%.



2. FINANCIAL DATA

2.1 ECONOMIC PERFORMANCE

Gross Operating Revenue – BRL million	3Q18 (1)	3Q17 (2)	Var. % (1/2)	9M18 (3)	9M17 (4)	Var. % (3/4)
Revenue from Water	676.7	661.4	2.3	2,002.4	1,872.2	7.0
Revenue from Sewage	393.2	378.4	3.9	1,155.6	1,060.5	9.0
Revenue from Services	43.1	33.2	29.8	107.6	97.3	10.6
Revenue from Solid Waste	2.4	2.1	14.3	7.3	6.3	15.9
Services Provided to City Halls	4.3	3.8	13.2	12.3	10.3	19.4
Customer Donations	2.9	5.4	-46.3	10.4	12.4	-16.1
Other Revenues	1.2	2.7	-55.6	3.7	5.2	-28.8
Total Operating Revenues	1,123.8	1,087.0	3.4	3,299.3	3,064.2	7.7

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Gross operating revenue grew 3.4%, going from BRL 1,087.0 million in 3Q17 to BRL 1,123.8 million in 3Q18. This growth stems from the 8.53% tariff review applied in June 2017, impacting fully in 2018, of the Annual Tariff Review (Reajuste Tarifário Anual – IRT) for 5.12% that came in force on 17/May/2018, and the increase in Water & Sewage services and the increase in number of connections.

Operating Costs and Expenses – BRL million	3Q18 (1)	3Q17 (2)	Var. % (1/2)	9M18 (3)	9M17 (4)	Var. % (3/4)
Personnel	260.1	287.5	-9.5	769.0	810.4	-5.1
Materials	38.2	37.3	2.4	111.4	115.9	-3.9
Electric Energy	115.0	95.2	20.8	300.6	267.6	12.3
Third-party services	152.5	146.2	4.3	447.5	420.0	6.5
Depreciation and Amortization	68.8	60.5	13.7	201.0	178.2	12.8
Losses in realizing credits	0.7	6.2	-88.7	5.5	19.2	-71.4
Municipal Sanitation and Environmental Management Fund	14.4	7.3	97.3	29.6	20.8	42.3
Regulation Fee	5.2	4.7	10.6	15.6	9.5	64.2
Sanepar Rural Program	0.1	0.2	-50.0	0.8	8.1	-90.1
Indemnities for Damages to Third Parties	28.9	2.1	1.276.2	36.3	20.7	75.4
Other Costs and Expenses	17.5	14.3	22.4	51.0	46.0	10.9
Capitalized expenses	-24.2	-23.9	1.3	-69.8	-60.8	14.8
Total Operating Costs and Expenses	677.2	637.6	6.2	1,898.5	1,855.6	2.3

Operating costs for 3Q18 showed a growth of 6.2% in reference to 3Q17.

The main variations occurred as a result of:

- **Personnel**

Reduction of 9.5% as a reflex of the Encouraged Retirement Programs (Programas de Aposentadoria Incentivada – PAI) and Volunteer Redundancy Programs with Transmission of Knowledge (Programas de Demissão Voluntária com Transmissão de Conhecimento – PDVTC) put in place in January/2017, September/2017 and February/2018, and a headcount downsizing of 4.5% from 7,417 employees in 3Q17 to 7,038 employees in 3Q18, offset by the Collective Labor Agreement 2018/2019, signed in June 2018, with payment retroactive to March 2018 (base date), that addressed: i) salary readjustment of between 2.00 and 4.04%, according to the employee's salary scheme in the career plan; ii) amount of BRL 105.00 across the board for all headcounts; iii) readjustment of 1.81% (INPC) in the meal token plan; and iv) readjustment of 2%, retroactive to January 2018, with reference to the annual career plan assessment cycle (gain of one position on the salary table for time in house or merit for employees meeting the criteria established).

In June 2018, the Company extinguished 44 strategic consultant positions, with dismissal of 41 of roles held, representing a monthly cost of BRL 1,012 mil.

- **Materials**

Growth of 2.4%, in particular in electrical mechanic maintenance, fuels and lubricants, safety material, protection and uniforms, as well as grid maintenance material;

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- Electric Energy**
 Growth of 20.8% in electric energy allocated to operating costs, due to the red Tariff Flag of the power sector in the months of July, August and September plus the readjustment of 15.99% in the tariff in force starting on 24/June/2018;
- Third-party Services**
 Growth of 4.3%, in particular, in building and system operation maintenance services, registration and invoicing services, surveillance services, collection services and sewage residue removal services;
- Depreciation and Amortization**
 Growth of 13.7%, due mainly to the beginning of operation of intangible and/or immobilized assets for the amount of BRL 841.4 million (net of amortization and write-offs);
- Municipal Sanitation and Environmental Management Fund**
 Increase of 97.3% due to the signing of the new Program Contracts, mainly with the Municipality of Curitiba.
- Indemnities for Damages to Third Parties**
 Growth of 1,276.2%, in particular, for payment of settlement for two legal claims with the objective of establishing the economic-financial balance for works carried out in 2002 and 2008 by Itajuí Engenharia de Obras Ltda for the amount of BRL 25.1 million; and
- Other Costs and Expenses**
 Growth of 23.2%, in particular, in legal and court costs land social, educational, environmental and research programs/agreements.

2.2 ECONOMIC INDICATORS

Financial Result – BRL million	3Q18 (1)	3Q17 (2)	Var. % (1/2)	9M18 (3)	9M17 (4)	Var. % (3/4)
Financial Revenues						
Investments	6.6	12.2	-45.9	25.4	54.7	-53.6
Active Monetary Variations	4.0	6.7	-40.3	9.1	11.5	-20.9
Other Financial Revenues	4.3	2.6	65.4	11.8	9.8	20.4
Total Financial Revenues	14.9	21.5	-30.7	46.3	76.0	-39.1
Financial Expenses						
Financing and Debentures Interest and Rates	-50.0	-44.0	13.6	-141.3	-143.0	-1.2
Passive Monetary Variations	-31.3	-4.1	663.4	-57.2	-30.9	85.1
Other Financial Expenses	-1.8	-0.7	157.1	-5.1	-1.9	168.4
Total Financial Expenses	-83.1	-48.8	70.3	-203.6	-175.8	15.8
Financial Result	-68.2	-27.3	149.8	-157.3	-99.8	57.6

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Financial result posted a negative variation on the order of 149.8% from BRL 27.3 million to BRL 68.2 million in 3Q17 and 3Q18, respectively, stemming, in particular, from the reduction in financial investment amounts in 45.9% and the increase in passive monetary variations (monetary correction of debt from financial Merchant lease for the amount of BRL 26.5 million) in 663,4%.

Economic Result - BRL million	3Q18 (1)	3Q17 (2)	Var. % (1/2)	9M18 (3)	9M17 (4)	Var. % (3/4)
Operational Result	288.2	289.6	-0.5	965.3	821.5	17.5
Financial Result	-68.2	-27.3	149.8	-157.3	-99.8	57.6
Tax burden on Profits	-88.0	-87.2	0.9	-235.5	-189.7	24.1
Net Profit	132.0	175.1	-24.6	572.5	532.0	7.6

The Company had a net profit of BRL 132.0 million in 3Q18, 24.6% below the net result of BRL 175.1 million registered on 3Q17. . The result was specially impacted by the growth in operating revenues by 3.6%, with operating costs and expenses growing 6.2%, reflected on the payment of legal suits for the amount of BRL 25.1 million as well as the increase in financial expenses, influenced in particular by the update of the merchant financial lease (sewage works on the coast of the state) in BRL 26.5 million.

The reclassification of the 3Q18 result, excluded non-recurring items, is shown below:

Non-recurring items - BRL million	3Q18	3Q17	9M18	9M17
Net Profit	132.0	175.1	572.5	532.0
PAI and PDVTC	-	30.3	6.8	45.8
PPR (1)	12.4	-	53.6	-
Regulation Rate	-	-	5.2	-
Water shortage civil claims in Maringá	-	-	-	27.0
IBAMA Agreement	-	-	18.0	-
Indemnities for Damages to Third Parties	16.2	-	16.2	-
Passive Monetary Variation of Financial Merchant Lease	26.5	-	43.9	-
Tax effects	-5.5	-	-7.3	-
Proforma Net Profit	181.6	205.4	708.9	604.8
Net Margin	17.4	20.4	23.1	21.3
EBITDA	385.6	380.4	1,266.1	1,072.5
EBITDA Margin	36.9	37.7	41.3	37.7

(1) Starting in tax year 2018, the Company started to record the provision on a quarterly basis. Up to tax year 2017, provision was only booked in the month of December.

Distribution of Economic Wealth Generated – BRL Million	3Q18 (1)	3Q17 (2)	Var. % (1/2)	9M18 (3)	9M17 (4)	Var. % (3/4)
Staff Compensation	272.1	275.5	-1.2	742.7	717.2	3.6
Government Compensation (Taxes)	208.9	208.0	0.4	597.4	537.9	11.1
Third-party compensation (Rentals)	12.3	12.2	0.8	36.5	35.5	2.8
Third-party capital compensation (Interest and Monetary Variation)	83.1	48.8	70.3	203.6	175.8	15.8
Interest on Share Capital	-	-	-	159.3	159.5	-0.1
Net Profit for the Period not distributed	132.0	175.1	-24.6	413.2	372.5	10.9
Total Economic Wealth	708.4	719.6	-1.6	2,152.7	1,998.4	7.7

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SANEPAR's growth and development strategy to operate in a public utility services market, also opened to private initiative, is based on the search for effective results, commitment to quality of services provided and, in particular, addressing the needs of the granting power and of shareholders.

The figures below display the financial-economic results achieved by the Company in supporting its investment programs, providing adequate conditions to address future demand levels.

Economic Indicators - BRL million	3Q18 (1)	3Q17 (2)	Var. % (1/2)	9M18 (3)	9M17 (4)	Var. % (3/4)
Net Operating Revenue	1,045.3	1,008.6	3.6 %	3,064.3	2,843.9	7.7 %
Operating Profit	288.2	289.6	-0.5 %	965.3	821.5	17.5 %
Net Profit	132.0	175.1	-24.6 %	572.5	532.0	7.6 %
% Operating Margin	19.6	24.1	-4.5 p.p.	24.5	23.6	0.9 p.p.
% Net Margin	12.6	17.4	-4.8 p.p.	18.7	18.7	0.0 p.p.
% Profitability of mean PL	2.5	3.5	-1.1 p.p.	10.8	10.8	0.0 p.p.
Net Debt/EBITDA (12-month rolling window)	-	-	-	1.6	1.7	-0.1 p.p.

At the end of 3Q18, Total Company assets reached BRL 10,545.6 million (BRL 10,122.7 million on 31/Dec/2017), with Total indebtedness at end of 3Q18 were of BRL 5,142.6 million (BRL 4,970.0 million on 31/Dec/2017).

Of the total debt amount, BRL 2,774.1 million (BRL 2,716.8 million on 31/Dec/2017) are in reference to loans, financing and debentures, with a growth of 2.1% as compared to end of 2017 tax year.

	Reference	SEP/18	DEC/17	Var.
Net equity	BRL million	5,403.0	5,152.7	4.9 %
Share equity value	BRL	10.73	10.23	4.9 %
Level of indebtedness	%	48.8	49.1	-0.3 p.p.
Current liquidity	BRL	0.82	0.99	-0.17 p.p.
Dry liquidity	BRL	0.79	0.95	-0.16 p.p.

EBITDA and Operating Cash Generation

EBITDA in 3Q18, representing the Company's operating results, was of BRL 357.0 million, as compared to BRL 350.1 million in 3Q17. EBITDA margin went from 34.7% to 34.2%. The reduction was the outcome of net revenue growth of 3.6%, with costs and expenses impacting on EBITDA increasing in 4.5%. Operating cash generation in 3Q18 was of BRL 377.3 million, growth of 0.1% with respect to 3Q17. EBITDA conversion into Operating Cash was of 105.7%.

EBITDA - BRL million	3Q18 (1)	3Q17 (2)	Var. % (1/2)	9M18 (3)	9M17 (4)	Var. % (3/4)
Net Profit for the period	132.0	175.1	-24.6 %	572.5	532.0	7.6 %
(+) Taxes on Profit	88.0	87.2	0.9 %	235.5	189.7	24.1 %
(+) Financial Result	68.2	27.3	149.8 %	157.3	99.8	57.6 %
(+) Depreciation and Amortization	68.8	60.5	13.7 %	201.0	178.2	12.8 %
EBITDA	357.0	350.1	2.0 %	1.166.3	999.7	16.7 %
% EBITDA Margin	34.2	34.7	0.5 p.p.	38.1	35.2	2.9 p.p.
% Conversion EBITDA into Cash	105.7	107.9	-2.0 %	86.3	104.0	-17.0 %

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2.3 INVESTMENT

Investments made in 3Q18 were of BRL 302.7 (BRL 245.5 million in 3Q17), as shown below:

Investments - BRL million	3Q18 (1)	3Q17 (2)	Var. % (1/2)	9M18 (3)	9M17 (4)	Var. % (3/4)
Water	113.4	92.7	22.3	334.8	231.0	44.9
Sewage	145.6	124.9	16.6	289.9	274.7	5.5
Other Investments	43.7	27.9	56.6	124.0	55.5	123.4
Total	302.7	245.5	23.3	748.7	561.2	33.4

2.4 INDEBTEDNESS

Gross debt went from BRL 2,716.8 million in December 2017 to BRL 2,774.1 in September 2018, representing an increase of BRL 57.3 million. Net debt went from BRL 2,182.9 million in December 2017 to BRL 2,451.4 million in September 2018.

The leveraging index, measured by the ratio “Net Debt/EBITDA (12-month rolling window)” dropped in 5.9%, going from 1.7x to 1,6x in 6M17 and 6M18, respectively, due to the increase in EBITDA. Level of indebtedness closed at 48,8% at the end of 3Q18 (49.0% in 3Q17).

Next, we show the composition of loans, financing, debentures and merchant leases, with the respective interest rates, maturation dates and outstanding balances on September 30, 2018:

Indebtedness	Annual interest rate	Indexer	Maturation date	Outstanding balance	%
Caixa Econômica Federal	6.62% to 12.00%	TR	19/01/2042	953.9	34.4
Merchant Financial Lease	11.14%	IPC-FIPE	05/12/2036	275.1	9.9
BNDES – PAC2	1.67% and 2.05%	TJLP	15/07/2029	257.6	9.3
Debentures 4ª Issuance – 1st series	1.67%	TJLP	15/07/2027	181.3	6.5
Debentures 6ª Issuance – 2nd series	0.83%	DI	15/08/2019	171.1	6.2
Debentures 8ª Issuance – 2nd series	0.51%	DI	15/06/2023	157.6	5.7
Debentures 3ª Issuance – 2nd Series	6.99%	IPCA	15/11/2020	138.4	5.0
Debentures 2nd Issuance – 2nd Series	9.19%	IPCA	15/09/2024	108.5	3.9
Debentures 2nd Issuance – 3rd Series	1.92%	TJLP	15/09/2024	97.5	3.5
Debentures 8ª Issuance – 1st series	0.42%	DI	15/06/2021	96.6	3.5
Debentures 4ª Issuance – 2nd Series	7.44%	IPCA	15/07/2027	96.0	3.5
Debentures 2nd Issuance – 1st series	1.92%	TJLP	15/09/2024	73.1	2.6
Debentures 3ª Issuance – 1st series	0.69%	DI	15/11/2018	68.5	2.5
BNDES	1.82% and 2.50%	TJLP	15/01/2023	62.7	2.2
Banco Itaú – PSI	3.00 to 6.00%	-	15/01/2025	19.6	0.7
Banco do Brasil - PSI	3.00 to 6.00%	-	15/04/2024	16.6	0.6
Total Short and Long Term Debt				2,774.1	100.

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The table below displays the profile of debt in relation to the maturation dates:

Description - BRL million	Outstanding balance	%
12 months	472.9	17.0
24 months	277.5	10.0
36 months	554.6	20.0
60 months	143.9	5.2
Over 60 months	1.325.2	47.8
Total	2.774.1	100.0

3. REGULATION

The Company was authorized by the state regulating agency Agência Reguladora de Serviços Públicos Delegados de Infraestrutura do Paraná – AGEPAR, through the Ratification Resolution (Resolução Homologatória) no. 003, of April 12, 2017, to apply the tariff repositioning index of 25.63% starting on April 17, as established in article 3:

“Art. 3 - Define that the deployment of the ratified tariff review as per article 2 of this resolution will be deferred in 8 (eight) years, with the first installment corresponding to, in 2017, an average repositioning of 8.53% (eight point five three percent), and the other 7 (seven) installments of 2.11% (two point eleven percent), plus of the corresponding financial and economic correction, to be applied using the mean rate weighting for the daily financing operations obtained from the Sistema Especial de Liquidação e Custódia (SELIC), in the terms defined in the Technical Note approved in article 1 of this Resolution”.

In an analogy, Technical Instruction (Orientação Técnica) OCPC 08 – Recognition of Specific Assets and Liabilities in General Purpose Accounting-Financial Statements of Power Utility Distribution companies (Reconhecimento de Determinados Ativos e Passivos nos Relatórios Contábil-Financeiros de Propósito Geral das Distribuidoras de Energia Elétrica) published in accordance with the Brazilian and International Accounting Standards, the Company does not post in its Accounting Statements amounts receivable statement from the deferment considering that: (i) realization or requiring of these amounts would depend on a future event not totally controllable by the Entity - future invoicing of water and sewage services; (ii) at the moment of the appearance of the right to receive, it is not practical to know who the debtors of said amounts would be; and (iii) actual collection of these amounts shall take place only by maintaining concessions.

The value estimate to receive stemming from the difference between the Revenue Required and the Actual Revenue will be measured and disclosed throughout the deferment period, and on September 2018, the best estimate, represents BRL 818.0 million. In real terms, of the 25.63% repositioning to be applied in 2017, 10.82% have been integrated to the Company tariff with a further 13.36% left pending for the coming 6 years.

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Installment A variation line (CVA)

The Offset of Variation of Items in Installment "A" line corresponds to offsetting the sum of monthly difference amounts, positive or negative, calculated as a function of the variations in costs of electric energy, chemical products and sector charges, corrected by IPCA.

CVA is determined based on historical cost for the $t - 1$ period for the three components mentioned above and passed through by way of the adjustments in period t . However, the basic formula for tariff readjustment does not guarantee the perfect pass through all of non-manageable costs to consumers, given it does not consider, for instance, the differences between the reference market and the actual deployment market.

Since the calculation of the tariff readjustment presupposes that in the following period the same exact volume will be in force (m^3) applied in the calculation of the readjustment, at the end of period t , CVA balance would be zero.

Up to June 2018, Company CVA posted a positive balance of BRL 57 million, which Sanepar must recover through the tariff in the following year

EBITDA Adjusted with non-manageable items - Not reviewed by independent auditors

The Company is announcing pro forma the adjusted EBITDA with non-manageable items as a metric to analyze the impacts of the offsetting of the "A" portion (electricity, treatment material, fees and charges) of the tariff model.

EBITDA adjusted with non-manageable items is a non-accounting measurement and should not be considered in isolation as an operating indicator or cash flow or to measure the Company's liquidity or debt capacity.

The EBITDA calculation is as follows, considering the estimated amounts of non-manageable items, accumulated up to 3Q18.

EBITDA – BRL million	9M18
EBITDA	1,166.3
(+) Non-manageable Items	57.0
Electricity	20.0
Treatment Material	-0.6
Fees and Charges	37.6
(=) Adjusted EBITDA with non-manageable items	1,223.3
% EBITDA Margin	39.9

It should be noted that these amounts may change until the end of the year, due to what may occur in 4Q18.

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Tariff Readjustment

The Steering Committee of the regulatory agency in the state, to wit, Agência Reguladora de Serviços Públicos Delegados de Infraestrutura do Paraná – AGEPAR ratified on March 28, 2017, through Final Technical Note (Nota Técnica Final) no. 001/2018, the Annual Tariff Readjustment (Reajuste Tarifário Anual – IRT) of 5.12% on services rendered to be applied starting on May 17, 2018, and also approved the Sanitation Services Tariff Table, as per Ratifying Decision (Resolução Homologatória) no. 005/2018.

4. CAPITAL MARKETS

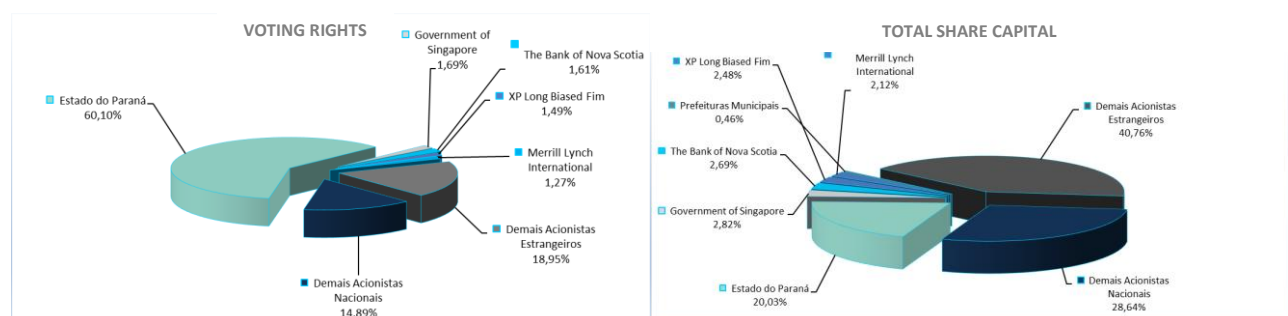
4.1 SHAREHOLDING COMPOSITION OF THE CAPITAL

The Share Capital is comprised of 503,735,173 shares, of which 167,911,753 are ordinary shares and 335,823,420 preferential shares without nominal value, fully paid in by individuals or businesses residing and domiciled both in the country and abroad.

The underwritten and paid in Share Capital on December 31, 2017, was of BRL 2,855.0 million net of the attraction of BRL 2,851.0 million, with its composition being shown below.

SHAREHOLDERS	Number of Shares			Share Capital - BRL thousand			% interest	
	ON	PN	Total	ON	PN	Total	Votin Cap.	Total Cap.
State of Paraná	100,914,575	1	100,914,576	571,940		571,940	60.10%	20.03%
Government of Singapore	2,837,956	11,351,828	14,189,784	16,084	64,337	80,422	1.69%	2.82%
The Bank of Nova Scotia	2,708,370	10,833,480	13,541,850	15,350	61,399	76,749	1.61%	2.69%
XP Long Biased Fim	2,498,397	9,993,588	12,491,985	14,160	56,639	70,799	1.49%	2.48%
Merrill Lynch International	2,125,763	8,577,700	10,703,463	12,048	48,615	60,663	1.27%	2.12%
City Halls		2,310,702	2,310,702		13,096	13,096		0.46%
Other Offshore shareholders	31,820,065	173,482,029	205,302,094	180,342	983,221	1,163,563	18.95%	40.76%
Other Domestic Shareholders	25,006,627	119,274,092	144,280,719	141,727	675,994	817,720	14.89%	28.64%
TOTAL	167,911,753	335,823,420	503,735,173	951,651	1,903,301	2,854,952	100%	100%

Share Ownership



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4.2 SECURITIES

Ordinary shares (SAPR3) ended the quarter at BRL 8.01 with a negative variation of 5.76% as compared to the same period in 2017.

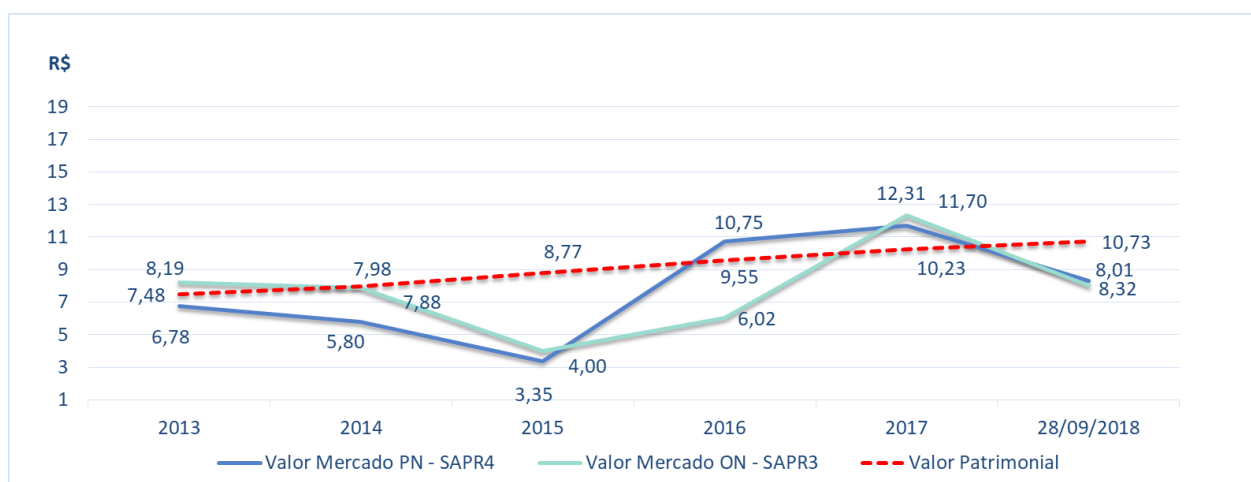
In 3Q18, Sanepar nominative preferential share (SAPR4), closed at BRL 8.32 as compared to BRL 10.82 in 3Q17, a negative variation of 23.11%.

UNITS (SAPR11) were valued at BRL 41.44 at the end of the quarter, accumulating a negative variation of 31,48% since they were formed in November 2017.

The equity value of each share in 3Q18 was of BRL 10.73. In 3Q17 registered at BRL 9.99.

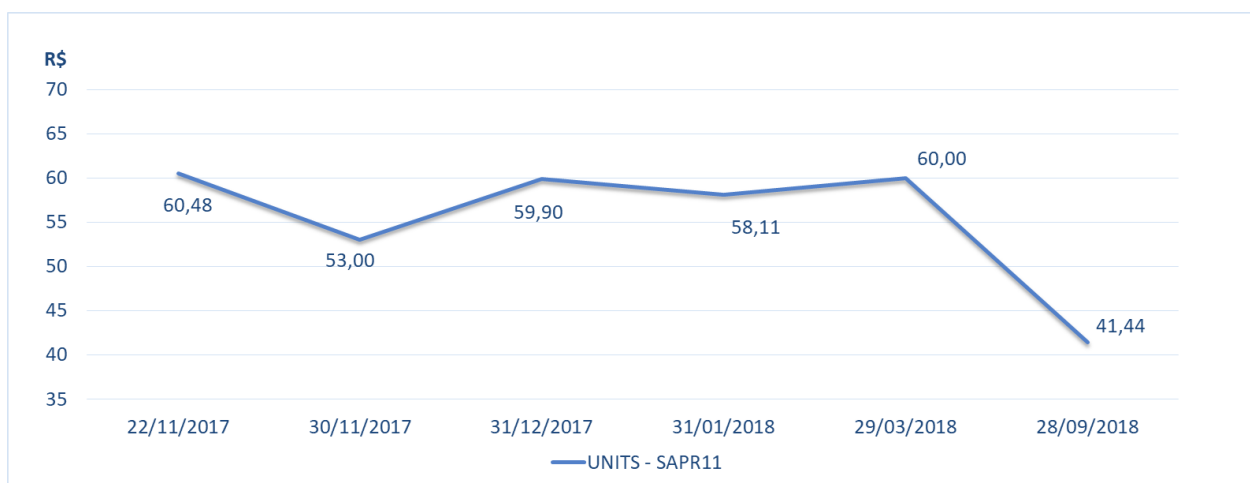
The volume of Sanepar shares traded in 3Q18 was of BRL 1,100.0 million as compared to BRL 1,666.0 million registered in 3Q17.

Comparative between market value and equity value

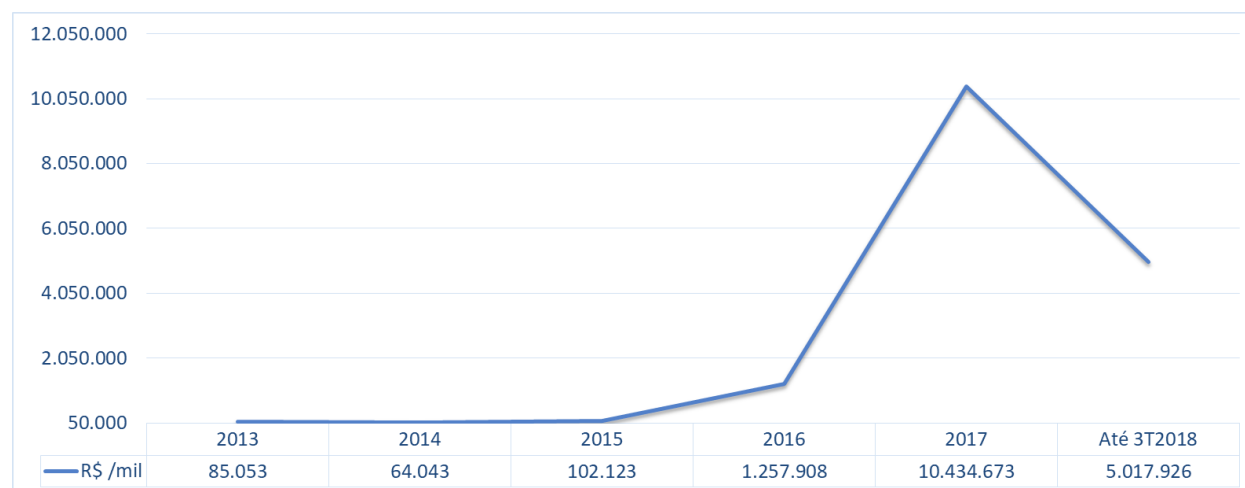


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Evolution of Units (BRL)



Evolution of financial volume traded



4.3 PAYOUT

According to the Articles of Incorporation, the portion paid for the mandatory dividend may not be inferior to 25% of the adjusted Net Profit, as established in article 202, of Law 6404/76.

Based on the current dividend policy, Management may, in addition to the annual dividend, respected the financial health and public interest that led to the establishment of the Company, approve the distribution a further 25% of net profit in the form of additional dividends and/or interest on share capital. For shareholders owners of preferential shares Interest on Share Capital (dividend), dividend per share 10% higher than the one attributed to ordinary shares.

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The Company shareholder compensation credit is attributed based on the shareholding interest position held on the last working day of June and December of each tax year. Any eventual negotiations after the credit, are considered ex-dividends (interest on share capital and dividends).

On April 26, 2018, the General Shareholder Assembly approved payment of Interest on Share Capital and Additional Dividends, credited to shareholders for tax year 2017, for the gross amount of BRL 325.6 million, performed on June 25, 2018.

The per share compensation amount paid to shareholders was of:

- Ordinary share 0.60603
- Preferential share 0.66663
- Value for 1 Unit 1.66949

For the first semester 2018, the gross value calculated for Interest on Share Capital, addressed the legal limit of the variation of the TJLP for the period, was of BRL 159.3 million. This amount substitutes the Mandatory Dividends, as per statutory rules and based on the results for the 1st semester 2018. The Board deliberated on the credit for the Interest on Share Capital at its 10th/2018 Ordinary Board Meeting on June 27, 2018, considering the shareholding interest held on July 02, 2018, informing the market through the Shareholder Notice published on the same date.

Interest on Share Capital are subject to 15% (fifteen percent) Income Tax withheld at the source, except for those shareholders declaring waiver or exemption.

Shareholder compensation amounts, per share, were.

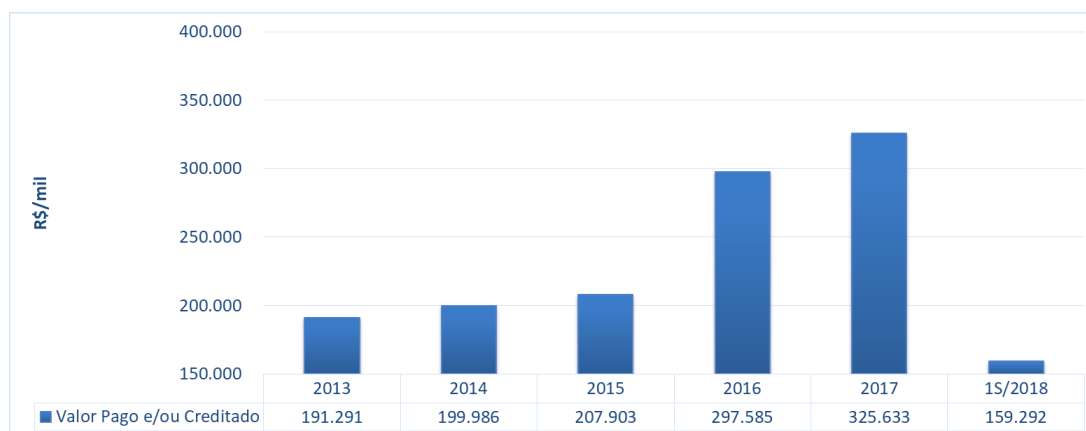
- Ordinary share 0.29646
- Preferential share 0.32610
- Value for 1 Unit 1.60087

TOP 10

On 31/Jul/2018, published by GuialInvest, the “TOP10 Dividends Ranking” pointed out Sanepar (SAPR11) as 6th place among Best Shares for Dividends, for the companies traded in B3.

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Shareholder compensation



5. OTHER INFORMATION

5.1 TRANSPARENCY TROPHY

One of the winners of the **Transparency Trophy ANEFAC® 2018 – 22nd ANEFAC-FIPECAFI-SERASA EXPERIAN Award**, Sanepar also received the standout **Trophy for best accounting statements** in the category (Companies with net revenues of up to BRL5 billion).

Transparency Trophy ANEFAC® winners are selected after the analysis of over two thousand financial statements, performed by masters and doctorate students at FEA/USP/FIPECAFI.

5.2 NATIONAL QUALITY IN SANITATION AWARD (PNQS)

Three trophies were earned by Sanepar in the National Quality in Sanitation Award (PNQS) 2018, announced on October 25th. The Regional Office of Cornélio Procópio, the Industrial Department of Londrina and General Administration Southeast were the winners in the Company in this edition at Level II with Silver Trophies.

The Award, given by the Brazilian Association of Sanitation and Environmental Engineering (Abes), is the most important in the national sanitation sector and is based on the Model of Excellence in Environmental Sanitation Management, MEGSA.

In order to earn the Quíron, the PNQS trophy, Sanepar applied good management practices and delivered high level results in performance.

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Result Statement	3Q18	3Q17	3T16
Net Operating Revenue	1,045.3	1,008.6	868.2
Cost of Services Provided	-453.4	-398.9	-348.6
Gross Profit	591.9	609.7	519.6
Operating Expenses	-303.7	-320.1	-299.4
Commercial	-80.5	-75.1	-65.0
Administrative	-143.3	-163.6	-145.3
Civil, Labor, Tax and Environmental Provisions	15.1	-24.0	-45.1
Provisions for Retirement and Medical Insurance Plan	-21.5	-27.0	-25.5
Profit Share Program	-53.1	-29.0	-15.9
Other Operating Expenses (Revenues)	-19.1	-0.7	-1.7
Result of Equity Equivalence	-1.3	-0.7	-0.9
Result before Financial Results and Taxes	288.2	289.6	220.2
Financial Result	-68.2	-27.3	-49.6
Financial Revenues	14.9	21.5	14.3
Financial Expenses	-83.1	-48.8	-63.9
Result Before Taxes on Profit	220.0	262.3	170.6
Income Tax and Social Contribution on Profit	-88.0	-87.2	-56.1
Net Profit for the Period	132.0	175.1	114.5

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Balance Sheet - Assets	SEP/18	DEC/17	DEC/16
Current Asset			
Cash and Cash Equivalents	322.7	533.9	638.3
Accounts Receivable from Customers	621.5	606.3	559.8
Stocks	37.8	36.9	36.7
Taxes to Recover	0.7	24.1	39.0
Linked Deposits	7.5	5.8	9.9
Other Accounts Receivable	64.1	32.2	23.5
Total Current	1,054.3	1,239.2	1,307.2
Non-Current Assets			
Accounts Receivable from Customers	20.9	11.1	10.7
Income Tax and Social Contribution Deferred	485.2	453.1	374.0
Linked Deposits	49.5	49.5	45.8
Taxes to Recover	-	0.8	0.8
Contract Financial Assets	198.7	185.4	156.4
Judicial Deposits	368.2	201.1	172.4
Other Accounts Receivable	47.4	42.9	43.7
Investments	19.6	19.5	12.4
Fixed	158.9	129.9	131.3
Intangible	8,142.9	7,790.2	7,199.4
Total Non-Current	9,491.3	8,883.5	8,146.9
Total Assets	10,545.6	10,122.7	9,454.1

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Balance Sheet - Liability	SEP/18	DEC/17	DEC/16
Current Liability			
Labor obligations	96.0	100.0	83.9
Suppliers	163.1	182.7	133.5
Tax Obligations	74.9	66.9	63.3
Loans and Financing	472.9	562.5	379.2
Dividends and JCP Payable	145.4	136.3	134.1
Concession Contracts	30.1	7.7	7.5
Contract Deposits and Retentions	2.8	2.7	2.3
Revenues to Accrue	4.2	4.2	0.5
Other Accounts Payable	68.5	54.5	36.5
Provisions for Retirement and medical Insurance Plan	66.7	62.4	53.1
Labor Claims Provisions	162.6	76.7	73.4
Total Current	1,287.2	1,256.6	967.3
Non-Current Liability			
Loans and Financing	2,301.2	2,154.3	2,332.9
Concession Contracts	30.1	84.3	89.4
Taxes and Contributions	1.1	1.3	1.4
Revenues to Accrue	10.1	13.3	-
Other Accounts Receivable	60.6	80.4	4.9
Provisions for Retirement and medical Insurance Plan	934.3	874.2	742.9
Provisions	518.0	505.6	506.6
Total Non-Current	3,855.4	3,713.4	3,678.1
Total Liability	5,142.6	4,970.0	4,645.4
Net Equity			
Share Capital	2,851.1	2,851.1	2,847.7
Reassessment Reserve	76.5	81.2	87.2
Profit Reserves	2,000.1	2,162.9	1,779.9
Accumulated Profits	419.7	-	-
Equity Assessment Adjustments	6.1	8.0	10.4
Other Encompassing Results	49.5	49.5	83.5
Total Net Equity	5,403.0	5,152.7	4,808.7
Total Liability and Net Equity	10,545.6	10,122.7	9,454.1

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Cash Flow Statement	3Q18	3Q17	3T16
Cash Flow from Operational Activities			
Net Profit for the Period	132.0	175.1	114.5
Adjustments for conciliation of Net Profit and net cash			
Depreciation and Amortization	68.8	60.5	55.2
Cost of Drawdowns of Fixed and Intangible	2.0	1.0	1.9
Adjustment to Asset Value Recoverable	-0.1	-0.4	-0.2
Adjustment to Present Value – Financial Assets	-4.4	-1.8	-1.5
Provision for Losses in Realizing Credits	0.6	6.2	7.3
Deferred Income Tax and Social Contribution, net	6.7	-16.2	-17.4
Civil, Labor, Tax and Environmental Provisions	-15.1	24.0	45.1
Provisions for Retirement and medical Insurance Plan	21.5	27.0	25.5
Interest on Financing	55.9	56.0	60.9
Monetary Variations on Financing	32.0	4.3	11.0
Result of Equity Equivalence	1.3	0.7	0.9
Accrual of Costs in Attracting Third-party Resources	0.2	0.2	0.1
Adjustment at Fair Value – Investments	-1.3	-	-
	300.1	336.6	303.3
Variation on Asset and Liabilities			
Accounts Receivable from Customers	5.9	-58.3	0.8
Taxes and Contributions to Recover	42.5	21.7	24.0
Stocks	0.8	0.5	0.2
Judicial Deposits	9.9	-6.9	-11.7
Other Credits and Accounts Receivable	-9.0	4.8	-1.6
Suppliers	8.8	13.8	-9.1
Concession Contracts	0.5	-1.3	-0.6
Taxes and Contributions	19.3	43.4	20.5
Salaries and Charges Payable	-0.1	26.2	5.2
Contract Deposits and Retentions	0.2	0.2	-0.5
Revenues to Accrue	-1.1	-1.1	-0.8
Other Accounts Payable	-0.5	-1.9	-25.6
	77.2	41.1	0.8
Cash Generated by Operating Activities	377.3	377.7	304.1
Cash Flow from Investment Activities			
Deployment on Fixed and Intangible	-247.2	-193.0	-185.2
Deployment in Investments	-0.3	0.7	-0.5
Cash Generated from Investment Activities	-247.5	-192.3	-185.7
Cash Flow from Financing Activities			
Financing Obtained	57.6	31.0	295.6
Amortization of Financing	-150.0	-58.5	-50.8
Payment of Interest on Financing	-61.5	-66.1	-46.6
Cost of Attracting Third-party Resources	-	-	-1.8
Linked Deposits	4.7	1.1	-8.2
Payment of Interest on Share Capital	-	-7.9	-5.8
Cash Generated by Financing Activities	-149.2	-100.4	182.4
Variation in Balances of Cash and Equivalents	-19.4	85.0	300.8
Initial Cash and Equivalents Balance	342.1	450.9	75.7
Final Balance of Cash and Equivalents	322.7	535.9	376.5

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