

**Announcement of Periodic Review: Moody's announces completion of a periodic review of ratings of Companhia de Saneamento do Parana - SANEPAR**

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New York, May 07, 2019 -- Moody's Investors Service ("Moody's") has completed a periodic review of the ratings of Companhia de Saneamento do Parana - SANEPAR and other ratings that are associated with the same analytical unit. The review was conducted through a portfolio review in which Moody's reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), recent developments, and a comparison of the financial and operating profile to similarly rated peers. The review did not involve a rating committee. Since 1 January 2019, Moody's practice has been to issue a press release following each periodic review to announce its completion.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Credit ratings and outlook/review status cannot be changed in a portfolio review and hence are not impacted by this announcement. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moodys.com](http://www.moodys.com) for the most updated credit rating action information and rating history.

Key rating considerations are summarized below.

The Ba2 rating of Companhia de Saneamento do Parana (Sanepar) reflects the company's strong and resilient credit metrics for the rating category, the adequate liquidity position and the good access to debt market to fund its large capital expenditure program. The company's credit profile also reflects the attractive concession area, with long-term concession contracts providing more visibility over cash flow generation in the long-run. Sanepar has shifted to an improved, although untested, regulatory framework following its second tariff review. That said, the rating of Sanepar is constrained by the sizable capital spending program, which is expected to absorb a large portion of the company's operating cash flow in the coming years, and Brazil's credit quality, with a sovereign bond rating of Ba2 stable.

This document summarizes Moody's view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Regulated Water Utilities published in June 2018. Please see the Rating Methodologies page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

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