



COMPANHIA DE SANEAMENTO DO PARANÁ – SANEPAR

LISTED COMPANY

REGISTRATION CVM NO. 01862-7 - CNPJ/MF NO. 76.484.013/0001-45

NOTICE TO THE MARKET

Companhia de Saneamento do Paraná – Sanepar, in complying with the dispositions of article 12 of CVM Instruction no. 358/2002, advises its shareholders, investors and the market at large that the State of Paraná, legally established entity in public law, established in Curitiba, Paraná, at Palácio Iguazú - Praça Nossa Senhora Salete S/Nº, Centro Cívico, registered in the CNPJ under no. 76.416.940/0001-28, as the controlling shareholder of the Companhia de Saneamento do Paraná - SANEPAR, informs, under the terms of article 12, of CVM Instruction no. 358 of January 03, 2002 of the National Securities Commission (Comissão de Valores Mobiliários – CVM), that on December 18, 200,017, placed under lien 9,986,263 ordinary shares, representing 5.95% of the ordinary shares issued by Sanepar and 39,945,052 preferential shares, representing 11.89% of the preferential shares issued by Sanepar, resulting from the conversion of 39,945,052 ordinary shares into preferential shares.

The State of Paraná further states that:

- a) Following the lien of the shares described in inset “a” above, its current shareholding interest comprises 100,914,575 ordinary shares, representing 60.10% of the ordinary shares issued by Sanepar and a single 01 (one) preferential share, representing 0% of the preferential shares issued by Sanepar;
- b) It does not hold other securities or derivative financial instruments referenced to such shares, i.e., for physical or financial settlement; and
- c) The lien of the shareholding interest above does not intend to change the control of the Company nor is an endeavor to change its management, composition of controlling holdings or functioning.

Curitiba, January 16, 2018.

Paulo Rogério Bragatto Battiston
Director of Finances and Investor Relations