



On a long enough timeline
the survival rate for
everyone drops to zero.

Cia de Saneamento do Parana (Brazil)

CREDIT SNAPSHOT

11/17/09

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SAPR4 BZ Equity

equity ticker: SAPR4 BZ

bond ticker: SANEPA

sector: Utilities

subgroup: Water

company description:

Compania de Saneamento do Parana - Sanepar supplies water to the state of Parana in Brazil, including the city of Curitiba, and several other towns.

Cia de Saneamento do Parana has 6,692 employees.

capitalisation (BRL in millions):

stock price	BRL 2.33
shares outstanding (million)	124.25
market capitalisation (BRL mm)	965
total debt	980
cash + marketable securities	155
other capital	0
enterprise value (excl. cash)	1,790
current EV / TTM EBITDA	3.9x

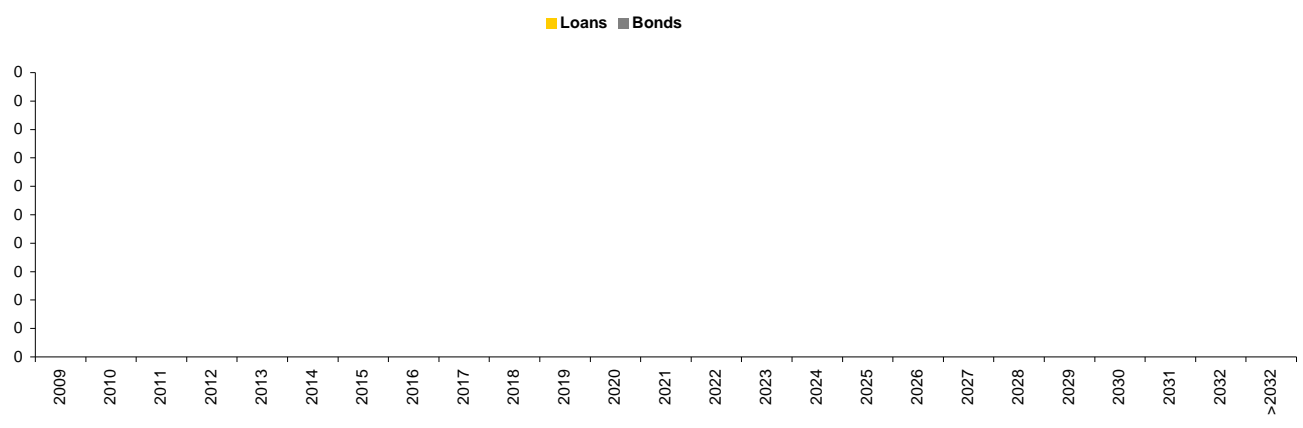
The company's next report is expected for 2/12/2010 (type: Estimated).

www.sanepar.com.br

DEBT DISTRIBUTION

issuer	Rtg	debt type & details	coupon	mat	crncy	amount out (mm)	facility amount (mm)	issue date
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Total amount out of instruments listed above (BRL in MM)	0	Cash (MM)	155
Total debt (MM)	980	Total Number of Debt Instruments (for the issuer and its subs)	4



Moody's Ratings		
Outlook	NEG	07/23/09
Issuer	WR	08/19/05
Senior Secured Debt	N/A	
LT Corp Family	N/A	
Bank Loan Debt	N/A	
Senior Unsecured Debt	N/A	
Subordinated Debt	N/A	
Short Term	WR	01/14/03

Standard & Poor's Ratings	
Outlook	N/A
LT Foreign Currency Issuer	N/A
LT Local Currency Issuer	N/A
ST Foreign Currency Issuer	N/A
ST Local Currency Issuer	N/A

id	issuer	coupon	mat	outstanding	S&P	MDY	ask px	yield	spread*	px date
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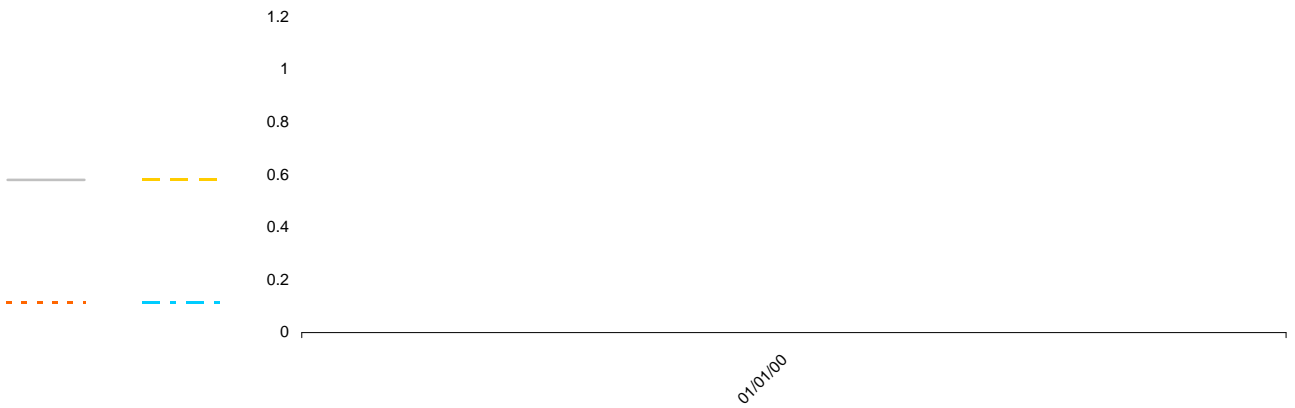
*interpol. swap spread

Total Debt for the company currently stands at BRL 980.102mm.

bond price



yield

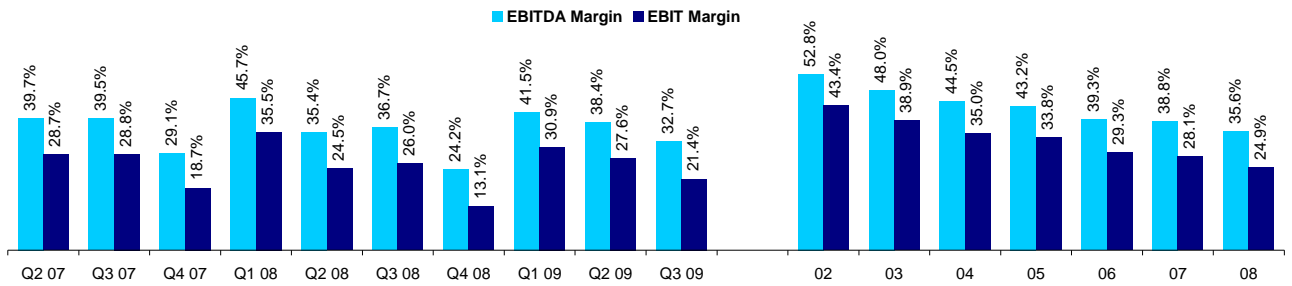


interpolated swap spread

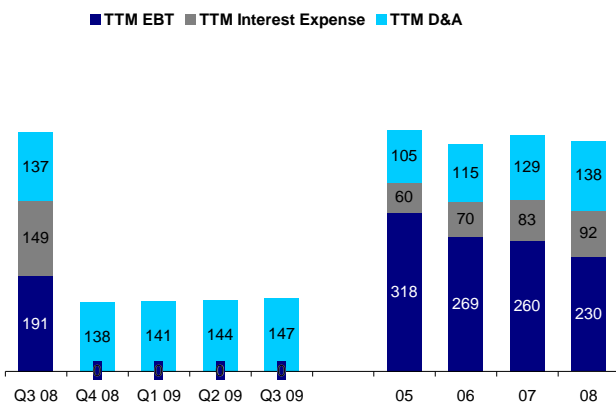
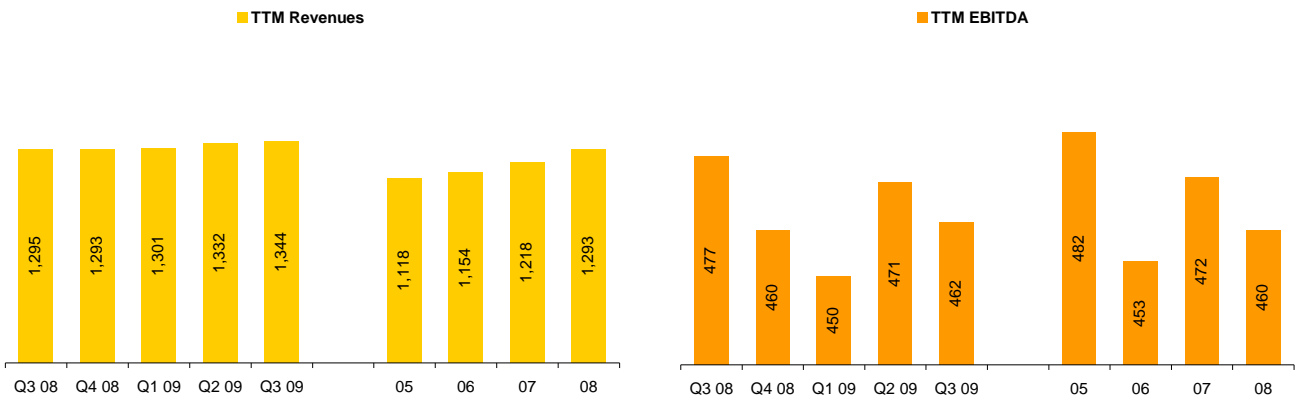


Prices & yields bid side to 28/7/08 and ask side thereafter. Spread is Govt Bid Sprd to 28/7/08 and Interpol. Swap Ask Sprd then.

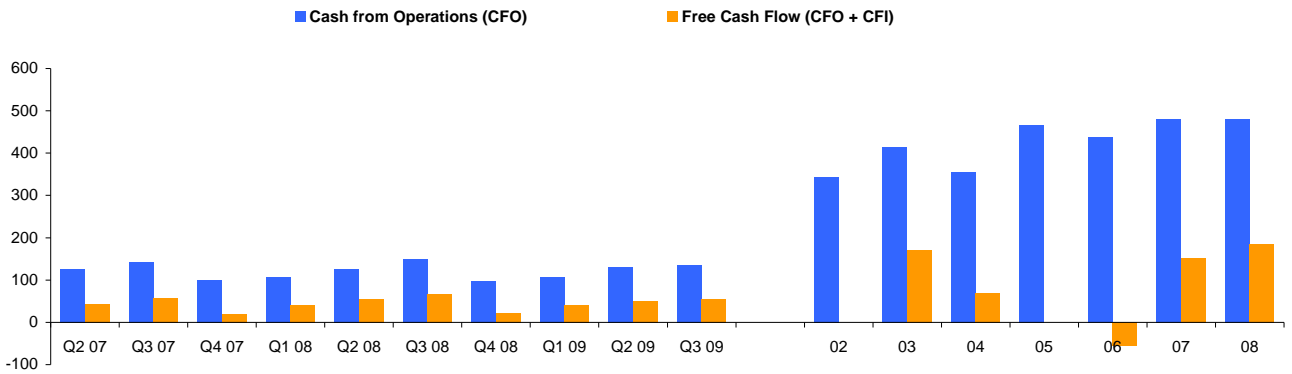
INCOME STATEMENT	BRL in millions									
	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08	
					09/30/09					12/31/08
Revenues	324	318	341	349	336	1,118	1,154	1,218	1,293	
COGS	142	158	147	155	158	435	593	522	569	
COGS % of Revenues	43.8%	49.6%	43.0%	44.5%	47.1%	38.9%	51.4%	42.8%	44.0%	
SG&A	98	144	89	97	106	305	222	354	428	
SG&A % of Revenues	30.2%	45.5%	26.1%	27.8%	31.5%	27.3%	19.3%	29.0%	33.1%	
EBITDA	119	77	142	134	110	482	453	472	460	
Interest Expense	22		25	24	23	60	70	83	92	
EBT	62		80	72	49	318	269	260	230	
Net Income	35	10	47	51	27	193	177	157	142	
EBITDA Margin	36.7%	24.2%	41.5%	38.4%	32.7%	43.2%	39.3%	38.8%	35.6%	
EBIT Margin	26.0%	13.1%	30.9%	27.6%	21.4%	33.8%	29.3%	28.1%	24.9%	



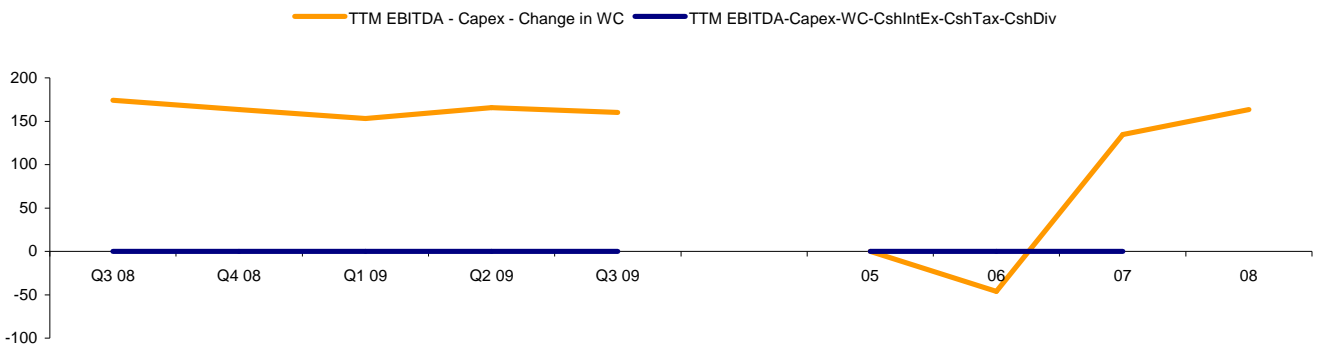
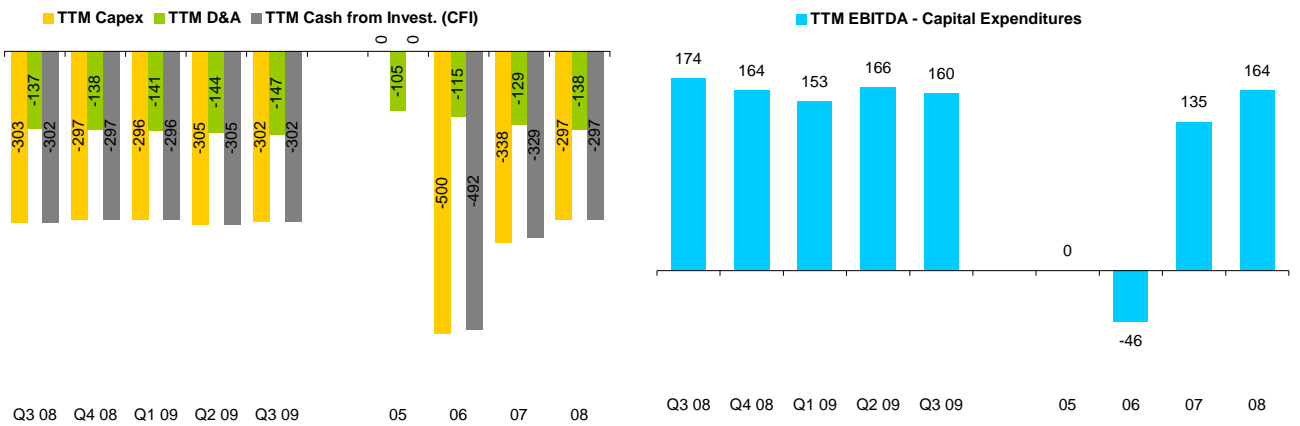
TTM INCOME STATEMENT	BRL in millions									
	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08	
					09/30/09					12/31/08
TTM Revenues	1,295	1,293	1,301	1,332	1,344	1,118	1,154	1,218	1,293	
TTM EBITDA	477	460	450	471	462	482	453	472	460	
TTM D&A	137	138	141	144	147	105	115	129	138	
TTM EBIT	340	322	309	328	315	378	339	343	322	
TTM Interest Expense	149					60	70	83	92	
TTM EBT	191					318	269	260	230	
TTM Net Income	158	142	131	142	134	193	177	157	142	



BRL in millions		Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08	
		09/30/09					12/31/08				
CASH FLOW	Cash from Operations (CFO)	150	99	107	129	134	467	438	481	481	
	Cash from Investing (CFI)	-84	-76	-67	-79	-80		-492	-329	-297	
	Free Cash Flow (CFO + CFI)	67	22	40	51	54		-54	153	184	
	Cash from Financing Activities	-49	-27	-40	-37	-44		-27	-120	-121	



BRL in millions		Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08	
		09/30/09					12/31/08				
TTM CASH FLOW	TTM Cash from Operations (CFO)	482	481	481	485	469	467	438	481	481	
	TTM Cash from Invest. (CFI)	-302	-297	-296	-305	-302		-492	-329	-297	
	TTM Capex	-303	-297	-296	-305	-302		-500	-338	-297	
	TTM D&A	-137	-138	-141	-144	-147	-105	-115	-129	-138	
	TTM Free Cash Flow (CFO + CFI)	180	184	184	179	167		-54	153	184	
	TTM Cash from Financing Activities	-129	-121	-142	-153	-148		-27	-120	-121	
	TTM CFO - Capital Expenditures	180	184	184	179	167		-61	144	184	
	TTM EBITDA - Capital Expenditures	174	164	153	166	160		-46	135	164	
	TTM EBITDA - Capex - Change in WC	174	163	153	166	160		-46	135	163	
	TTM EBITDA-Capex-WC-CshIntEx-CshTax-CshDiv										
	TTM CFO/Total Debt	48.5%	48.4%	49.1%	49.0%	47.9%	52.0%	43.8%	48.9%	48.4%	
TTM FCF/Total Debt	18.1%	18.6%	18.8%	18.1%	17.1%		-5.3%	15.5%	18.6%		



BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
Cash	6	13	7	9	6	9	9	12	13
Marketable Securities / ST Investments	130	118	124	135	149	107	25	55	118
Accounts & Notes Receivable	217	223	228	219	216	233	218	223	223
Inventories & Unbilled Receivables	23	22	23	25	24	19	20	24	22
Net Fixed Assets	3,869	3,909	3,940	3,980	4,021	3,273	3,545	3,752	3,909
75% of Accounts Receivable	163	167	171	164	162	175	164	167	167
30% of Inventories & Unbill. Rec.	7	7	7	7	7	6	6	7	7
10% of Net Fixed Assets	387	391	394	398	402	327	354	375	391
Collateral (Liquidation) Asset Value	693	695	703	714	726	624	559	617	695
Working Capital	19	8	22	31	20	25	-55	-41	8
Cash Conversion Cycle	49.9	43.2	50.9	46.0	45.8	52.1	55.4	47.8	43.2
Total Borrowings (includes ST Borrowings)	994	994	979	990	980	899	1,001	984	994
Net Debt	858	863	848	846	825	783	966	916	863
Collateral Asset Value / Total Borrowings	69.7%	70.0%	71.9%	72.1%	74.1%	69.4%	55.9%	62.7%	70.0%

BALANCE SHEET

explanations and definitions:

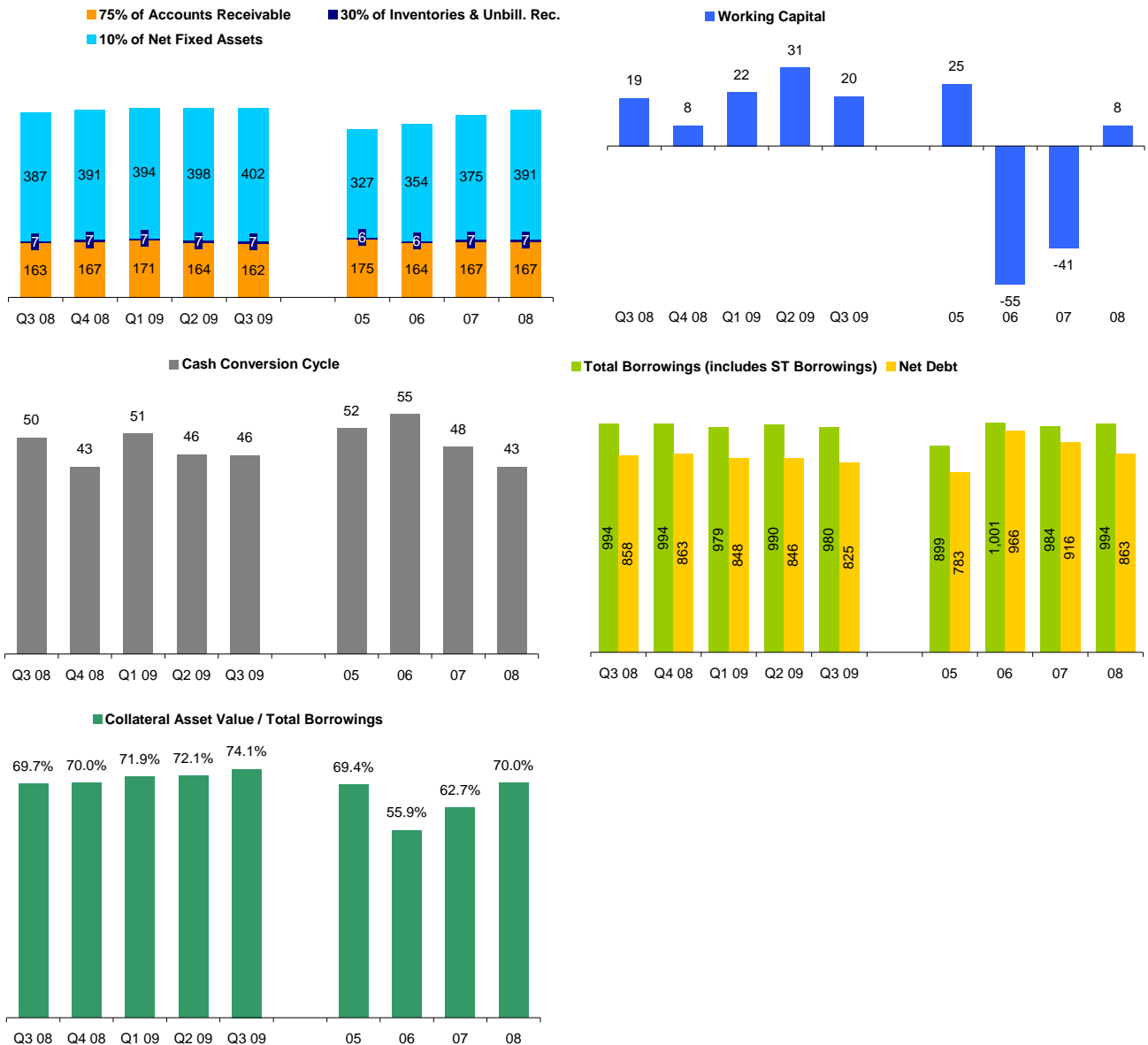
The approximation we use to calculate a company's total **Collateral (Liquidation) Asset Value** (for an asset based liquidation scenario) is calculated as the sum of Cash plus Marketable Securities / Short-Term Investments plus assets with the following valuation rates applied:

75% of stated Accounts Receivable

30% of stated Inventory

10% of stated Net Fixed Assets.

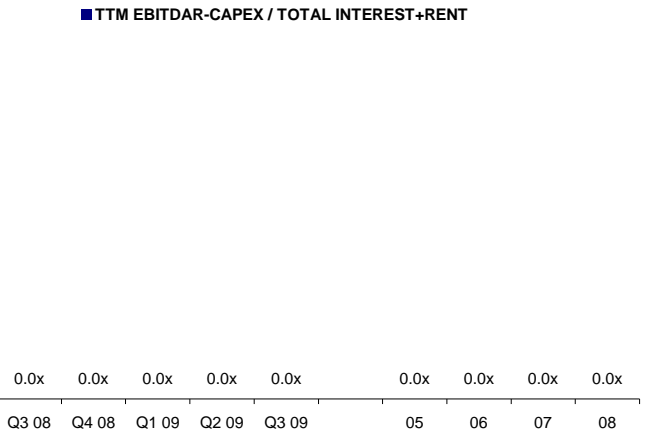
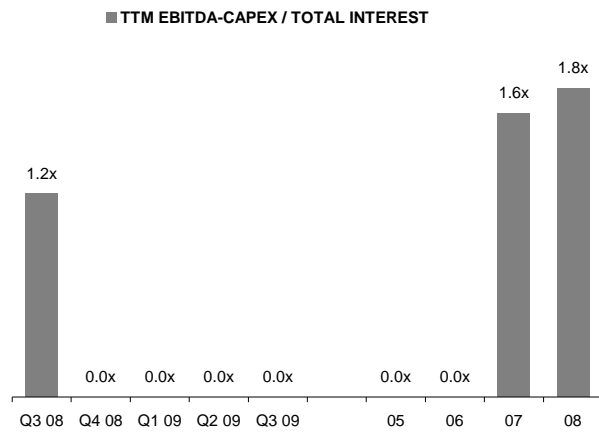
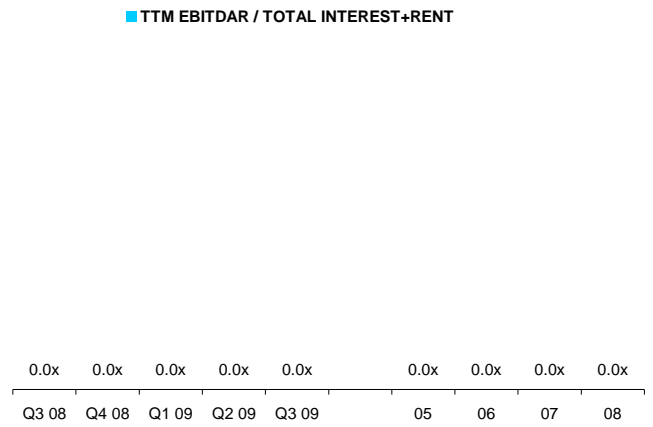
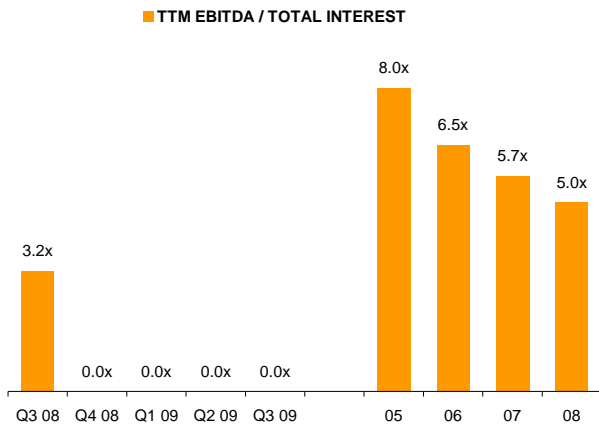
Although we acknowledge that some industries and individual situations demand clearly different assumptions we nevertheless think this is a useful approximation across all industries covered, if only as a starting point for further individual in-depth analysis.



COVERAGE RATIOS	BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
							09/30/09			
TTM EBITDA / TOTAL INTEREST		3.2x	-	-	-	-	8.0x	6.5x	5.7x	5.0x
TTM EBITDAR / TOTAL INTEREST+RENT		-	-	-	-	-	-	-	-	-
TTM EBITDA-CAPEX / TOTAL INTEREST		1.2x	-	-	-	-	-	NM	1.6x	1.8x
TTM EBITDAR-CAPEX / TOTAL INTEREST+RENT		-	-	-	-	-	-	NM	-	-

explanations and definitions:

TTM TOTAL INTEREST: For all coverage ratio calculations we use the Total Interest figure which in addition to Interest Expense also includes Capitalized Interest Expenses. We think this gives a better view of the economic reality than the simple Interest Expense figure.

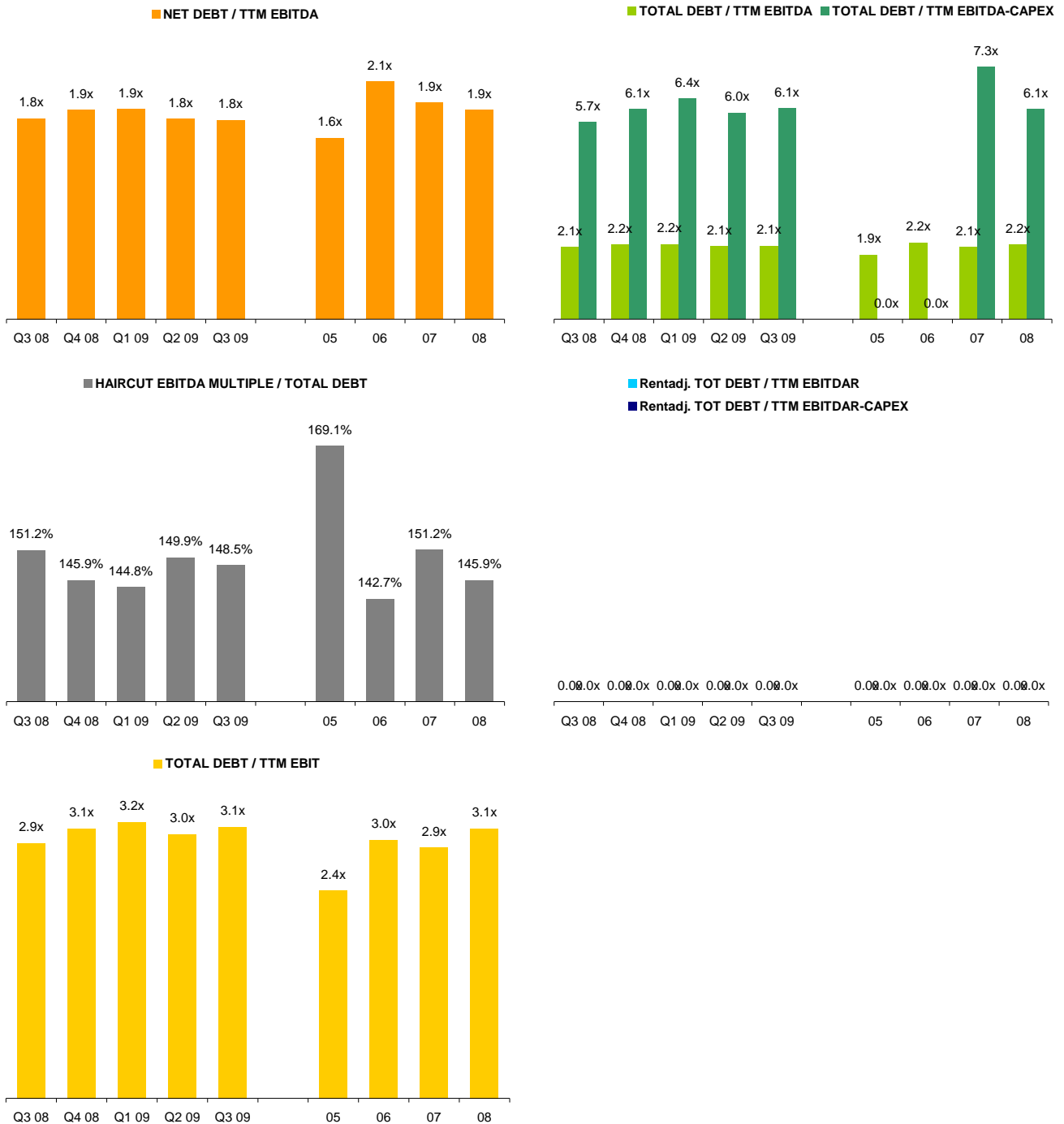


BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
NET DEBT / TTM EBITDA	1.8x	1.9x	1.9x	1.8x	1.8x	1.6x	2.1x	1.9x	1.9x
TOTAL DEBT / TTM EBITDA	2.1x	2.2x	2.2x	2.1x	2.1x	1.9x	2.2x	2.1x	2.2x
TOTAL DEBT / TTM EBITDA-CAPEX	5.7x	6.1x	6.4x	6.0x	6.1x		NM	7.3x	6.1x
Rentadj. TOT DEBT / TTM EBITDAR									
Rentadj. TOT DEBT / TTM EBITDAR-CAPEX									
HAIRCUT EBITDA MULTIPLE / TOTAL DEBT	151.2%	145.9%	144.8%	149.9%	148.5%	169.1%	142.7%	151.2%	145.9%
TOTAL DEBT / TTM EBIT	2.9x	3.1x	3.2x	3.0x	3.1x	2.4x	3.0x	2.9x	3.1x

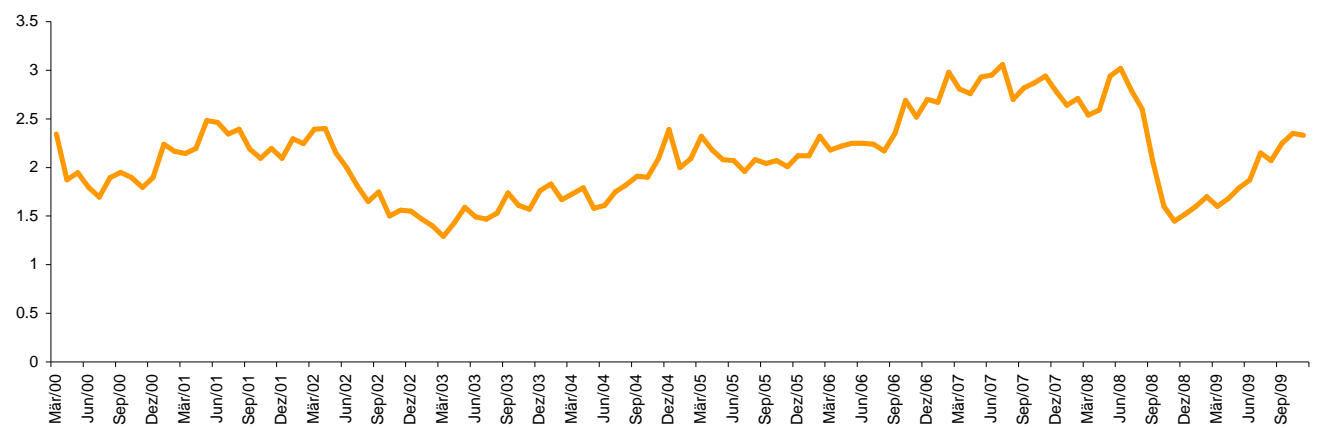
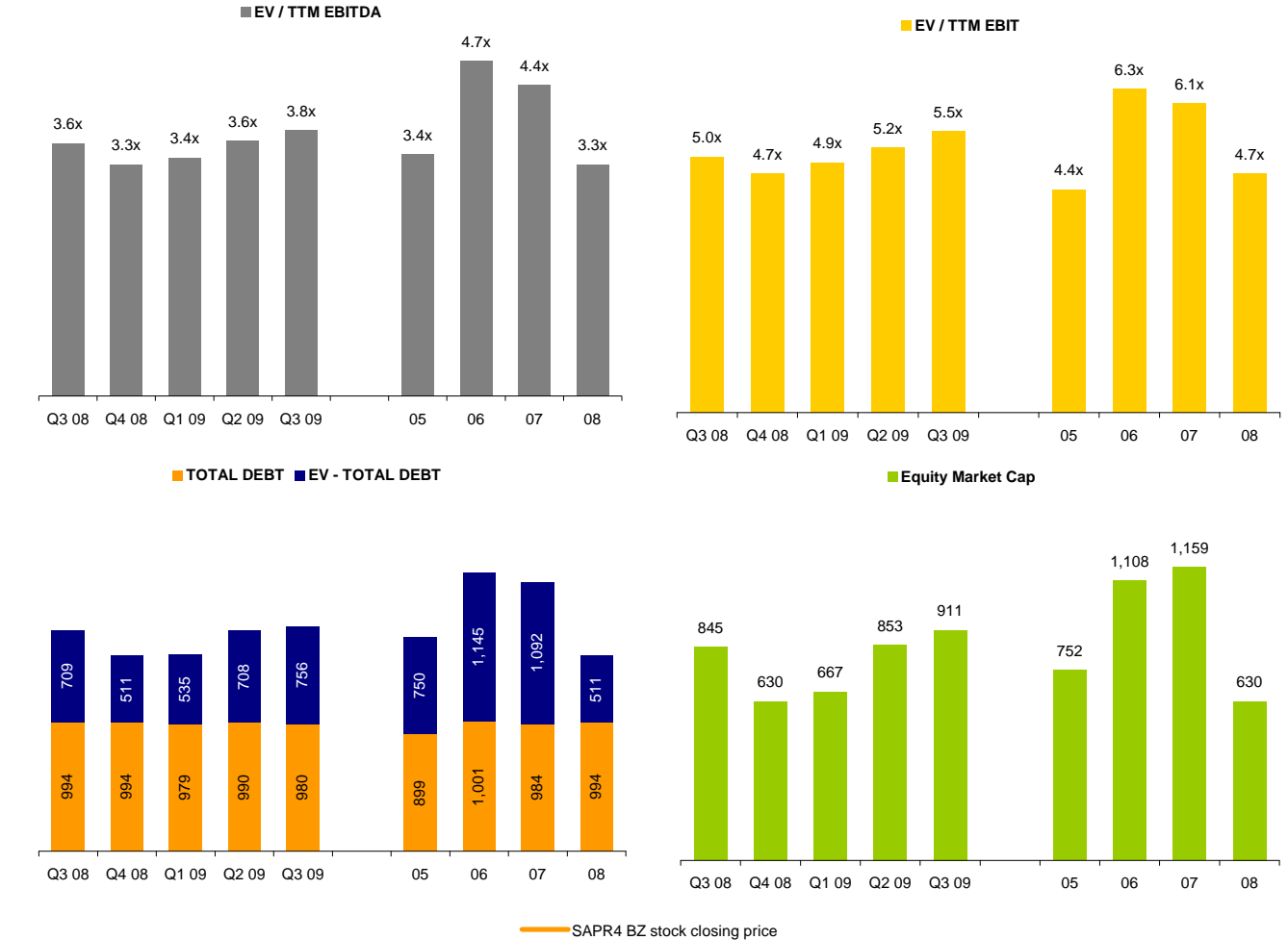
explanations and definitions:

Rent adj. Total Debt/TTM EBITDAR: This ratio is calculated by dividing the Rent Adjusted Total Debt figure (Total Debt plus 8 times TTM Rental Expenses) by EBITDAR (TTM EBITDA plus TTM Rental Expenses).

HAIRCUT EBITDA MULTIPLE / TOTAL DEBT: We adjust TTM EBITDA to 70% of its stated value, multiply the result with 4.5 as an assumed exit multiple and relate the resulting figure (the haircut EBITDA multiple) to the TOTAL DEBT number. This ratio should reflect the situation of an issuer's liquidation, whereby the assets can be sold at a reduced EBITDA multiple.



BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
EV / TTM EBITDA	3.6x	3.3x	3.4x	3.6x	3.8x	3.4x	4.7x	4.4x	3.3x
EV / TTM EBIT	5.0x	4.7x	4.9x	5.2x	5.5x	4.4x	6.3x	6.1x	4.7x
Enterprise Value	1,703	1,505	1,514	1,699	1,736	1,649	2,146	2,076	1,505
TOTAL DEBT	994	994	979	990	980	899	1,001	984	994
Equity Market Cap	845	630	667	853	911	752	1,108	1,159	630



BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
Adjusted Cap Rate	12.80%	13.70%	0	12.35%	11.62%	15.28%	10.55%	11.04%	14.33%
Tangible Capital	3,461	2,704	2,737	2,757	2,765	2,916	3,197	3,355	2,704
Total Intangibles	97	96	95	95	94		104	100	96
Pre-tax ROIC	9.8%	11.9%	11.3%	11.9%	11.4%	13.0%	10.6%	10.2%	11.9%
After-tax ROIC (effective tax rate)	6.5%		7.5%	9.6%	7.6%	9.5%	7.7%	7.3%	8.7%
After-tax ROIC (assumed tax rate)	6.4%	7.7%	7.3%	7.7%	7.4%	8.4%	6.9%	6.6%	7.7%
WACD (Pre-tax)	15.0%					6.7%	6.9%	8.4%	9.3%

explanations and definitions:

Adjusted Cap Rate: This ratio shows EBIT reduced by an assumed tax rate of 35% and adjusted for Net Non-Operating and Extraordinary Losses (Gains) - averaged over the last 5 years - divided by the Enterprise Value.

Tangible Capital: Starting with the Total Book Capital the Tangible Capital figure is calculated by subtracting Intangibles, Cash and Marketable Securities as well as Short Term Investments.

We calculate three different ROIC (Return on Invested Capital) figures:

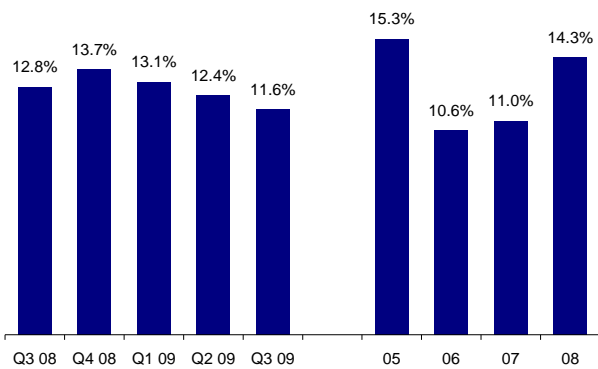
Pre-Tax ROIC: this ratio relates the trailing twelve months (TTM) EBIT to Tangible Capital as defined above.

After-tax ROIC (effective tax rate): here EBIT is corrected by the company's effective tax rate as stated in it's latest financials, giving an after-tax ROIC rate.

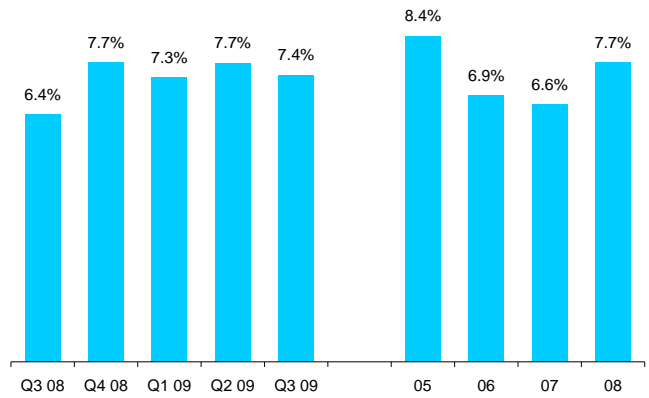
After-tax ROIC (assumed tax rate): here EBIT is corrected by an assumed tax rate of 35%, giving a modified after-tax ROIC rate.

WACD (Pre-Tax): This rate is defined as trailing twelve months (TTM) TOTAL INTEREST EXPENSE divided by Total Borrowings.

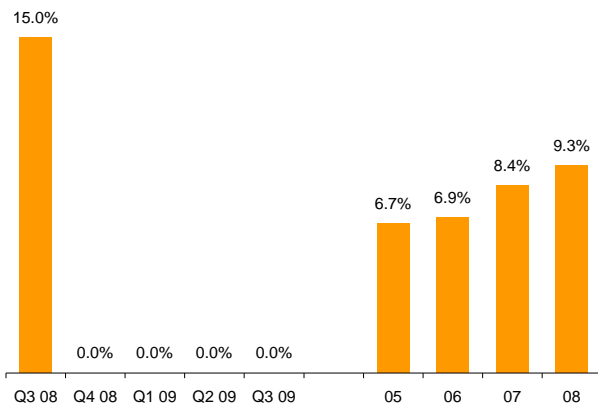
■ Adjusted Cap Rate



■ After-tax ROIC (assumed tax rate)



■ WACD (Pre-tax)



Average Bond Spread (in BPoints (1))	N/A
Estimated Bond Recovery Rate (2)	
Resulting Tolerable Default Rate (3)	

explanations and definitions:

We calculate estimated default and recovery rates to be used in other credit models (f.i. for the valuation of CDOs or similar structures) as follows:

(1) **Average Bond Spread:** Average Spread of all bonds listed on page 2 of this report.

(2) **Estimated Bond Recovery Rate:** To calculate this rate we first divide the total debt amount into bond debt and loan debt that is senior to bond debt. As an approximation for the total amount of bond debt we use the sum of the amounts outstanding of all bonds listed on page 1 of this report. The total debt figure is reduced by this sum, giving us an approximate figure for debt that is senior to bond debt. We then calculate a collateral asset coverage figure for the bond debt by starting with the Collateral Asset Value (as defined on page 5 of this report) which we reduce by the amount of senior debt ahead of the bonds. The remaining Collateral Asset Value is then divided by the approximate bond debt amount as defined above, giving an estimated recovery value on a collateral asset basis. We apply the same logic to an EBITDA multiple ratio (as on page 7 of this report) and get a second recovery estimate based on the EBITDA multiple. The higher of the 2 estimates is used as the "Estimated Bond Recovery Rate".

(3) **Resulting Tolerable Default Rate:** The implied default rate calculated using the Market Spread (1) and the Estimated Recovery Rate (2). With the given Market Spread and Estimated Recovery Rate it defines the maximum tolerable default probability for the risk premium paid in the form of Spread. Please note: This rate will only be displayed when it is greater than 0% and lower than 30% as we believe it is not meaningful ('NM') out of this range.

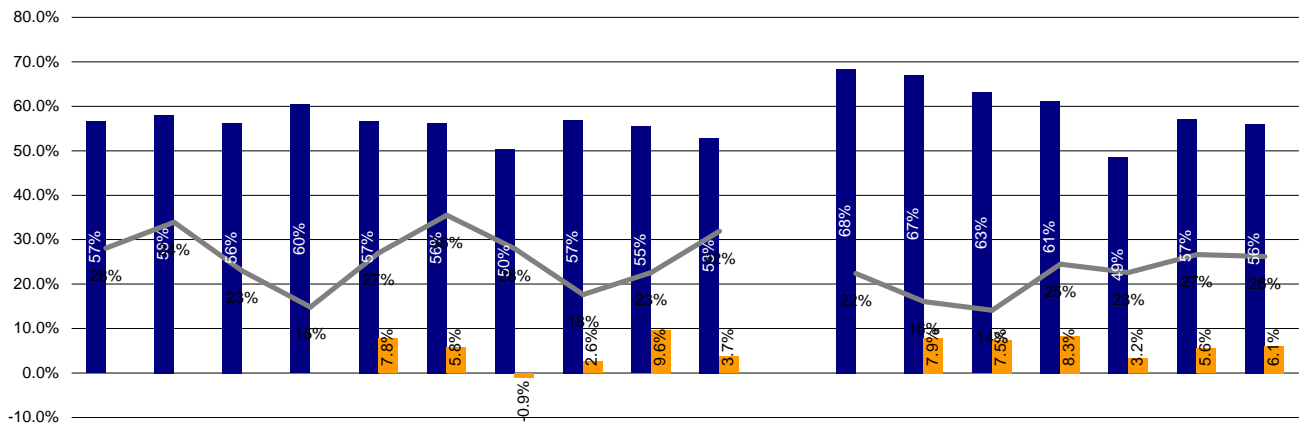
Although we acknowledge that the calculated results are by no means exact, we think they make for a good estimate in the valuation of credit structures when individual default and recovery rates for single issuers are to be used.

BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
Total Assets	4,617	4,668	4,713	4,777	4,824	3,869	4,157	4,426	4,668
Total Liabilities	1,917	2,732	2,730	2,770	2,791	1,736	1,821	1,888	2,732
Total Intangibles	97	96	95	95	94		104	100	96
Tangible Net Worth	2,603	1,841	1,889	1,912	1,940	2,133	2,232	2,438	1,841
Rent Debt (8x Annual Rental Expense)									
Underfunded Pension & Post Ret. Liab.									
Discount on Hard Assets	3,552	3,589	3,619	3,654	3,689	3,018	3,259	3,450	3,589
Adjusted Tangible Net Worth	-949	-1,748	-1,730	-1,742	-1,749	-885	-1,027	-1,011	-1,748

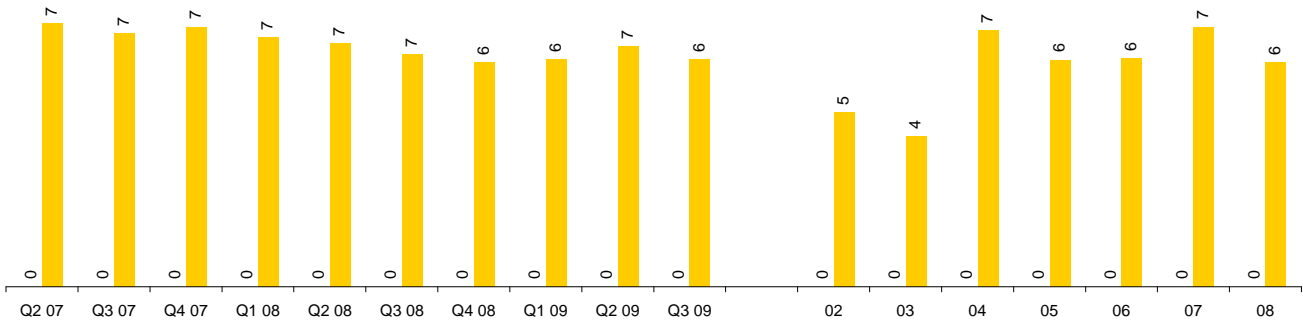
BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
(CFO-Net Income)/Revenues	35.5%	27.9%	17.6%	22.6%	31.9%	24.5%	22.6%	26.6%	26.3%
yoy Revenue Growth	5.8%	-0.9%	2.6%	9.6%	3.7%	8.3%	3.2%	5.6%	6.1%
Gross Margin	56.2%	50.4%	57.0%	55.5%	52.9%	61.1%	48.6%	57.2%	56.0%
Days Sales Outstanding	61	63	64	60	59	76	69	67	63
Days Sales of Inventory	7	6	6	7	6	6	6	7	6
Soft Assets	141	142	276	293	287	177	141	146	142
Unbilled Receivables	-	-	-	-	-	-	-	-	-
Deferred / Unearned Revenue	0.0	-	0.0	0.0	0.0	-	0.0	0.0	0.0
Allowance for Doubtful Accounts	-	-	-	-	-	-	-	-	-
TTM Dividends Paid	-	-	-	-	-	-	136	37	50
TTM Preferred Dividends	0	0	0	0	0	-	-	0	0
Net Change in Capital Stock	0	0	2	4	0	0	0	0	27
Non-Capex CFI (CFI less Capex)	0	0	0	0	0	-	8	9	0

ACCOUNTING RED FLAGS

Gross Margin yoy Revenue Growth (CFO-Net Income)/Revenues



Days Sales Outstanding Days Sales of Inventory



Auditor Information:	
Current auditor	BDO TREVISAN AUDITORES INDEPEN (as of 12.5.2009)
Auditor's opinion	Unqualified
Auditor's opinion - Definitions	
Not Audited / Unaudited	No tests were performed to verify amounts in financial statements. Typically applied to interim statement.
Partially audited	Not all statements were audited. Auditor may specifically give opinion on one or two statements.
Unqualified	Auditor declares, without reservation, that the financial statements fairly represent the company's financial position at a point in time and that the statements conform in all material respects to GAAP.
Qualified: Limited Scope	An aspect of the company's financial statements could not be verified, such as a portion of inventory not counted.
Qualified: Inconsistent Standards	Accounting standards were not applied consistently between periods.
Qualified: not GAAP	Standard accounting principles for the country were not followed. Typically related to a unique line item and uses the phrase 'except for.'
Qualified: uncertainty	Doubt exists related to a material balance sheet item, such as value of investment or collectability of major receivable; or auditor doubts going concern ability of company. This opinion usually employs the phrase 'subject to.'
Disclaimer	Auditor refuses to state opinion on financial statements, typically due to lack of sufficient documentation provided by company and/or subsidiaries.

LATEST SEC FILINGS

Quarterly Report (Form Type 10-Q)

end of period

Annual Report (Form Type 10-K)

end of period

Special Events & Material News (Form Type 8-K)

filing date

Prospectus (Form Type 42..)

filing date



On a long enough timeline
the survival rate for
everyone drops to zero.

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