

Management comments for the financial years ended December 31, 2017 compared to the same period in 2016. (unless otherwise indicated)

(Values expressed in thousands of Reais)

1. General Customer Service Data

Table 01- General Customer Service Data for the Services Provided.

Table 01 - General Customer Service Data for the Services Provided.						
Items	Units	2017	2016	Amount	Variation	
Municipalities with Concession (1)	No.	226	225	1	0.4%	
Operating Locations (2)	No.	306	306	-	0.0%	
WATER	Population served	thousand of residents	5,577	5,485	92	1.7%
	Customer Service Index (3)	%	96.8	96.5	-	0.3%
	Connections	thousand of connections	2,092	2,022	70	3.5%
	Network Extension	Km	28,182	27,543	639	2.3%
	Billed Volume	thousand of m ³	263,343	263,268	75	0.0%
	Volume Produced	thousand of m ³	381,899	390,355	(8,456)	(2.2%)
	SEWAGE	Population served	thousand of residents	3,282	3,108	174
Sewage Handling Index (3)		%	57.0	54.7	2	4.2%
Sewage Treated Handling Index (3)		%	52.7	50.0	3	5.4%
Connections		thousand of connections	1,057	994	63	6.3%
Network Extension		Km	11,094	10,065	1,029	10.2%
Sewage Volume Billed		thousand of m ³	148,665	144,803	3,862	2.7%
Sewage Volume Treated		thousand of m ³	136,772	131,324	5,448	4.1%
(1) Total number of municipalities where the company holds any concession: headquarters, villages, settlements						
(2) Total number of localities where the company has any operations: headquarters of municipalities, settlements						
(3) Population served in relation to the population of the localities providing services						

1.1. Water Supply System

The company expanded its performance in the provision of water supply services in the state of Goiás, in relation to the population served by 1.7%. There was an increase in the number of billed water connections by the Company, by 3.5% and the water distribution network was expanded by 2.3%.

1.2. Sewerage System

Regarding sewerage systems, there was also expansion, the population served increased, representing a growth of 5.6%. This number represents a Sewerage Service Index of 57.0% and a Treated Sewerage Service Index of 52.7% of the total population served in the State (municipalities in which the Company holds a concession).

The number of billed sewerage connections represented an increase of 6.3%. In relation to the billed volume of sewage, there was an increase of around 2.7%. The volume of treated sewage grew 4.1%. Table 01 shows the general data on the fulfillment of services provided by the Company.

2. Performance Indicators

The staff productivity index, measured by the ratio of connections (water + sewage) by

number of employees, went from 546 connections / employees to 586 connections / employees. Regarding the number of employees, there was a reduction, from 5,520 to 5,310, which represents a decrease of 3.8%. This result is a reflection of the current Human Resources policy adopted by the Company with the implementation of the Voluntary Job Termination Program (PDV) that was carried out in 2017.

Table 02- Performance Indicators

Indicators	2017	2016	Variation %
Number of employees	5,310	5,520	(3.8%)
Connections / Employee	585.65	546.36	7.19%
Water meters / Employee	654.06	612.09	6.72%
Water Meter Index (%)	93.89%	93.83%	0.06%
Macrometer Index (%)	96.83%	90.51%	6.98%
Loss Index ¹ (%)	28.89%	30.37%	(4.87%)

¹ 12-month Average Index

Regarding the water meter index, there was an increase of 0.06%, going from 93.83% to 93.89%, whereas the macrometer index reached 96.83%. The loss index, measured by the ratio between the volume billed and the volume produced, reached an average level of 28.89%, a reduction in relation to the same period of the previous year, which was 30.37%, reflecting the projects and improvements in distribution networks and investments aimed at reducing this indicator, taking as an example the new policy of replacing water meters by accumulated volume.

3. Investments Made

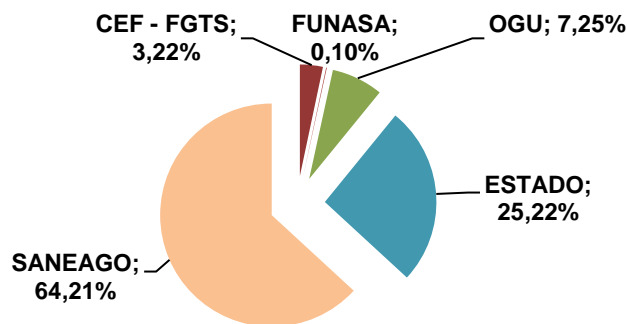
Investments made in 2017 totaled BRL 125,717. From this amount, 51.71% was invested in water supply systems, while 33.61% was invested in sanitary sewage collection and treatment systems, the remaining 14.67% invested in operational improvement programs, business development, general purpose goods and others. Table 3 shows the sources of funds for making these investments.

Table 03 - Investment by Sources of Funds 2017

Year	CEF	FUNASA	OGU	State	SANEAGO	Total
1st QUARTER	2,599	-	3,587	-	12,911	19,097
2nd QUARTER	426	-	947	16,172		17,546
3rd QUARTER	758	126	-	15,527	14,206	30,618
4th QUARTER	269	-	4,585	-	53,603	58,457
Total	4,052	126	9,119	31,700	80,719	125,717

The related investments are backed by the processes effectively accounted for (recognized), as well as by the respective sources of funds, observing the periods of competence in the semester.

Chart 01- Investments by Source of Funds. January to December 2017



4. Financial Result Performance

The Company recorded an increase of 8.28% in net sales and an increase of 0.77% in gross profit, both compared to the same period of the previous year.

The evolution of the aforementioned results has as main premises the expansion of the customer base and increase in the billed volume of sewage, as well as the tariff adjustment authorized by AGR (Agency for Regulation, Control and Inspection of Public Services of Goiás) in May 2017, in the order of 6.27% applied on invoices issued as of July 1, 2017.

Revenue from net water and sewerage services related to the provision of water and sewerage services reached BRL 1,984,438 in 2017, an increase of 8.28% compared to 2016. On the other hand the construction revenue decreased by 66.28%, due to the reduction in the pace of investments in civil works.

Regarding commercial expenses, they grew by 45.34%, while administrative expenses increased by 0.73%, reaching BRL 508,177, while the cost of services increased by 16.22% in the fourth quarter of 2017 in compared to the same period in 2016. The total of entries that have a cash effect, such as service costs, administrative, commercial, tax expenses and other income and expenses, amounted to BRL 1,753,846 in the fourth quarter of 2017, which represents an increase of 13.40% when compared to the same costs and expenses mentioned in the previous year, which amounted to BRL 1,546,571. It is worth mentioning that the increase in costs and expenses was affected by the implementation of the Voluntary Job Termination Program (PDV), which had 466 employees joining with a total cost of BRL 82,568.

Provisions / Reversals / Losses and Receivables from Prescribed Credits decreased by 20.91%, amounting to (BRL 106,042) against (BRL 133,358) in the previous year. This result is due to the increase in the reversal of provisions for labor and common contingencies. Regarding EBITDA, there was a decrease of 5.25%, totaling BRL 345,305 in the fourth quarter of 2017, while in the same period of the previous year, the calculated EBITDA was BRL 364,419. Accounting entries resulting from increases in commercial, administrative and operating expenses affected the reduction in EBITDA.

The drop in the previously mentioned indicator, the ratio between EBITDA and net sales (EBITDA margin) also decreased by 12.45%, from a margin of 19.77% in 2016 to 17.31% in the fourth quarter of 2017 .

Below, we present table 4, referring to the main financial indicators verified in the year under review, compared to the same period of the previous year.

Table 04- Financial Result Performance

FINANCIAL INDICATORS	2017	2016	Variation %
Net Profit	1,984,438	1,832,722	8.28%
Construction Revenue	76,288	226,211	-66.28%
Revenue from Technical Services	1,445	1,384	4.41%
Sub-delegation Grant	9,100	9,100	0.00%
Services Cost	-1,034,664	-890,248	16.22%
Construction Cost	-76,288	-226,211	-66.28%
Gross Financial Result	960,319	952,958	0.77%
Commercial Expenses	-194,775	-134,010	45.34%
Administrative Expenses	-508,177	-504,472	0.73%
Other Operating Revenues and Expenses	-4,671	-5,430	-13.98%
Depreciation / Amortization	210,570	201,142	4.69%
Provisions / Reversals / Losses and Receivables Credits	-106,402	-133,358	-20.21%
Tax Expenses	-11,559	-12,411	-6.86%
EBITDA	345,305	364,419	-5.25%
EBITDA Margin	17.31%	19.77%	-12.45%
Depreciation / Amortization	-210,570	-201,142	4.69%
Provisions / Reversals / Losses and Receivables Credits	-	-	-
Financial Expenses	-73,250	-128,550	-43.02%
Deferred IRPJ / CSLL	225,955	99,906	126.17%
IRPJ / CSLL	-36,418	-35,119	3.70%
Net Profit	251,022	99,514	152.25%

The Company discloses EBITDA and adjusted EBITDA margin in accordance with CVM Instruction No. 527 dated October 4, 2012. Bearing in mind that EBITDA is one of the main indicators used by the Company to measure economic and financial performance, the disclosure of adjusted EBITDA is intended to provide supplementary information on its operational cash generation capacity, even though it is not a measure defined by International Financial Reporting Standards (IFRS) and may not be comparable with the same indicator disclosed by other companies.

Table 04.1- Adjusted Financial Result Performance

FINANCIAL INDICATORS	2017	2016	Variation %
Net Profit	1,984,438	1,832,722	8.28%
Construction Revenue	76,288	226,211	-66.28%
Revenue from Technical Services	1,445	1,384	4.41%
Sub-delegation Grant	9,100	9,100	0.00%
Services Cost	-1,034,664	-890,248	16.22%
Construction Cost	-76,288	-226,211	-66.28%
Gross Financial Result	960,319	952,958	0.77%
Commercial Expenses	-194,775	-134,010	45.34%
Administrative Expenses	-508,177	-504,472	0.73%
Other Operating Revenues and Expenses	-4,671	-5,430	-13.98%
Depreciation / Amortization	210,570	201,142	4.69%
Provisions / Reversals / Losses and Receivables Credits			
Tax Expenses	-11,559	-12,411	-6.86%
ADJUSTED EBITDA	451,707	497,777	-9.26%
Adjusted EBITDA Margin	22.64%	27.01%	-16.16%
Depreciation / Amortization	-210,570	-201,142	4.69%
Provisions / Reversals / Losses and Receivables Credits	-124,365	-133,358	-6.74%
Financial Expenses	-73,250	-128,550	-43.02%
Deferred IRPJ / CSLL	232,063	99,906	132.28%
IRPJ / CSLL	-36,418	-35,119	3.70%
Net Profit	251,022	99,514	152.25%

Adjusted EBITDA, calculated excluding Provisions / Reversals / Losses and Receivables Accounting credits that are proven to have no cash effect as described in table 04.1, the amount of BRL 451,707 was measured for the fourth quarter of 2017, which represents a 9.26% decrease when compared to the same period of the previous year that was measured in BRL 497,777.

The ratio between adjusted EBITDA on net profit (adjusted EBITDA margin) was 22.64%, which represents a decrease of 16.16% when compared to the closing amount of the previous year, which obtained a margin of 27, 01%.

4.1 Gross Sales Revenue

The increase in gross sales revenue was BRL 161,988, this amount represents an increase of 8.14%, amounting to a total gross revenue of BRL 2,150,981 in the period, against BRL 1,988,993 of gross revenue earned in the same period of the previous year as can be seen in table 5 below.

Table 05 - Sales Gross Revenue

Revenues	2017	2016	Variation %
Residential Water	981,521	912,033	7.62%
Social Tariff	5,444	5,640	(3.48%)
Commercial	130,780	120,043	8.94%
Commercial 2	1,003	1,126	(10.92%)
Industrial	32,377	32,126	0.78%
Public	79,792	75,690	5.42%
Others	19,546	16,059	21.71%
Total Water	1,250,463	1,162,717	7.55%
Residential Sanitary Sewage	436,014	397,878	9.58%
Social Housing	2,180	2,128	2.44%
Commercial	101,701	92,456	10.00%
Commercial 2	733	810	(9.51%)
Industrial	15,182	14,408	5.37%
Public	46,050	43,221	6.55%
Others	718	697	3.01%
Total Sewage	602,578	551,597	9.24%
Minimum Fixed Tariff	296,173	267,278	10.81%
Revenue to be billed for water / sanitary sewage	1,767	7,401	(76.12%)
Gross Revenue	2,150,981	1,988,993	8.14%
Deductions	(166,544)	(156,271)	6.57%
Net Revenue	1,984,438	1,832,722	8.28%

Main variations and causes of the observations indicated in the table above

4.1.1 Water supply revenue - Total water supply revenue increased by 7.62%, reaching a total revenue of BRL 981,521, against BRL 912,033 in the same period of the previous year. In this period, the volume billed virtually remained the same, a variation of 0.5%. What influenced the increase were the increases in the number of new connections and the tariff readjustment.

4.1.2 Sewerage Revenue - Revenue from sewerage increased 9.24%, reaching BRL 602,578, against BRL 551,597 in the same period of the previous year, as a result of the combination in the increase in the number of sewer connections, increase in the volume of sewage billed and readjustment of the tariff.

4.1.3 Deductions from Gross Operating Revenue - Deductions from gross operating revenue refer to PIS and COFINS taxes and increased 6.57%, from BRL 156,271 to BRL 166,544. The increase is due to the increase in Gross Sales Revenue.

4.1.4 Net Operating Revenue - Net operating revenue reached BRL 1,984,438, against BRL 1,832,722 in the same period of the previous year, an increase of 8.28%. Contributing to the increase in net operating revenue was the increase in revenue from sales of residential water and sanitary sewage, due to the increase in new water and sewer connections that occurred throughout 2017, in addition to the tariff adjustment applied in July 2017.

4.2 Costs of Services Provided - Costs of services provided excluding construction, formed by expenses with operation, conservation and maintenance of water and sewerage systems

totaled BRL 855,093, an increase of BRL 158,524, which represents an increase of 22.76%, as shown in the table of cost breakdown of the services provided below:

Table 06- Breakdown of Costs for Services Provided

Costs Description	2017	2016	Variation BRL	Variation %
Personnel	443,377	306,665	136,712	44.58%
Material	78,540	72,691	5,849	8.05%
Electricity	190,367	199,658	(9,291)	(4.65%)
Third Party Services	123,568	103,558	20,010	19.32%
General	19,241	13,997	5,244	37.47%
I - Subtotal	855,093	696,569	158,524	22.76%
Amortization	179,571	193,679	(14,108)	(7.28%)
II - Subtotal	179,571	193,679	(14,108)	(7.28%)
Total (I - II)	1,034,664	890,248	144,416	16.22%
Construction Cost	76,288	226,211	(149,923)	(66.28%)
Total General	1,110,952	1,116,459	(5,507)	(0.49%)

Main variations and causes of Service Costs:

4.2.1 Personnel - Expenditure on personnel totaled BRL 443,377, showing an increase of BRL 136,712, the amount corresponding to an increase of 44.58%. There were changes in the accounting rating of costs, which greatly increased the indicator. Indemnities and notice of termination wage also represented an increase in the period.

4.2.2 Material - Spending on materials increased by 8.05%. Spending grew as a result of expenditures on treatment materials, conservation materials and systems maintenance.

4.2.3 Electricity - Electricity costs totaled BRL 190,367, a decrease of 4.65% in relation to the previous period. The drop in the cost of electricity is linked to the reduction of fines and interest for late payment, coupled with the 10.77% tariff reduction implemented by the Electricity Company of the State of Goiás in the period from October 2016 to October 2017.

4.2.4 Third-party services - Spending on third-party services increased by 19.32% compared to the same period last year. It should be noted that the Company has been implementing measures to try to reduce the cost of third-party services, such as resizing the needs of third-party services, renegotiating contracts, implementing strategic actions to select service providers.

4.2.5 General - Expenses with general expenditure increased 37.47%. There was an increase in legal and judicial notary expenses, snacks and meals.

4.3 - Administrative Expenses - Expenses with the Company's management structure, increased by BRL 3,705 in the fourth quarter of 2017 compared to the same period in 2016. In percentage terms, growth was 0.73% in the period, as shown in Table 7.

Table 07- Breakdown of Administrative Expenses

Expense	2017	2016	Variation BRL	Variation %
Personnel	425,610	416,515	9,095	2.18%
Material	4,710	7,598	(2,888)	(38.01%)
Third Party Services	63,901	70,279	(6,378)	(9.08%)
General	7,629	2,867	4,762	166.10%
I - Subtotal	501,850	497,259	4,590	0.92%
Depreciation	4,672	6,278	(1,606)	(25.58%)
Depreciation of assigned cost	442	383	59	15.40%
Property Depreciation - Leasing	1,212	552	660	119.57%
II - Subtotal	6,326	7,213	(887)	(12.30%)
Total General (I + II)	508,177	504,472	3,705	0.73%

4.3.1 - Personnel - The 2.18% increase in expenses with administrative personnel was basically due to the linear salary adjustment and the decrease in the reversals of the vacation and social security provision.

4.3.2 - Materials - Spending on materials decreased by 38.01%. Among the components of this group that decreased, we highlight material for the conservation and repair of other goods and fuel and lubricants for vehicles.

4.3.3 - Third Party Services - The expenses with third party services decreased by 9.08%, showing a total amount spent of BRL 63,902 against BRL 70,279 recorded in the same period of the previous year. Under this item, we highlight cleaning, hygiene and surveillance services, in addition to reading, delivery and re-registration services that had a change in rating.

4.3.4 - General Expenses - These expenses expanded by 166.10% in the fourth quarter of 2017 compared to the same period in 2016. Driving, travel and lodging and legal and judicial notarial expenses were the main increases in this expenditure group.

4.4 Commercial Expenses - Expenses with the Company's commercial system grew by 45.34%, which represents a variation of BRL 60,765, as shown in the table below:

Table 08- Breakdown of Commercial Expenses

Commercial Expenses	2017	2016	Variation BRL	Variation (%)
Personnel	80,378	39,841	40,537	101.75%
Material	352	461	(109)	(23.64%)
Third Party Services	58,752	42,901	15,851	36.95%
Concession Remuneration	51,253	49,051	2,202	4.49%
General	3,844	1,505	2,339	155.42%
I - Subtotal	194,579	133,759	60,820	45.47%
Depreciation	58	145	(87)	(60.00%)
Depreciation of assigned cost	2	4	(2)	(50.00%)
Property Depreciation - Leasing	135	102	33	32.35%
II - Subtotal	195	251	(56)	(22.31%)

Total General (I + II)	194,775	134,010	60,765	45.34%
------------------------	---------	---------	--------	--------

Main variations are:

4.4.1 - Personnel - The increase in expenses with personnel was 101.75%. This increase is due to the accounting rating that they passed on to commercial dept., in addition to personnel expenses and commercial expenses, it was also driven by the increase in expenses with salaries and overtime wages, indemnities and notice of termination wage.

4.4.2 - Materials - Spending on materials decreased by 23.64%. Among the components of this group that decreased, we highlight information, safety and protection material, parts and accessories for vehicles.

4.4.3 - Third Party Services - Third party services increased by 36.95%. Cutting and reconnection costs are noteworthy. Under this item, we highlight an accounting adjustment that transferred the recording of expenses with reading, delivery, cutting and reconnection and re-registration of the administrative structure to the commercial, affecting the growth of this expense for the commercial area.

4.4.4 - General - General expenses with expenditure increased by BRL 2,339. The main increases occurred in concession remuneration and indemnities to third parties.

4.5 - Provision / Reversal-Losses / Recovery of Prescribed Credits: Constituted to cover possible losses, considered sufficient by management and legal advisors, related to labor, tax, civil, commercial suits and possible questions from tax authorities, in administrative and judicial instances, through a reliable estimate of the amount of the obligation, as permitted by CVM No. resolution 594/09.

They are recognized by the Company, since it has a legal or non-formalized present obligation, as a consequence of a past event, and it may be probable that funds will be withdrawn to settle the obligation.

Table 09 - Provisions / Reversals / Losses and Receivables. Credits

Provisions / Reversals / Recoverable Credits	2017	2016	Variation %
Prescribed Credits Losses	-44,889	-52,045	-13.75%
Provision / Reversal of the Provision for Contingency	42,988	-22,530	-290.80%
Provision / Reversal of Allowance for Doubtful Accounts	-61,626	23,574	-361.42%
Provision / Reversal of Losses in Stock	-1,362	-3,065	-55.56%
Provision / Reversal of Encouraged Job Termination Program	962	11,614	-91.72%
Provision / Reversal of Losses in Civil Works	-42,475	-90,906	-53.28%
Provisions / Reversals / Recoverable Credits	-106,402	-133.35	-20.21%

Regarding the item that had the greatest impact on the increase in provisions in 2017, we highlight the estimated allowance for doubtful accounts, this indicator greatly influenced the reversal in the provision for estimated losses when compared to 2016. In addition, there was a positive balance between reversals and provisions in the 2017 period.

4.6 Net Financial Revenues and Expenses - Reflect the results related to income from financial investments, revenues from monetary variations and other amounts receivable, expenses with interest on loan operations, financing, as well as expenses with fines and

default interest and discounts granted. The financial result presented in the period was (BRL 73,249), the amount represented a negative variation of -43.02% in relation to the financial year of 2016. There was a reduction in financial expenses, with interest, charges and other expenses and monetary correction having the greatest decreases in the period, influenced by the advanced settlement of short-term loans.

Table 10 - Net Revenues and Expenses

Description	2017	2016	Variation BRL	Variation %
Interests / Fines	56,788	56,719	69	0.12%
Monetary Correction	28,401	19,121	9,280	48.53%
Exchange Variation	9,868	31,526	(21,658)	(68.70%)
Adjustment to Current Value	(1,726)	(67)	(1,659)	2,476.12%
Total financial revenues	93,331	107,299	(13,968)	(13.02%)
Interests / Charges and Other Expenses	(141,766)	(197,413)	55,647	(28.19%)
Granted Discounts		(814)	814	(100.00%)
Monetary Correction	(13,204)	(25,467)	12,263	(48.15%)
Exchange Variation	(11,611)	(12,155)	544	(4.48%)
Total Financial Expenses	(166,581)	(235,849)	69,269	(29.37%)
Financial Result	(73,250)	(128,550)	55,301	(43.02%)

4.7 Net Profit - The Company accumulated a profit of BRL 251,022 in the fourth quarter of 2017. The profit earned is basically due to the increase in net sales and the reduction in financial expenses.

4.7.1 Generation of Funds or EBITDA and Adjusted EBITDA - The Company generated an EBITDA of BRL 345,305, 5.25% less than the previous year, which was BRL 364,419. Adjusted EBITDA, on the other hand, generated a cash generation of BRL 451,707, which represents a decrease of 9.26% in relation to the same period of the previous year.

In relation to the EBITDA margin, in the fourth quarter of 2017 a margin of 17.31% was determined, while the EBITDA margin of the previous year was 19.77%. The increase in commercial and operating expenses in the fourth quarter of 2017 led to a reduction in EBITDA, consequently there was a decrease in the EBITDA margin.

Considering only revenues and expenses that effectively have a cash effect, in the fourth quarter of 2017 the Company closed the period with an Adjusted EBITDA margin of 22.64%, which represents a decrease of 16.16% in relation to the previous year. This result is mainly due to the increase in the Company's commercial expenses.

5. Analysis and Discussion of the Equity Structure

In the following analysis and discussion about the Company's equity structure, we seek to discuss the items that are considered materially relevant to adequately justify changes in its equity situation in the period corresponding to the fourth quarter of 2017 compared to the same period of the previous year.

In April 2017, the controlling shareholder paid in capital in the amount of 65 million in addition to paying debts from previous years due to the Company in the amount of 35 million, thus totaling an injection of BRL 100,000,000 (One hundred million reais). From the aforementioned total funds, 34 million were used to settle short-term loans in order to improve the profile of the financial debt and relieve the pressure on the Company's short-term cash flow.

In December 2017, the Company made the 4th issue of debentures, in the amount of BRL 130,000, with the funds raised having as priority allocation the advanced settlement of loans, lengthening of short-term debt, strengthening of working capital and complement of the Company's voluntary job termination program.

Table 11 - Equity Structure

Balance Sheet	2017	2016	Variation BRL	Variation %
Current Asset	430,653	355,420	75,233	21.17%
Non-Current Asset	4,128,323	4,161,315	-32,992	-0.79%
Total Asset	4,558,976	4,516,735	42,241	0.94%
Current Liability	657,998	746,802	-88,804	-11.89%
Non-Current Liabilities	1,339,253	1,538,979	-199,726	-12.98%
Net Equity	2,561,725	2,230,954	330,771	14.83%
Total Liabilities and Shareholders' Equity	4,558,976	4,516,735	42,241	0.94%

5.1 Current Assets

5.1.1 Cash and cash equivalents - Cash and cash equivalents increased by BRL 41,551, representing an increase of 112.19%. This variation is due, among other aspects, to the contribution of resources made by the state, issuance of debentures, financial investments and current account / collection.

5.1.2 Credits Receivable from Users - Accounts receivable from customers increased BRL 4,538 or positive variation 1.89%. The increase is due to other credits receivable from consortia and subsidiaries.

5.1.3 Stocks - The stock account had an increase of BRL 9,386, greater balance of materials for treatment plants, pipes, connections for networks and pipelines and sewerage.

5.2 Non-Current Assets

5.2.1 Intangible assets, basically composed of assets used in water and sewerage systems linked to municipal concessions, decreased by BRL 283,339, representing a negative variation of 7.82%, with the closing value of the fourth quarter 2017 of BRL 3,341,591.

5.3 Current Liabilities

5.3.1 Short Term Loans and Financing - It presented a balance of BRL 154,343 in the fourth quarter of 2017, against BRL 195,952 at the end of 2016. Reduction due to the advanced settlement of short-term loans in order to improve the profile of the financial debt, easing the pressure on the Company's short-term cash flow.

5.3.2 Suppliers - The short-term suppliers account showed a balance of BRL 218,815, against BRL 305,692 at the end of financial year 2016, which represents a 28.42% decrease. The reduction in the supplier account reflects the new payment policy implemented by the Company.

5.3.3 Installments - Balance of BRL 24,435 with an increase of BRL 14,874 in relation to the previous period. The variation is mainly due to the Company's recognition of credit due to employees, in view of the labor suit agreement signed with the labor union of the category.

5.4 Non-current liabilities

5.4.1 Long-Term Loans and Financing - This long-term loans and financing account decreased 23.04% in relation to the balance presented at the end of December 31, 2016. This decrease is expected, in view of the settlement of advanced contracts and amortizations during the year.

5.4.2 Installments - This account decreased 22.85% in the fourth quarter of 2017. The Company benefited from Provisional Measure No. 766/2017, which instituted the Tax Regularization Program with the Federal Revenue Service of Brazil and the Attorney General of the National Treasury, regulated by Normative Instruction RFB No. 1687/2017 and Ordinance PGFN No. 152/2017.

The Company had social security and non-social security installments with the Federal Revenue Service of Brazil (RFB). With the regulation of the aforementioned program, after analysis of the preceding legal provisions, SANEAGO joined the program on 03/06/17 in view of the possibility of using accumulated tax loss as a payment. The balance when the installment was made was BRL 21,924. The option was to pay 24% of the debt in 24 monthly installments. The remaining balance has been amortized through an accumulated tax loss.

5.5 Shareholders' Equity - Shareholders' equity grew 14.83%, compared to the end of 2016, reaching an amount of BRL 2,561,725. Such variation results from the recording of profit in the period that the accumulated losses were zeroed, resulting in a positive balance of BRL 7,652 remaining.

6. Risk Rating

On August 1, 2017, Fitch Ratings removed the Negative Outlook from the National Long-Term Rating of Saneamento de Goiás S.A. (Saneago) and attributed a Stable Outlook to the corporate Rating. According to Fitch, the removal of the Negative Outlook reflects the reduction in pressures on Saneago's liquidity profile, resuming the long-term debt market with more sustainable costs coupled with the resumption of financing disbursements to support its investments. In addition to the corporate Rating, the Company maintains Rating outlooks for operations carried out within the scope of the capital market, as can be seen in the table below.

Table 12. Saneago S/A Rating

Rating	Fitch Rating	Outlook
Corporate	BBB (bra)	Stable
Debentures, 3 rd Issue	BBB (bra)	Stable
FIDC IV	AA (bra)	Stable

Management