

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

December 02, 2011

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**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, DC 20549**

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**FORM 6-K**

**REPORT OF FOREIGN ISSUER**  
**PURSUANT TO RULE 13a-16 OR 15d-16 OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

**For November 17, 2011**  
**(Commission File No. 1-31317)**

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**Companhia de Saneamento Básico do Estado de São Paulo - SABESP**  
*(Exact name of registrant as specified in its charter)*

**Basic Sanitation Company of the State of Sao Paulo - SABESP**  
*(Translation of Registrant's name into English)*

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**Rua Costa Carvalho, 300**  
**São Paulo, S.P., 05429-900**  
**Federative Republic of Brazil**  
*(Address of Registrant's principal executive offices)*

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Indicate by check mark whether the registrant files or will file  
annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K  
in paper as permitted by Regulation S-T Rule 101(b)(1) ☐.

Indicate by check mark if the registrant is submitting the Form 6-K  
in paper as permitted by Regulation S-T Rule 101(b)(7) ☐.

Indicate by check mark whether the registrant by furnishing the  
information contained in this Form is also thereby furnishing the  
information to the Commission pursuant to Rule 12g3-2(b) under  
the Securities Exchange Act of 1934.

Yes ☐ No ☒

If "Yes" is marked, indicated below the file number assigned to the  
registrant in connection with Rule 12g3-2(b):

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**CIA. DE SANEAMENTO BÁSICO DO ESTADO DE SÃO PAULO - SABESP**

Rui de Britto Álvares Affonso

Chief Financial Officer and Investor Relations Officer

Mario Azevedo de Arruda Sampaio

Head of Capital Markets and Investor Relations

**SABESP announces 3Q11 results**

São Paulo, November 10, 2011 - **Companhia de Saneamento Básico do Estado de São Paulo - SABESP** (BM&FBovespa: SBSP3; NYSE: SBS), one of the largest water and sewage services providers in the world based on the number of customers, announces today its **results for the third quarter 2011 (3Q11)**. The Company's operating and financial information, except when indicated otherwise is presented in Brazilian Reais, in accordance with the Brazilian Corporate Law. All comparisons in this release, unless otherwise stated, refer to the year 2010.

SBSP3: R\$ 48.00/ share

SBS: US\$ 55.02 (ADR=2 shares)

Total shares: 227,836,623

Market Value: R\$ 10.9 billion

Closing price: 11/10/2011

## 1. Financial Highlights

|                                                | <i>R\$ million</i> |         |         |        |          |         |         |        |  |  |
|------------------------------------------------|--------------------|---------|---------|--------|----------|---------|---------|--------|--|--|
| (+) Gross operating revenue                    | 1,929.32           | 2,068.1 | 138.8   | 7.25   | 638.46   | 043.3   | 404.9   | 7.2    |  |  |
| (+) Construction revenue                       | 564.9              | 672.3   | 107.4   | 19.0   | 1,559.7  | 1,621.1 | 61.4    | 3.9    |  |  |
| (-) COFINS and PASEP taxes                     | 140.9              | 149.1   | 8.2     | 5.8    | 409.2    | 438.7   | 29.5    | 7.2    |  |  |
| (=) Net operating revenue                      | 2,353.32           | 2,591.3 | 238.0   | 10.1   | 6,788.97 | 7,225.7 | 436.8   | 6.4    |  |  |
| (-) Costs and expenses                         | 1,166.0            | 1,287.1 | 121.1   | 10.4   | 3,330.63 | 3,968.0 | 637.4   | 19.1   |  |  |
| (-) Construction costs                         | 551.6              | 656.0   | 104.4   | 18.9   | 1,523.9  | 1,581.8 | 57.9    | 3.8    |  |  |
| (+) Equity Results                             | (0.1)              | (2.2)   | (2.1)   | -      | (0.3)    | (4.4)   | (4.1)   |        |  |  |
| (=) Earnings before financial expenses (EBIT*) | 635.6              | 646.0   | 10.4    | 1.6    | 1,934.1  | 1,671.5 | (262.6) | (13.6) |  |  |
| (+) Depreciation and amortization              | 141.2              | 168.2   | 27.0    | 19.1   | 432.9    | 572.5   | 139.6   | 32.2   |  |  |
| (=) EBITDA**                                   | 776.8              | 814.2   | 37.4    | 4.8    | 2,367.02 | 2,244.0 | (123.0) | (5.2)  |  |  |
| (%) EBITDA margin                              | 33.0               | 31.4    |         |        | 34.9     | 31.1    |         |        |  |  |
| Net income                                     | 437.0              | 68.0    | (369.0) | (84.4) | 1,055.5  | 730.4   | (325.1) | (30.8) |  |  |
| Earnings per share (R\$)                       | 1.92               | 0.30    |         |        | 4.63     | 3.21    |         |        |  |  |

(\*) Earnings before interest and taxes

(\*\*) Earnings before interest, taxes, depreciation and amortization

In 3Q11, net operating revenue reached R\$ 2.6 billion, a 10.1% growth compared to 3Q10. Costs and expenses, in the amount of R\$ 1.3 billion grew 10.4% versus 3Q10. EBIT grew by 1.6%, from R\$ 635.6 million in 3Q10 to R\$ 646.0 million in 3Q11. EBITDA moved from R\$ 776.8 million in 3Q10 to R\$ 814.2 million in 3Q11, an increase of 4.8%. EBITDA margin was 31.4% in 3Q11 in comparison to 33.0% in 3Q10.

## 2. Gross operating revenue

Gross operating revenue from water supply and sewage collection grew from R\$ 1.9 billion in 3Q10 to R\$ 2.1 billion in 3Q11, an increase of R\$ 138.8 million or 7.2%. The main factors that led to this variation were: the increase of 3.0% in water billed volume and of 4.2% in sewage billed volume and the tariff adjustment of 4.05% as of September 2010.

The main factors that contributed to higher billed volume were: the increase in the number of connections, the intensification of fraud prevention, replacement of water meters in the São Paulo Metropolitan Region and the growth in industry consumption.

## 3. Billed volume

The following tables show the billed water and sewage volume per customer category and region in 3Q10 and 3Q11.



**BILLED WATER AND SEWAGE VOLUME <sup>(1)</sup> PER CUSTOMER CATEGORY - million m<sup>3</sup>**

|                     |                |                |            |                |                |            |                |                |            |
|---------------------|----------------|----------------|------------|----------------|----------------|------------|----------------|----------------|------------|
| Residential         | 357.7          | 369.1          | 3.2        | 291.8          | 304.1          | 4.2        | 649.5          | 673.2          | 3.6        |
| Commercial          | 40.3           | 41.8           | 3.7        | 37.6           | 39.0           | 3.7        | 77.9           | 80.8           | 3.7        |
| Industrial          | 9.3            | 9.7            | 4.3        | 9.3            | 10.1           | 8.6        | 18.6           | 19.8           | 6.5        |
| Public              | 12.9           | 13.6           | 5.4        | 10.2           | 10.6           | 3.9        | 23.1           | 24.2           | 4.8        |
| <b>Total retail</b> | <b>420.2</b>   | <b>434.2</b>   | <b>3.3</b> | <b>348.9</b>   | <b>363.8</b>   | <b>4.3</b> | <b>769.1</b>   | <b>798.0</b>   | <b>3.8</b> |
| Wholesale           | 73.3           | 74.1           | 1.1        | 6.6            | 6.8            | 3.0        | 79.9           | 80.9           | 1.3        |
| Reused water        | 0.1            | 0.1            | -          | -              | -              | -          | 0.1            | 0.1            | -          |
| <b>Total</b>        | <b>493.6</b>   | <b>508.4</b>   | <b>3.0</b> | <b>355.5</b>   | <b>370.6</b>   | <b>4.2</b> | <b>849.1</b>   | <b>879.0</b>   | <b>3.5</b> |
| Residential         | 1,079.1        | 1,109.2        | 2.8        | 876.0          | 908.9          | 3.8        | 1,955.1        | 2,018.1        | 3.2        |
| Commercial          | 120.9          | 124.9          | 3.3        | 112.3          | 116.6          | 3.8        | 233.2          | 241.5          | 3.6        |
| Industrial          | 27.6           | 28.9           | 4.7        | 27.9           | 30.0           | 7.5        | 55.5           | 58.9           | 6.1        |
| Public              | 37.3           | 39.6           | 6.2        | 29.9           | 31.0           | 3.7        | 67.2           | 70.6           | 5.1        |
| <b>Total retail</b> | <b>1,264.9</b> | <b>1,302.6</b> | <b>3.0</b> | <b>1,046.1</b> | <b>1,086.5</b> | <b>3.9</b> | <b>2,311.0</b> | <b>2,389.1</b> | <b>3.4</b> |
| Wholesale           | 219.2          | 222.5          | 1.5        | 21.9           | 21.0           | (4.1)      | 241.1          | 243.5          | 1.0        |
| Reused water        | 0.2            | 0.2            | -          | -              | -              | -          | 0.2            | 0.2            | -          |
| <b>Total</b>        | <b>1,484.3</b> | <b>1,525.3</b> | <b>2.8</b> | <b>1,068.0</b> | <b>1,107.5</b> | <b>3.7</b> | <b>2,552.3</b> | <b>2,632.8</b> | <b>3.2</b> |

**BILLED WATER AND SEWAGE VOLUME <sup>(1)</sup> PER REGION - million m<sup>3</sup>**

|                         |                |                |            |                |                |            |                |                |            |
|-------------------------|----------------|----------------|------------|----------------|----------------|------------|----------------|----------------|------------|
| Metropolitan            | 278.7          | 287.4          | 3.1        | 236.2          | 244.1          | 3.3        | 514.9          | 531.5          | 3.2        |
| Regional <sup>(2)</sup> | 141.5          | 146.8          | 3.7        | 112.7          | 119.7          | 6.2        | 254.2          | 266.5          | 4.8        |
| <b>Total retail</b>     | <b>420.2</b>   | <b>434.2</b>   | <b>3.3</b> | <b>348.9</b>   | <b>363.8</b>   | <b>4.3</b> | <b>769.1</b>   | <b>798.0</b>   | <b>3.8</b> |
| Wholesale               | 73.3           | 74.1           | 1.1        | 6.6            | 6.8            | 3.0        | 79.9           | 80.9           | 1.3        |
| Reused water            | 0.1            | 0.1            | -          | -              | -              | -          | 0.1            | 0.1            | -          |
| <b>Total</b>            | <b>493.6</b>   | <b>508.4</b>   | <b>3.0</b> | <b>355.5</b>   | <b>370.6</b>   | <b>4.2</b> | <b>849.1</b>   | <b>879.0</b>   | <b>3.5</b> |
| Metropolitan            | 834.8          | 857.6          | 2.7        | 706.1          | 727.8          | 3.1        | 1,540.9        | 1,585.4        | 2.9        |
| Regional <sup>(2)</sup> | 430.1          | 445.0          | 3.5        | 340.0          | 358.7          | 5.5        | 770.1          | 803.7          | 4.4        |
| <b>Total retail</b>     | <b>1,264.9</b> | <b>1,302.6</b> | <b>3.0</b> | <b>1,046.1</b> | <b>1,086.5</b> | <b>3.9</b> | <b>2,311.0</b> | <b>2,389.1</b> | <b>3.4</b> |
| Wholesale               | 219.2          | 222.5          | 1.5        | 21.9           | 21.0           | (4.1)      | 241.1          | 243.5          | 1.0        |
| Reused water            | 0.2            | 0.2            | -          | -              | -              | -          | 0.2            | 0.2            | -          |
| <b>Total</b>            | <b>1,484.3</b> | <b>1,525.3</b> | <b>2.8</b> | <b>1,068.0</b> | <b>1,107.5</b> | <b>3.7</b> | <b>2,552.3</b> | <b>2,632.8</b> | <b>3.2</b> |

(1) Unaudited

(2) Including coastal and countryside



#### 4. Costs, administrative and selling expenses

In 3Q11, costs of products and services, administrative and selling expenses grew 13.1% (R\$ 225.5 million). As a percentage of net revenue, costs and expenses moved 73.0% in 3Q10 to 75.0% in 3Q11.

|                                                   | <i>R\$ million</i> |                |              |             |                |                |              |             |
|---------------------------------------------------|--------------------|----------------|--------------|-------------|----------------|----------------|--------------|-------------|
| Payroll and benefits                              | 384.2              | 427.1          | 42.9         | 11.2        | 1,137.4        | 1,395.7        | 258.3        | 22.7        |
| Supplies                                          | 36.3               | 42.5           | 6.2          | 17.1        | 103.0          | 114.2          | 11.2         | 10.9        |
| Treatment supplies                                | 31.6               | 37.3           | 5.7          | 18.0        | 98.7           | 118.8          | 20.1         | 20.4        |
| Services                                          | 221.2              | 245.1          | 23.9         | 10.8        | 711.2          | 709.2          | (2.0)        | (0.3)       |
| Electric power                                    | 132.3              | 143.9          | 11.6         | 8.8         | 392.3          | 436.6          | 44.3         | 11.3        |
| General expenses                                  | 166.1              | 194.2          | 28.1         | 16.9        | 274.9          | 478.6          | 203.7        | 74.1        |
| Tax expenses                                      | 11.7               | 11.6           | (0.1)        | (0.9)       | 50.5           | 49.1           | (1.4)        | (2.8)       |
| <b>Sub-total</b>                                  | <b>983.4</b>       | <b>1,101.7</b> | <b>118.3</b> | <b>12.0</b> | <b>2,768.0</b> | <b>3,302.2</b> | <b>534.2</b> | <b>19.3</b> |
| Depreciation and amortization                     | 141.2              | 168.2          | 27.0         | 19.1        | 432.9          | 572.5          | 139.6        | 32.2        |
| Credit write-offs                                 | 41.4               | 17.2           | (24.2)       | (58.5)      | 129.7          | 93.3           | (36.4)       | (28.1)      |
| <b>Sub-total</b>                                  | <b>182.6</b>       | <b>185.4</b>   | <b>2.8</b>   | <b>1.5</b>  | <b>562.6</b>   | <b>665.8</b>   | <b>103.2</b> | <b>18.3</b> |
| Construction costs                                | 551.6              | 656.0          | 104.4        | 18.9        | 1,523.9        | 1,581.8        | 57.9         | 3.8         |
| <b>Costs, administrative and selling expenses</b> | <b>1,717.6</b>     | <b>1,943.1</b> | <b>225.5</b> | <b>13.1</b> | <b>4,854.5</b> | <b>5,549.8</b> | <b>695.3</b> | <b>14.3</b> |
| % over net revenue                                | 73.0               | 75.0           |              |             | 71.5           | 76.8           |              |             |

##### 4.1. Payroll and benefits

In 3Q11 payroll and benefits increased by R\$ 42.9 million or 11.2%, from R\$ 384.2 million to R\$ 427.1 million, due to the following:

- Reversion of R\$ 13.4 million, in 2010, referent to the provision for Profit Sharing (PLR) in 2009, with an impact of R\$ 20.1 million between the periods;
- Adjustment of actuarial calculation relating to the migration of employees from the Defined Benefits Plan to Sabesprev-Mais in 2010, amounting to R\$ 3.9 million;
- Increase of R\$ 8.5 million due to compensation related the Government Severance Indemnity Fund (FGTS), as a result of a higher number of lay-offs this quarter; and
- 8% increase in wages since May 2011, with an impact of approximately R\$ 31.6 million.

The aforementioned increases were offset by a reduction of R\$ 21.5 million, referring to the actuarial liability of the G0 Plan. Since 2011, these expenses have been recognized net of the payments of the undisputed party (benefits of Law no. 4819/58).

##### 4.2. Supplies



In 3Q11, expenses with supplies increased by R\$ 6.2 million or 17.1%, when compared to the same quarter of 2010, from R\$ 36.3 million to R\$ 42.5 million. The main factor for this variation was the expenses with maintenance of systems.

#### **4.3. Treatment supplies**

Treatment supplies expenses in 3Q11 were R\$ 5.7 million, or 18.0% higher than in 3Q10, from R\$ 31.6 million to R\$ 37.3 million. The main factors were:

- Increase of R\$ 2.0 million in the consumption of aluminum polychloride in replacement of the aluminum sulphate at the Water Treatment Station of Guaraú; and
- Increase of R\$ 1.0 million in chlorine consumption due to the climate and water reservoirs conditions.

#### 4.4. Services

In 3Q11 this item increased R\$ 23.9 million or 10.8%, from R\$ 221.2 million to R\$ 245.1 million. The main factors were:

- Public and Private Partnership Agreement of the Alto Tietê Production System, with an increase of R\$ 8.4 million as expected for the second year of the contract and start-up in September 2011;
- Preventive and corrective maintenance in the water supply and sewage service systems, amounting to R\$ 6.7 million; and
- Connection and sewage network maintenance in the amount of R\$ 5.2 million, due to the intensification of the fight against losses and to comply with work execution terms required by the ARSESP.

#### 4.5. Electric power

In 3Q11 this item increased R\$ 11.6 million or 8.8%, from R\$ 132.3 million to R\$ 143.9 million.

This result is associated to the increase in the produced volume and the average tariff increase in the free and captive market of approximately 5.9% in the period.

#### 4.6. General expenses

In 3Q11 general expenses increased R\$ 28.1 million or 16.9%, from R\$ 166.1 million to R\$ 194.2 million, due to the provision for legal contingencies.

#### 4.7. Depreciation and amortization

This item increased R\$ 27.0 million or 19.1%, from R\$ 141.2 million to R\$ 168.2 million, due to the amortization term adjustment between the asset's useful life and the contract effectiveness, whichever is the shortest one, recurring for the next quarter.

#### 4.8. Credit write-offs

Credit write-offs dropped R\$ 24.2 million or 58.5%, from R\$ 41.4 million to R\$ 17.2 million, mainly due to the conclusion of the complementation of provisions on the billing of private customers and public municipal entities.

#### 5. Financial expenses and revenues

|                                                           | <i>R\$ million</i> |              |             |             |
|-----------------------------------------------------------|--------------------|--------------|-------------|-------------|
| Financial expenses                                        |                    |              |             |             |
| Interest and charges on domestic loans and financing      | 100.8              | 77.8         | (23.0)      | (22.8)      |
| Interest and charges on international loans and financing | 11.7               | 23.2         | 11.5        | 98.3        |
| Interest rate over lawsuit                                | (39.4)             | 29.0         | 68.4        | (173.6)     |
| Other financial expenses                                  | 7.6                | 9.3          | 1.7         | 22.4        |
| <b>Total financial expenses</b>                           | <b>80.7</b>        | <b>139.3</b> | <b>58.6</b> | <b>72.6</b> |

|                                           |             |             |             |              |
|-------------------------------------------|-------------|-------------|-------------|--------------|
| Financial revenues                        | 60.7        | 96.1        | 35.4        | 58.3         |
| <b>Financial expenses net of revenues</b> | <b>20.0</b> | <b>43.2</b> | <b>23.2</b> | <b>116.0</b> |

### 5.1. Financial expenses

In 3Q11 financial expenses increased R\$ 58.6 million, or 72.6%. The main factors that influenced this result were:

- Increase in the amount relating to lawsuit in the amount of R\$ 68.4 million mainly due to the lower expense basis in 3Q10 as a result of the reversal of provisions in the amount of R\$ 66.8 million;
- Interest related to the Eurobonds, in the amount of US\$ 350 million, in December 2010, which increased R\$ 11.5 million; and
- Decrease in interest by R\$ 23.0 million, on domestic loans and financing, mainly due to the amortization of the 8<sup>th</sup> debenture in June 2011.

## 5.2. Financial revenues

Financial revenues increased by R\$ 35.4 million, as a result of higher volume for financial investments due to the increase in cash position.

## 6. Monetary variation on assets and liabilities

|                                                    | <i>R\$ million</i> |              |              |                |
|----------------------------------------------------|--------------------|--------------|--------------|----------------|
| Monetary variation on loans and financing          | 15.4               | 7.9          | (7.5)        | (48.7)         |
| Currency exchange variation on loans and financing | (78.6)             | 466.3        | 544.9        | (693.3)        |
| Other monetary/exchange rate variations            | 0.5                | 11.1         | 10.6         | -              |
| <b>Variation on liabilities</b>                    | <b>(62.7)</b>      | <b>485.3</b> | <b>548.0</b> | <b>(874.0)</b> |
| Variation on assets                                | 20.1               | 17.8         | (2.3)        | (11.4)         |
| <b>Net Variation</b>                               | <b>(82.8)</b>      | <b>467.5</b> | <b>550.3</b> | <b>(664.6)</b> |

### 6.1. Monetary variations on liabilities

The effect on the monetary variations on liabilities in 3Q11 was R\$ 548.0 million higher, compared to 3Q10, due to:

- Exchange variation on foreign loans and financing in the amount of R\$ 544.9 million, due to the 18.8% appreciation of the U.S. Dollar in 3Q11 compared to the 6.0% depreciation in 3Q10; and
- Increase in the amount of other financial expenses relating to lawsuits in the amount of R\$ 10.6 million.

### 6.2. Monetary variations on assets

Monetary variations on assets decreased R\$ 2.3 million, mainly due to the higher volume of agreements reached in 3Q10.

## 7. Operating indicators

### Operating indicators

The water loss ratio closed the period at 25.7% versus 26% in the same period in 2010, reflecting the resumption of services agreements, which were being developed at a slower pace in previous periods. It is important to mention that this index is a moving average which will have a gradual impact.

It is worth mentioning that the evolution of number of calls per employee increased from 852 in 3Q10 to 876 in 3Q11, up 2.8% in the period.

|                                   |       |       |     |
|-----------------------------------|-------|-------|-----|
| Water connections <sup>(1)</sup>  | 7,253 | 7,438 | 2.6 |
| Sewage connections <sup>(1)</sup> | 5,668 | 5,877 | 3.7 |

|                                                    |        |        |       |
|----------------------------------------------------|--------|--------|-------|
| Population directly served - water <sup>(2)</sup>  | 23.6   | 23.8   | 0.8   |
| Population directly served - sewage <sup>(2)</sup> | 19.9   | 20.4   | 2.5   |
| Number of employees                                | 15,165 | 15,194 | 0.2   |
| Water volume produced <sup>(3)</sup>               | 2,206  | 2,241  | 1.6   |
| Water losses (%)                                   | 26.0   | 25.7   | (1.2) |
| Number of connections per employees                | 852    | 876    | 2.8   |

(1) In thousand units

(2) In million inhabitants. Not including wholesale

(3) In millions of cubic meters from January to September 2011

\* Unaudited

## 8. Loans and Financing

In October the company used its cash to anticipate the total redemption of outstanding first and second series of 9<sup>th</sup> issue debentures, with the consequent cancellation of the issue. The 9<sup>th</sup> issue was conducted in October 2008 in two (2) series, totaling R\$ 220 million. The 1<sup>st</sup> Series amounted to R\$100 million, yielding CDI+2.75% and maturing BID in five (5) years, and the 2nd Series amounted to R\$ 120 million, yielding IPCA+12.87%, maturing in seven (7) years.

The Company is in process of taking out two loan operations, one of them with the Brazilian Development Bank (BNDES), BIRD at the loan amount of R\$ 183.3 million and another one with the Federal Savings Bank (CAIXA), at the loan amount of R\$ 215 million.

Both of them were already approved by the executive boards of BNDES and CAIXA and agreements must be signed by the end of 2011. The proceeds obtained with these loans aim at financing water and sewage projects.

**R\$ million**

### Local market

|                           |              |                |                |              |              |              |                |                |
|---------------------------|--------------|----------------|----------------|--------------|--------------|--------------|----------------|----------------|
| Banco do Brasil           | 82.5         | 347.9          | 378.7          | 99.8         | -            | -            | -              | 908.9          |
| Caixa Econômica Federal   | 25.0         | 106.7          | 108.4          | 69.7         | 47.7         | 46.5         | 518.3          | 922.3          |
| Debentures                | 33.3         | 833.7          | 549.0          | 314.5        | 314.7        | -            | -              | 2,045.2        |
| Debentures BNDES          | -            | 2.0            | 35.5           | 55.6         | 70.2         | 70.3         | 328.7          | 562.3          |
| Debentures FI FGTS        | -            | -              | -              | 22.7         | 45.4         | 45.4         | 386.1          | 499.6          |
| BNDES                     | 11.9         | 73.3           | 45.7           | 41.5         | 41.5         | 41.5         | 245.2          | 500.6          |
| Others                    | 0.6          | 1.1            | 0.6            | 0.5          | 0.5          | 0.6          | 25.7           | 29.6           |
| Interest and charges      | 49.6         | 25.7           | -              | -            | -            | -            | -              | 75.3           |
| <b>Local market total</b> | <b>202.9</b> | <b>1,390.4</b> | <b>1,117.9</b> | <b>604.3</b> | <b>520.0</b> | <b>204.3</b> | <b>1,504.0</b> | <b>5,543.8</b> |

### International market

|                                   |              |                |                |              |              |              |                |                |
|-----------------------------------|--------------|----------------|----------------|--------------|--------------|--------------|----------------|----------------|
| BID                               | 26.0         | 71.1           | 71.1           | 71.1         | 71.1         | 71.1         | 266.2          | 647.7          |
| BIRD                              | -            | -              | -              | -            | -            | -            | 13.9           | 13.9           |
| Eurobonds                         | -            | -              | -              | -            | -            | 259.0        | 641.3          | 900.3          |
| JICA                              | -            | 52.6           | 52.6           | 52.7         | 52.7         | 52.7         | 685.2          | 948.5          |
| BID 1983AB                        | -            | 44.1           | 44.1           | 44.1         | 44.1         | 44.1         | 195.9          | 416.4          |
| Interest and charges              | 31.6         | 4.3            | -              | -            | -            | -            | -              | 35.9           |
| <b>International market total</b> | <b>57.6</b>  | <b>172.1</b>   | <b>167.8</b>   | <b>167.9</b> | <b>167.9</b> | <b>426.9</b> | <b>1,802.5</b> | <b>2,962.7</b> |
| <b>Total</b>                      | <b>260.5</b> | <b>1,562.5</b> | <b>1,285.7</b> | <b>772.2</b> | <b>687.9</b> | <b>631.2</b> | <b>3,306.5</b> | <b>8,506.5</b> |

## 11. Conference Calls

### **Apimec Meeting**

**November 11, 2011**

3:00pm (Brasília) / 12:00pm (US EST)

*Replay available at the  
Company's website*

### **In English**

**November 11, 2011**

12:00pm (Brasília) / 9:00am (US EST)

Dial in access: 1(412) 317-6776

Conference ID: Sabesp

*Replay available until 11/22/2011*

Dial in access: 1(412) 317-0088

Replay ID: 10004554

Click here for live webcast or access through the internet at: [www.sabesp.com.br](http://www.sabesp.com.br)

### **For more information, please contact:**

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*Statements contained in this press release may contain information that is forward-looking and reflects management's current view and estimates of future economic circumstances, industry conditions, SABESP performance, and financial results. Any statements, expectations, capabilities, plans and assumptions contained in this press release that do not describe historical facts, such as statements regarding the declaration or payment of dividends, the direction of future operations, the implementation of principal operating and financing strategies and capital expenditure plans, the factors or trends affecting financial condition, liquidity or results of operations are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and involve a number of risks and uncertainties. There is no guarantee that these results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.*

**Income Statement****Corporate Law Method (Law No. 6,404/76)****R\$ '000**

|                                                           |                  |                  |                  |                  |
|-----------------------------------------------------------|------------------|------------------|------------------|------------------|
| <b>Gross Revenue from Sales and Services</b>              | <b>2,740,412</b> | <b>2,494,156</b> | <b>2,741,989</b> | <b>2,494,156</b> |
| Water Supply - Retail                                     | 1,070,441        | 1,013,237        | 1,071,406        | 1,013,237        |
| Water Supply - Wholesale                                  | 46,207           | 41,296           | 46,207           | 41,296           |
| Sewage Collection and Treatment                           | 899,674          | 841,260          | 900,221          | 841,260          |
| Sewage Collection and Treatment - Wholesale               | 5,830            | 5,093            | 5,830            | 5,093            |
| Construction Revenue - Water                              | 323,081          | 279,112          | 323,096          | 279,112          |
| Construction Revenue - Sewage                             | 349,249          | 285,741          | 349,264          | 285,741          |
| Other Services                                            | 45,930           | 28,417           | 45,965           | 28,417           |
| Taxes on Sales and Services - COFINS and PASEP            | (149,150)        | (140,902)        | (149,190)        | (140,902)        |
| <b>Net Revenue from Sales and Services</b>                | <b>2,591,262</b> | <b>2,353,254</b> | <b>2,592,799</b> | <b>2,353,254</b> |
| Costs of Sales and Services                               | (1,634,513)      | (1,362,001)      | (1,635,681)      | (1,362,001)      |
| <b>Gross Profit</b>                                       | <b>956,749</b>   | <b>991,253</b>   | <b>957,118</b>   | <b>991,253</b>   |
| <b>Operating Expenses</b>                                 |                  |                  |                  |                  |
| Selling                                                   | (116,219)        | (168,196)        | (116,307)        | (168,196)        |
| Administrative                                            | (192,317)        | (187,427)        | (193,678)        | (187,562)        |
| Other operating revenue (expenses), net                   | (12,671)         | 4,487            | (12,643)         | 4,487            |
| <b>Operating Income Before Shareholdings</b>              | <b>635,542</b>   | <b>640,117</b>   | <b>634,490</b>   | <b>639,982</b>   |
| Equity Result                                             | (2,167)          | (114)            | -                | -                |
| <b>Earnings Before Financial Results, net</b>             | <b>633,375</b>   | <b>640,003</b>   | <b>634,490</b>   | <b>639,982</b>   |
| Financial, net                                            | (44,699)         | (15,734)         | (44,872)         | (15,713)         |
| Exchange gain (loss), net                                 | (465,999)        | 78,651           | (465,999)        | 78,651           |
| <b>Earnings before Income Tax and Social Contribution</b> | <b>122,677</b>   | <b>702,920</b>   | <b>123,619</b>   | <b>702,920</b>   |
| <b>Income Tax and Social Contribution</b>                 |                  |                  |                  |                  |
| Current                                                   | (112,974)        | (199,816)        | (113,182)        | (199,816)        |
| Deferred                                                  | 58,261           | (66,086)         | 57,527           | (66,086)         |
| <b>Net Income (loss) for the period</b>                   | <b>67,964</b>    | <b>437,018</b>   | <b>67,964</b>    | <b>437,018</b>   |



|                                              |                  |                  |                  |                  |
|----------------------------------------------|------------------|------------------|------------------|------------------|
| <b>Registered common shares ('000)</b>       | <b>227,836</b>   | <b>227,836</b>   | <b>227,836</b>   | <b>227,836</b>   |
| <b>Earnings per shares - R\$ (per share)</b> | <b>0.30</b>      | <b>1.92</b>      | <b>0.30</b>      | <b>1.92</b>      |
| <b>Depreciation and Amortization</b>         | <b>(168,191)</b> | <b>(141,161)</b> | <b>(168,216)</b> | <b>(141,161)</b> |
| <b>EBITDA</b>                                | <b>814,237</b>   | <b>776,677</b>   | <b>815,349</b>   | <b>776,656</b>   |
| % over net revenue                           | 31.4%            | 33.0%            | 31.4%            | 33.0%            |

**Balance Sheet****Brazilian Corporate Law****R\$ '000****Current**

|                                  |                  |                  |                  |                  |
|----------------------------------|------------------|------------------|------------------|------------------|
| Cash and Cash Equivalents        | 2,227,455        | 1,988,004        | 2,265,911        | 1,989,179        |
| Accounts Receivable from Clients | 950,178          | 971,047          | 950,796          | 971,318          |
| Related Party Balance            | 173,897          | 137,772          | 173,897          | 137,772          |
| Inventory                        | 35,791           | 36,090           | 35,820           | 36,096           |
| Restricted cash                  | 97,363           | 302,570          | 97,363           | 302,570          |
| Recoverable Taxes                | 69,935           | 108,675          | 70,052           | 108,675          |
| Other Receivables                | 58,975           | 30,716           | 69,594           | 44,511           |
| <b>Total Current Assets</b>      | <b>3,613,594</b> | <b>3,574,874</b> | <b>3,663,433</b> | <b>3,590,121</b> |

**Non-Current**

## Long Term Assets:

|                                             |                |                |                |                |
|---------------------------------------------|----------------|----------------|----------------|----------------|
| Accounts Receivable from Clients            | 355,079        | 352,839        | 355,079        | 352,839        |
| Related Party Balance                       | 164,381        | 231,076        | 164,381        | 231,076        |
| Indemnities Receivable                      | 146,213        | 146,213        | 146,213        | 146,213        |
| Judicial Deposits                           | 53,888         | 43,543         | 53,888         | 43,543         |
| Deferred income tax and social contribution | 133,956        | 77,913         | 133,651        | 78,440         |
| National Water Agency - ANA                 | 67,368         | 62,540         | 67,368         | 62,540         |
| Other Receivables                           | 32,417         | 47,884         | 36,470         | 49,370         |
|                                             | <b>953,302</b> | <b>962,008</b> | <b>957,050</b> | <b>964,021</b> |

|                                 |                   |                   |                   |                   |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| Investments                     | 17,894            | 8,262             | -                 | -                 |
| Intangible Assets               | 19,599,332        | 18,541,522        | 19,612,573        | 18,546,836        |
| Permanent Assets                | 186,367           | 206,384           | 315,422           | 249,606           |
|                                 | 19,803,593        | 18,756,168        | 19,927,995        | 18,796,442        |
| <b>Total Non-Current Assets</b> | <b>20,756,895</b> | <b>19,718,176</b> | <b>20,885,045</b> | <b>19,760,463</b> |

|                     |                   |                   |                   |                   |
|---------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Total Assets</b> | <b>24,370,489</b> | <b>23,293,050</b> | <b>24,548,478</b> | <b>23,350,584</b> |
|---------------------|-------------------|-------------------|-------------------|-------------------|

**Current**

|                                            |           |           |           |           |
|--------------------------------------------|-----------|-----------|-----------|-----------|
| Contractors and Suppliers                  | 205,653   | 142,634   | 211,318   | 144,043   |
| Current portion of long term loans         | 1,029,104 | 1,239,716 | 1,029,274 | 1,242,143 |
| Salaries and Payroll Charges               | 309,443   | 246,325   | 309,861   | 246,467   |
| Income tax and social contribution payable | -         | -         | 72        | -         |
| Other taxes and contributions payable      | 129,052   | 157,768   | 130,896   | 158,050   |

|                                                   |                   |                   |                   |                   |
|---------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Interest on Own Capital Payable                   | 92                | 354,254           | 92                | 354,254           |
| Provisions                                        | 726,941           | 766,603           | 726,941           | 766,603           |
| Other accounts payable                            | 340,561           | 378,256           | 340,561           | 378,256           |
| Other payables                                    | 207,043           | 216,230           | 207,353           | 216,298           |
| <b>Total Current Liabilities</b>                  | <b>2,947,889</b>  | <b>3,501,786</b>  | <b>2,956,368</b>  | <b>3,506,114</b>  |
|                                                   |                   |                   | -                 | -                 |
| <b>Non-Current</b>                                |                   |                   |                   |                   |
| Loans and Financing                               | 7,477,404         | 6,969,576         | 7,646,626         | 7,022,472         |
| Other taxes and contributions payable             | 27,286            | 53,045            | 27,286            | 53,045            |
| Deferred income tax and social contribution       | -                 | -                 | -                 | -                 |
| Deferred Cofins/Pasep taxes                       | 112,979           | 112,962           | 112,979           | 112,962           |
| Provisions                                        | 809,090           | 693,227           | 809,090           | 693,227           |
| Pension Plan Obligations                          | 2,036,891         | 1,804,038         | 2,036,891         | 1,804,038         |
| Other Payables                                    | 615,506           | 476,616           | 615,794           | 476,926           |
| <b>Total Non Current Liabilities</b>              | <b>11,079,156</b> | <b>10,109,464</b> | <b>11,248,666</b> | <b>10,162,670</b> |
| <b>Shareholders' Equity</b>                       |                   |                   |                   |                   |
| Capital Stock                                     | 6,203,688         | 6,203,688         | 6,203,688         | 6,203,688         |
| Capital Reserves                                  | 124,255           | 124,255           | 124,255           | 124,255           |
| Income reserve and accrued earnings               | 4,015,501         | 3,353,857         | 4,015,501         | 3,353,857         |
| <b>Total Shareholders' Equity</b>                 | <b>10,343,444</b> | <b>9,681,800</b>  | <b>10,343,444</b> | <b>9,681,800</b>  |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>24,370,489</b> | <b>23,293,050</b> | <b>24,548,478</b> | <b>23,350,584</b> |

**Cash Flow****Brazilian Corporate Law****R\$ '000****Cash flow from operating activities**

|                                                                   |                  |                  |                  |                  |
|-------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| Earnings before income tax and social contribution                | 1,195,679        | 1,665,766        | 1,196,511        | 1,665,766        |
| Depreciation and Amortization                                     | 572,514          | 432,917          | 572,556          | 432,917          |
| Losses from the sale of fixed and intangible assets               | 21,162           | 14,941           | 21,162           | 14,941           |
| Provisions for bad debt                                           | 240,883          | 257,911          | 240,883          | 257,911          |
| Provisions                                                        | 220,254          | 228,460          | 220,254          | 228,460          |
| Interest calculated over loans and financing payable              | 342,528          | 325,612          | 342,528          | 325,612          |
| Monetary and exchange variation over loans and financing          | 367,326          | 28,254           | 367,326          | 28,254           |
| Variation on liabilities and interest                             | 2,197            | 3,211            | 2,197            | 3,211            |
| Variation on assets and interest                                  | (19,404)         | (44,842)         | (19,404)         | (44,842)         |
| Fair value margin on intangible assets from concession agreements | (39,284)         | (35,847)         | (39,284)         | (35,847)         |
| Provision for the conduct adjustment agreement (TAC)              | -                | -                | -                | -                |
| Equity result                                                     | 40,561           | 18,379           | 40,561           | 18,379           |
| São Paulo municipal government transfers                          | 4,418            | 338              | -                | -                |
| Provision for Sabesprev Mais                                      | -                | (79,330)         | -                | (79,330)         |
| Other write-offs                                                  | (7,432)          | 25,321           | (7,432)          | 25,321           |
| Pension plan obligations                                          | 4,900            | (14)             | 4,900            | (14)             |
| Adjusted net income (generated by operating activities)           | 241,285          | 110,108          | 241,285          | 110,108          |
|                                                                   | <b>3,187,587</b> | <b>2,951,185</b> | <b>3,184,043</b> | <b>2,950,847</b> |

**Variation on Assets and Liabilities****(Increase) decrease in assets:**

|                                                |           |           |           |           |
|------------------------------------------------|-----------|-----------|-----------|-----------|
| Accounts receivable from clients               | (267,238) | (231,555) | (260,730) | (231,329) |
| Balances and transactions with related parties | (219,880) | (177,143) | (220,227) | (177,143) |
| Inventories                                    | 36,585    | 26,499    | 36,585    | 26,499    |
| Recoverable Taxes                              | 228       | 9,912     | 205       | 9,912     |
| Indemnities receivable                         | (43,437)  | (7,340)   | (43,554)  | (7,340)   |
| Judicial deposits                              | -         | -         | -         | -         |
| Other accounts receivable                      | 3,624     | (3,319)   | 3,624     | (3,319)   |
|                                                | (21,186)  | (31,481)  | (20,577)  | (31,484)  |

**Increase (decrease) in liabilities:**

|                                       |           |           |           |           |
|---------------------------------------|-----------|-----------|-----------|-----------|
| Contractors and suppliers             | -         | -         | -         | -         |
| Other suppliers                       | 73,762    | (2,268)   | 78,018    | (2,106)   |
| Salaries and payroll charges          | (37,695)  | 102,812   | (37,695)  | 102,812   |
| Other taxes and contributions payable | 22,557    | 19,334    | 22,833    | 19,401    |
| Taxes on revenues                     | (56,672)  | (50,037)  | (55,038)  | (50,037)  |
| Provisions                            | 17        | (5,331)   | 17        | (5,331)   |
| Pension plan obligations              | -         | -         | -         | -         |
| Other accounts payable                | (8,432)   | (11,974)  | (8,432)   | (11,974)  |
| Contingencies                         | 131,608   | 176,706   | 131,828   | 176,706   |
|                                       | (148,317) | (277,925) | (148,317) | (277,925) |

|                                                              |                    |                    |                    |                    |
|--------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Others</b>                                                | <b>(1,022,759)</b> | <b>(1,122,164)</b> | <b>(1,022,759)</b> | <b>(1,122,164)</b> |
| Interest paid                                                | (583,666)          | (473,608)          | (583,666)          | (473,608)          |
| Income tax and contribution paid                             | (439,093)          | (648,556)          | (439,093)          | (648,556)          |
| <b>Net cash generated from operating activities</b>          | <b>1,897,590</b>   | <b>1,597,466</b>   | <b>1,900,554</b>   | <b>1,597,354</b>   |
| <b>Cash flow from investing activities:</b>                  |                    |                    |                    |                    |
| Restricted cash                                              | 205,207            | (376,391)          | 205,207            | (376,391)          |
| Increase in investment                                       | (14,050)           | -                  | -                  | -                  |
| Acquisition of property, plant and equipment                 | (8,174)            | -                  | (94,006)           | -                  |
| Acquisition of intangible assets                             | (1,337,179)        | (1,304,421)        | (1,345,149)        | (1,306,071)        |
| Income from the sale of fixed assets                         | -                  | -                  | -                  | -                  |
| <b>Net cash used in investing activities</b>                 | <b>(1,154,196)</b> | <b>(1,680,812)</b> | <b>(1,233,948)</b> | <b>(1,682,462)</b> |
| <b>Cash flow from financing activities</b>                   |                    |                    |                    |                    |
| Funding                                                      | 1,456,501          | 2,700,620          | 1,625,893          | 2,702,960          |
| Amortizations                                                | (1,537,521)        | (1,656,283)        | (1,592,844)        | (1,656,283)        |
| Payment of interest on own capital                           | (422,923)          | (365,386)          | (422,923)          | (365,386)          |
| <b>Net cash generated (invested) at financing activities</b> | <b>(503,943)</b>   | <b>678,951</b>     | <b>(389,874)</b>   | <b>681,291</b>     |
| <b>Increase (decrease) in cash and equivalents</b>           | <b>239,451</b>     | <b>595,605</b>     | <b>276,732</b>     | <b>596,183</b>     |
| Cash and cash equivalents at the beginning of the period     | 1,988,004          | 769,433            | 1,989,179          | 771,008            |
| Cash and cash equivalents at the end of the period           | 2,227,455          | 1,365,038          | 2,265,911          | 1,367,191          |
| <b>Changes in Cash and Cash Equivalents</b>                  | <b>239,451</b>     | <b>595,605</b>     | <b>276,732</b>     | <b>596,183</b>     |

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the city São Paulo, Brazil.

Date: November 17 2011

**Companhia de Saneamento Básico do Estado de São Paulo - SABESP**

By: /s/ Rui de Britto Álvares Affonso

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Name: Rui de Britto Álvares Affonso

Title: Chief Financial Officer and Investor Relations Officer

**FORWARD-LOOKING STATEMENTS**

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.

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