

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

November 17, 2014

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

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, 2014
(Commission File No. 1-31317)

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)

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

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):

SABESP announces 3Q14 results

São Paulo, November 13, 2014 - **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 costumers, announces today its results for the **third quarter of 2014 (3Q14)**. 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 same period of 2013.

SBSP3: R\$ 18.73/share
SBS: US\$ 7.21 (ADR=1 share)
Total shares: 683,509,869
Market value: R\$ 12.8 billion
Closing quote: 11/13/2014

1. Financial highlights

| | | | | |
|--|-----------------|---------|---------|------------|
| (+) Gross operating revenue | 2,165.62,393.2 | (227.6) | (9.5) | 6,834.17, |
| (+) Construction revenue | 799.7 551.4 | 248.3 | 45.02, | 009.71, |
| (-) COFINS and PASEP taxes | 141.8 172.2 | (30.4) | (17.7) | 474.2 |
| (=) Net operating revenue | 2,823.52,772.4 | 51.1 | 1.88, | 369.68, |
| (-) Costs and expenses | 1,541.01,401.0 | 140.0 | 10.04, | 707.34, |
| (-) Construction costs | 782.1 539.5 | 242.6 | 45.01, | 966.91, |
| (+) Equity result | (1.2) 1.7 | (2.9) | (170.6) | (1.5) |
| (+) Other operating revenue/expenses, net | (6.2) 11.7 | (17.9) | (153.0) | (44.1) |
| (=) Earnings before financial result, income tax and social contribution | 493.0 845.3 | (352.3) | (41.7) | 1,649.82, |
| (+) Net financial | (337.8) (119.9) | (217.9) | 181.7 | (331.8) (2 |
| (=) Earnings before income tax and social contribution | 155.2 725.4 | (570.2) | (78.6) | 1,318.01, |
| (+) Income tax and social contribution | (63.7) (250.4) | 186.7 | (74.6) | (446.5) (6 |
| Net Income | 91.5 475.0 | (383.5) | (80.7) | 871.51, |
| Earnings per share* (R\$) | 0.13 0.69 | | | 1.28 |
| * Total shares = 683,509,869 | | | | |

Adjusted EBITDA Reconciliation (Non-accounting measures)

| | | | | |
|--|--------------|---------|---------|-----------|
| Net income | 91.5 475.0 | (383.5) | (80.7) | 871.51, |
| (+) Income tax and social contribution | 63.7 250.4 | (186.7) | (74.6) | 446.5 |
| (+) Net financial | 337.8 119.9 | 217.9 | 181.7 | 331.8 |
| (+) Other operating revenues/expenses, net | 6.2 (11.7) | 17.9 | (153.0) | 44.1 |
| (=) Earnings before financial result (EBIT)* | 499.2 833.6 | (334.4) | (40.1) | 1,693.92, |
| (+) Depreciation and amortization | 243.2 208.4 | 34.8 | 16.7 | 726.0 |
| (=) Adjusted EBITDA ** | 742.41,042.0 | (299.6) | (28.8) | 2,419.92, |
| (%) Adjusted EBITDA margin | 26.3 37.6 | | | 28.9 |

(*) Earnings before interest, income tax and social contribution.

(**) Adjusted EBITDA is net income before: (i) depreciation and amortization; (ii) income tax and social contribution; (iii) financial result; and (iv) other operating revenues/expenses, net.

In 3Q14, net operating revenue, including construction revenue, reached R\$ 2.8 billion; a 1.8% increase compared to the same period of 2013.

Costs and expenses, including construction costs, totaled R\$ 2.3 billion, up 19.7% on the R\$ 1.9 billion recorded in 3Q13.

EBIT, in the amount of R\$ 499.2 million, dropped 40.1% from R\$ 833.6 million in 3Q13.

Adjusted EBITDA, in the amount of R\$ 742.4 million, dropped 28.8% from R\$ 1,042.0 million in 3Q13 (R\$ 2,419.9 million in the last 9 months and R\$ 3,551.7 million in the last 12 months).

The adjusted EBITDA margin was 26.3% in 3Q14, versus the 37.6% in 3Q13 (28.9% in the last 9 months and 31.0% in the last 12 months). Excluding construction revenues and construction costs, the adjusted EBITDA margin was 35.8% in 3Q14 (46.4% in 3Q13, 37.4% in the last 9 months and 40.1% in the last 12 months).

Net income totaled R\$ 91.5 million, 80.7% lower than the R\$ 475.0 million recorded in 3Q13.

2. Gross operating revenue

Gross operating revenue from water and sewage, not including construction revenue, totaled R\$ 2.2 billion, a drop of R\$ 227.6 million or 9.5%, when compared to the R\$ 2.4 billion recorded in 3Q13.

The main factors that led to this variation were:

- Decrease of 3.5% in the Company's total billed volume (4.6% in water and 2.0% in sewage);
- R\$ 22.7 million drop in estimated revenue due to the lower billing in the period; and
- Water Consumption Reduction Incentive Program, with a R\$ 127.2 million impact.

The decreases mentioned above were partially offset by the 3.1% tariff adjustment since December 2013.

3. Construction revenue

Construction revenue increased R\$ 248.3 million or 45.0%, when compared to 3Q13. The variation was mainly due to higher investments in 3Q14.

4. Billed volume

The following tables show the water and sewage billed volume, quarter-on-quarter, and year-on-year, per customer category and region.

WATER AND SEWAGE BILLED VOLUME ⁽¹⁾ PER CUSTOMER CATEGORY - million m³

| | | | | | | | | | |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Residential | 379.6 | 387.2 | (2.0) | 318.2 | 322.2 | (1.2) | 697.8 | 709.4 | (1.6) |
| Commercial | 42.4 | 43.8 | (3.2) | 40.1 | 40.7 | (1.5) | 82.5 | 84.5 | (2.4) |
| Industrial | 9.6 | 10.0 | (4.0) | 10.7 | 11.0 | (2.7) | 20.3 | 21.0 | (3.3) |
| Public | 12.9 | 13.8 | (6.5) | 9.9 | 10.7 | (7.5) | 22.8 | 24.5 | (6.9) |
| Total retail | 444.5 | 454.8 | (2.3) | 378.9 | 384.6 | (1.5) | 823.4 | 839.4 | (1.9) |
| Wholesale | 60.2 | 74.5 | (19.2) | 5.8 | 7.9 | (26.6) | 66.0 | 82.4 | (19.9) |
| Total | 504.7 | 529.3 | (4.6) | 384.7 | 392.5 | (2.0) | 889.4 | 921.8 | (3.5) |

| | | | | | | | | | |
|---------------------|----------------|----------------|--------------|----------------|----------------|------------|----------------|----------------|--------------|
| Residential | 1,172.3 | 1,159.9 | 1.1 | 977.8 | 962.1 | 1.6 | 2,150.1 | 2,122.0 | 1.3 |
| Commercial | 130.1 | 130.6 | (0.4) | 122.4 | 121.5 | 0.7 | 252.5 | 252.1 | 0.2 |
| Industrial | 29.6 | 29.3 | 1.0 | 32.7 | 33.3 | (1.8) | 62.3 | 62.6 | (0.5) |
| Public | 39.9 | 40.7 | (2.0) | 30.7 | 31.6 | (2.8) | 70.6 | 72.3 | (2.4) |
| Total retail | 1,371.9 | 1,360.5 | 0.8 | 1,163.6 | 1,148.5 | 1.3 | 2,535.5 | 2,509.0 | 1.1 |
| Wholesale | 198.8 | 223.5 | (11.1) | 18.9 | 22.7 | (16.7) | 217.7 | 246.2 | (11.6) |
| Total | 1,570.7 | 1,584.0 | (0.8) | 1,182.5 | 1,171.2 | 1.0 | 2,753.2 | 2,755.2 | (0.1) |

WATER AND SEWAGE BILLED VOLUME ⁽¹⁾ PER REGION - million m³

| | | | | | | | | | |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Metropolitan | 289.4 | 300.9 | (3.8) | 249.1 | 257.0 | (3.1) | 538.5 | 557.9 | (3.5) |
| Regional ⁽²⁾ | 155.1 | 153.9 | 0.8 | 129.8 | 127.6 | 1.7 | 284.9 | 281.5 | 1.2 |
| Total retail | 444.5 | 454.8 | (2.3) | 378.9 | 384.6 | (1.5) | 823.4 | 839.4 | (1.9) |
| Wholesale | 60.2 | 74.5 | (19.2) | 5.8 | 7.9 | (26.6) | 66.0 | 82.4 | (19.9) |
| Total | 504.7 | 529.3 | (4.6) | 384.7 | 392.5 | (2.0) | 889.4 | 921.8 | (3.5) |

| | | | | | | | | | |
|-------------------------|----------------|----------------|--------------|----------------|----------------|------------|----------------|----------------|--------------|
| Metropolitan | 891.2 | 896.6 | (0.6) | 763.2 | 764.5 | (0.2) | 1,654.4 | 1,661.1 | (0.4) |
| Regional ⁽²⁾ | 480.7 | 463.9 | 3.6 | 400.4 | 384.0 | 4.3 | 881.1 | 847.9 | 3.9 |
| Total retail | 1,371.9 | 1,360.5 | 0.8 | 1,163.6 | 1,148.5 | 1.3 | 2,535.5 | 2,509.0 | 1.1 |
| Wholesale | 198.8 | 223.5 | (11.1) | 18.9 | 22.7 | (16.7) | 217.7 | 246.2 | (11.6) |
| Total | 1,570.7 | 1,584.0 | (0.8) | 1,182.5 | 1,171.2 | 1.0 | 2,753.2 | 2,755.2 | (0.1) |

(1) Unaudited

(2) Including coastal and interior region

5. Costs, administrative and selling expenses

In 3Q14, costs, administrative and selling expenses, grew 19.7% (R\$ 382.6 million). Excluding construction costs, total costs and expenses grew 10.0%. As a percentage of net revenue, cost and expenses was 82.3% in 3Q14 from 70.0% in 3Q13.

| | | | | | | | R\$ |
|---|----------------|----------------|---------------|--------------|----------------|----------------|--------------|
| Payroll and benefits | 535.9 | 489.1 | 46.8 | 9.6 | 1,584.0 | 1,442.9 | 141.1 |
| Supplies | 54.7 | 48.8 | 5.9 | 12.1 | 148.8 | 142.4 | 6.4 |
| Treatment supplies | 65.6 | 63.6 | 2.0 | 3.1 | 199.9 | 183.7 | 16.2 |
| Services | 301.1 | 285.0 | 16.1 | 5.6 | 967.4 | 808.9 | 158.5 |
| Electric power | 156.3 | 133.1 | 23.2 | 17.4 | 440.8 | 410.9 | 29.9 |
| General expenses | 187.6 | 134.0 | 53.6 | 40.0 | 530.3 | 535.8 | (5.5) |
| Tax expenses | 18.2 | 11.3 | 6.9 | 61.1 | 55.4 | 63.2 | (7.8) |
| Sub-total | 1,319.4 | 1,164.9 | 154.5 | 13.3 | 3,926.6 | 3,587.8 | 338.8 |
| Depreciation and amortization | 243.2 | 208.4 | 34.8 | 16.7 | 726.0 | 600.3 | 125.7 |
| Credit write-offs | (21.6) | 27.7 | (49.3) | (178.0) | 54.7 | 83.9 | (29.2) |
| Sub-total | 221.6 | 236.1 | (14.5) | (6.1) | 780.7 | 684.2 | 96.5 |
| Costs and expenses | 1,541.0 | 1,401.0 | 140.0 | 10.0 | 4,707.3 | 4,272.0 | 435.3 |
| Construction costs | 782.1 | 539.5 | 242.6 | 45.0 | 1,966.9 | 1,668.6 | 298.3 |
| Costs, adm., selling and construction expenses | 2,323.1 | 1,940.5 | 382.6 | 19.7 | 6,674.2 | 5,940.6 | 733.6 |
| % of net revenue | 82.3 | 70.0 | | | 79.7 | 72.3 | |

5.1. Payroll and benefits

In 3Q14 payroll and benefits grew R\$ 46.8 million or 9.6%, from R\$ 489.1 million to R\$ 535.9 million, due to the following:

- R\$ 21.6 million increase due to the 6.8% increase in average wages since May 2014 and the changes from the career and wage plan carried out by the Company;
- R\$ 9.9 million increase in provisions, from the higher number of employees who are entitled to request retirement (TAC), in addition to the wage increase in the period;

- R\$ 3.9 million upturn in the provision for the Pension Plan, arising from changes in actuarial assumptions;
- R\$ 3.9 million increase in overtime pay, mainly due to wage adjustment in the period, and the higher number of hours worked; and
- R\$ 3.9 million increase in expenses related to the Profit Sharing Program, chiefly due to adjustments made in the period.

5.2. Supplies

In 3Q14, expenses with supplies increased R\$ 5.9 million or 12.1%, when compared to the same period of the previous year, from R\$ 48.8 million to R\$ 54.7 million, mostly due to:

- R\$ 4.6 million increase with fuel and lubricants, mainly due to the diesel used in generators installed to capture water from the technical reserve at the Cantareira System, in the amount of R\$ 3.5 million; and
- Higher use of materials for sewage network maintenance, chiefly at the municipality of Diadema, with a R\$ 1.0 million increase.

5.3. Treatment supplies

Treatment supplies expenses in 3Q14 were R\$ 2.0 million or 3.1% higher than in 3Q13, from R\$ 63.6 million to R\$ 65.6 million.

5.4. Services

Services, in the amount of R\$ 301.1 million, grew R\$ 16.1 million or 5.6%, in comparison to the R\$ 285.0 million in 3Q13. The main factors were:

- Advertising campaigns, in the amount of R\$ 8.1 million, mainly due to the intensification of the rational use of water campaign;
- Hiring of services, in the amount of R\$ 4.8 million, due to the beginning of operations in Diadema, in March of 2014, in the amount of R\$ 4.6 million; and
- Higher expenses with the Corporate Program for Reduction of Water Loss, in the amount of R\$ 3.0 million.

5.5. Electric power

This item totaled R\$ 156.3 million, an increase of R\$ 23.2 million or 17.4% in comparison to the R\$ 133.1 million in 3Q13, due to the average increase of 39.2% in free market tariffs and of 9.2% in regulated market.

5.6. General expenses

General expenses grew R\$ 53.6 million or 40.0%, totaling R\$ 187.6 million, versus the R\$ 134.0 million recorded in 3Q13.

This increase was mainly due to the increase in the provision for lawsuits related to civil (R\$ 26.6 million) and environmental (R\$ 18.3 million) contingencies.

5.7. Tax expenses

This item increased R\$ 6.9 million, due to increased tax expenses in 3Q14.

5.8. Depreciation and amortization

Depreciation and amortization increased R\$ 34.8 million or 16.7%, from the R\$ 208.4 million recorded in 3Q13, totaling R\$ 243.2 million, due to the beginning of operations of intangible assets, in the amount of R\$ 2.7 billion.

5.9. Credit write-offs

Credit write-offs dropped R\$ 49.3 million, chiefly due to the lower provision of losses with allowance for doubtful accounts.

6. Other operating revenues and expenses, net

6.1. Other operating revenues, net

Recorded a R\$ 4.5 million increase, mainly due to the income from the Program for the Rational Use of Water (PURA) in 3Q14, in the amount of R\$ 4.0 million.

6.2. Other operating expenses

R\$ 22.4 million increase mainly due to the write-off of obsolete goods in 3Q14, in the amount of 26.3 million.

7. Net financial

| | <i>R\$ million</i> | | | |
|-------------------------------------|--------------------|----------------|----------------|--------------|
| Financial expenses, net of revenues | (36.7) | (45.0) | 8.3 | (18.4) |
| Net monetary and exchange variation | (301.1) | (74.9) | (226.2) | 302.0 |
| Net financial | (337.8) | (119.9) | (217.9) | 181.7 |

7.1. Financial revenues and expenses

| | <i>R\$ million</i> | | | |
|---|--------------------|----------------|---------------|---------------|
| Financial expenses | | | | |
| Interest and charges on domestic loans and financing | (46.6) | (63.0) | 16.4 | (26.0) |
| Interest and charges on international loans and financing | (27.1) | (18.7) | (8.4) | 44.9 |
| Other financial expenses | (43.9) | (22.9) | (21.0) | 91.7 |
| Total financial expenses | (117.6) | (104.6) | (13.0) | 12.4 |
| Financial revenues | 80.9 | 59.6 | 21.3 | 35.7 |
| Financial expenses net of revenues | (36.7) | (45.0) | 8.3 | (18.4) |

7.1.1. Financial expenses

Financial expenses grew R\$ 13.0 million. The main reasons were:

- R\$ 16.4 million decrease in interest and charges on domestic loans and financing, mainly due to the higher interest capitalization occurred in 3Q14, versus 3Q13;

- R\$ 8.4 million increase in interest and charges on international loans and financing, due to the higher appreciation of the US Dollar and the Yen versus the Brazilian Real in 3Q14 (11.3% and 2.8%, respectively), in comparison to the appreciation recorded in 3Q13 (0.7% and 1.6%, respectively); and
- Other financial expenses increased R\$ 21.0 million, largely due to the higher provisions for legal expenses in 3Q14, in the amount of R\$ 8.9 million, and the greater recognition of interest arising from the entry into operation of two sewage treatment plants financed through leases, in the amount of R\$ 7.7 million.

7.1.2. Financial revenues

Financial revenues increased R\$ 21.3 million or 35.7%, due to financial investments indexed to CDI, held in the period, as a result of the increase in the Interbank Deposit Certificate (CDI) in 3Q14 (10.8%), versus 3Q13 (8.7%).

7.2. Monetary and exchange rate variation on assets and liabilities

| | <i>R\$ million</i> | | | |
|--|--------------------|---------------|----------------|--------------|
| Exchange rate variation on loans and financing | (10.2) | (0.3) | (9.9) | 3,300.0 |
| Monetary variation on loans and financing | (312.9) | (86.7) | (226.2) | 260.9 |
| Other monetary variations | (6.8) | (3.4) | (3.4) | 100.0 |
| Monetary/exchange rate variation on liabilities | (329.9) | (90.4) | (239.5) | 264.9 |
| Monetary/exchange rate variation on assets | 28.8 | 15.5 | 13.3 | 85.8 |
| Monetary/exchange rate variation, net | (301.1) | (74.9) | (226.2) | 302.0 |

7.2.1. Monetary/exchange rate variation on liabilities

The effect on the monetary/currency exchange variation on liabilities in 3Q14 was R\$ 239.5 million, higher than in 3Q13, especially due to the exchange rate variation on loans and financing, that increased R\$ 226.2 million, due to the higher appreciation of the US Dollar and the Yen versus the Brazilian Real in 3Q14 (11.3% and 2.8%, respectively), in comparison to the appreciation recorded in 3Q13 (0.7% and 1.6%, respectively).

7.2.2. Monetary/Exchange rate variation on assets

R\$ 13.3 million increase, mainly due to the monetary updates on escrow deposits during 3Q14.

8. Income tax and social contribution

Income tax and social contribution expenses decreased by R\$ 186.7 million, due to the drop in taxable income in the period.

9. Indicators

9.1. Operating

Non-revenue water loss (IPF) and micro-measured water loss (IPM) continue to decline, reaching 22.9% and 30.5%, respectively, for the quarter. This decline was expected by the Company, due to the investments that have been made under the Corporate Program for Reduction of Water Loss, and it is also the result of nighttime pressure control measures along the network, which are necessary due to the water shortage situation.

With respect to the volume produced, there has been a marked decrease of 8.9% for the quarter and 4.1% for the year, resulting from the Water Consumption Reduction Incentive Program, which covers the entire Metropolitan Region of São Paulo.

| | | | |
|--|--------|--------|-------|
| Water connections ⁽¹⁾ | 8,156 | 7,833 | 4.1 |
| Sewage connections ⁽¹⁾ | 6,607 | 6,278 | 5.2 |
| Population directly served - water ⁽²⁾ | 25.2 | 24.5 | 2.9 |
| Population directly served - sewage ⁽²⁾ | 22.2 | 21.3 | 4.2 |
| Number of employees | 14,766 | 15,097 | (2.2) |
| Water volume produced in the quarter ⁽³⁾ | 692 | 760 | (8.9) |
| Water volume produced in the first 9-months ⁽³⁾ | 2,180 | 2,274 | (4.1) |
| IPF - Non-revenue water loss (%) | 22.9 | 25.0 | (8.4) |
| IPM - Micro-measured water loss (%) | 30.5 | 31.5 | (3.2) |

(1) Total connections, active and inactive, in thousand units at the end of the period

(2) In million inhabitants, at the end of the period. Not including wholesale

(3) In millions of cubic meters

(*) Unaudited

9.2. Financial

| | | |
|---|---------|---------|
| Amplified Consumer Price Index (IPCA) - % | 0.57 | 0.35 |
| Referential Rate (TR) - % | 0.0873 | 0.0079 |
| Interbank Deposit Certificate (CDI) - % | 10.81 | 8.71 |
| US DOLAR (R\$) | 2.4510 | 2.2300 |
| YEN (R\$) | 0.02235 | 0.02268 |

(*) Unaudited

10. Loans and financing*R\$ million***Local market**

| | | | | | | | | |
|-----------------------------------|--------------|----------------|----------------|----------------|--------------|--------------|----------------|-----------------|
| Caixa Econômica Federal | 18.1 | 66.4 | 66.7 | 70.0 | 73.9 | 77.1 | 694.6 | 1,066.8 |
| Debentures | 6.0 | 631.3 | 273.4 | 792.4 | 481.9 | 554.9 | 607.4 | 3,347.3 |
| Debentures BNDES | 19.7 | 37.8 | 37.8 | 37.8 | 37.8 | 37.8 | 34.9 | 243.6 |
| Debentures FI FGTS | 11.4 | 45.4 | 45.4 | 45.4 | 45.4 | 45.4 | 249.3 | 487.7 |
| BNDES | 12.4 | 52.2 | 63.4 | 66.7 | 66.7 | 66.7 | 284.3 | 612.4 |
| Commercial Leasing | 4.0 | 16.6 | 17.1 | 18.2 | 17.8 | 20.0 | 365.7 | 459.4 |
| Others | 0.2 | 0.6 | 0.7 | 0.7 | 0.5 | - | - | 2.7 |
| Interest and charges | 63.2 | 61.5 | - | - | - | - | - | 124.7 |
| Local market total | 135.0 | 911.8 | 504.5 | 1,031.2 | 724.0 | 801.9 | 2,236.2 | 6,344.6 |
| International market | | | | | | | | |
| BID | 34.2 | 93.5 | 93.5 | 127.1 | 65.5 | 65.6 | 789.2 | 1,268.6 |
| BIRD | - | - | - | - | - | 3.7 | 108.3 | 112.0 |
| Eurobonds | - | - | 342.9 | - | - | - | 852.7 | 1,195.6 |
| JICA | - | 48.9 | 48.9 | 49.4 | 49.9 | 61.0 | 696.4 | 954.5 |
| BID 1983AB | - | 58.7 | 58.7 | 58.7 | 58.4 | 43.3 | 98.2 | 376.0 |
| Interest and charges | 36.3 | 4.5 | - | - | - | - | - | 40.8 |
| International market total | 70.5 | 205.6 | 544.0 | 235.2 | 173.8 | 173.6 | 2,544.8 | 3,947.5 |
| Total | 205.5 | 1,117.4 | 1,048.5 | 1,266.4 | 897.8 | 975.5 | 4,781.0 | 10,292.1 |

11. Capex

In 3Q14 the Company invested R\$ 971.6 million, totaling R\$ 2.3 billion invested in 2014.

12. Conference calls

In Portuguese

November 14, 2014

10:30 am (Brasília) / 7:30 am (US EST)

Live Videocast

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In English

November 14, 2014

2:00 pm (Brasília) / 11:00 am (US EST)

Dial in: 1 (412) 317-6776

Conference ID: Sabesp

Replay available for 7 days

Dial in: 1(412) 317-0088

Replay ID: 10052839

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Income Statement

| Brazilian Corporate Law | R\$ '000 | |
|---|------------------|------------------|
| Gross Operating Revenue | 2,965,408 | 2,944,632 |
| Water Supply - Retail | 1,126,959 | 1,240,925 |
| Water Supply - Wholesale | 40,730 | 56,791 |
| Sewage Collection and Treatment | 955,781 | 1,051,941 |
| Sewage Collection and Treatment - Wholesale | 5,574 | 7,110 |
| Construction Revenue - Water | 374,240 | 220,923 |
| Construction Revenue - Sewage | 425,491 | 330,439 |
| Other Services | 36,633 | 36,503 |
| Taxes on Sales and Services - COFINS and PASEP | (141,876) | (172,273) |
| Net Operating Revenue | 2,823,532 | 2,772,359 |
| Operating Costs | (1,985,938) | (1,642,196) |
| Gross Profit | 837,594 | 1,130,163 |
| Operating Expenses | | |
| Selling | (126,564) | (171,264) |
| Administrative | (210,716) | (127,092) |
| Other operating revenue (expenses), net | (6,168) | 11,739 |
| Operating Income Before Shareholdings | 494,146 | 843,546 |
| Equity Result | (1,167) | 1,737 |
| Earnings Before Financial Results, net | 492,979 | 845,283 |
| Financial, net | (24,633) | (33,320) |
| Exchange gain (loss), net | (313,139) | (86,616) |
| Earnings before Income Tax and Social Contribution | 155,207 | 725,347 |
| Income Tax and Social Contribution | | |
| Current | (41,608) | (256,336) |
| Deferred | (22,098) | 5,953 |
| Net Income for the period | 91,501 | 474,964 |
| Registered common shares ('000) | 683,509 | 683,509 |
| Earnings per shares - R\$ (per share) | 0.13 | 0.69 |
| Depreciation and Amortization | (243,199) | (208,385) |
| Adjusted EBITDA | 742,346 | 1,041,929 |
| % over net revenue | 26.3% | 37.6% |

Balance Sheet

| Brazilian Corporate Law | R\$ '000 | |
|--|-------------------|-------------------|
| Current assets | | |
| Cash and cash equivalents | 1,859,690 | 1,782,001 |
| Trade accounts receivable | 1,158,920 | 1,120,053 |
| Accounts receivable from related parties | 122,484 | 134,855 |
| Inventories | 52,858 | 58,401 |
| Restricted cash | 20,580 | 10,333 |
| Recoverable taxes | 94,674 | 87,405 |
| Other accounts receivable | 95,450 | 61,039 |
| Total current assets | 3,404,656 | 3,254,087 |
| Noncurrent assets | | |
| Trade accounts receivable | 178,364 | 395,512 |
| Accounts receivable from related parties | 101,093 | 130,457 |
| Escrow deposits | 68,596 | 54,827 |
| Deferred income tax and social contribution | 121,342 | 114,030 |
| Water National Agency – ANA | 119,576 | 107,003 |
| Other accounts receivable | 78,589 | 94,952 |
| Investments | 22,198 | 23,660 |
| Investment properties | 54,039 | 54,039 |
| Intangible assets | 25,302,155 | 23,846,231 |
| Property, plant and equipment | 309,405 | 199,496 |
| Total noncurrent assets | 26,355,357 | 25,020,207 |
| Total assets | 29,760,013 | 28,274,294 |
| Current liabilities | | |
| Trade payables and contractors | 314,280 | 275,051 |
| Current portion of long-term loans and financing | 710,373 | 640,940 |
| Accrued payroll and related charges | 405,718 | 314,926 |
| Taxes and contributions | 53,444 | 115,382 |
| Interest on shareholders' equity payable | 64 | 456,975 |
| Provisions | 565,622 | 631,374 |
| Services payable | 327,774 | 323,208 |
| Public-Private Partnership – PPP | 21,461 | 20,241 |
| Program Contract Commitments | 130,049 | 77,360 |
| Other liabilities | 102,038 | 116,924 |
| Total current liabilities | 2,630,823 | 2,972,381 |
| Noncurrent liabilities | | |

| | | |
|-------------------------------------|-------------------|-------------------|
| Loans and financing | 9,581,700 | 8,809,134 |
| Deferred Cofins and Pasep | 130,802 | 129,849 |
| Provisions | 616,205 | 549,008 |
| Pension obligations | 2,424,406 | 2,327,016 |
| Public-Private Partnership – PPP | 357,194 | 322,267 |
| Program Contract Commitments | 81,789 | 88,678 |
| Other liabilities | 177,646 | 145,160 |
| Total noncurrent liabilities | 13,369,742 | 12,371,112 |
| Total Liabilities | 16,000,565 | 15,343,493 |
| Equity | | |
| Capital stock | 10,000,000 | 6,203,688 |
| Capital reserve | - | 124,255 |
| Earnings reserves | 3,021,470 | 6,736,389 |
| Other comprehensive income | (133,531) | (133,531) |
| Accrued earnings | 871,509 | - |
| Total equity | 13,759,448 | 12,930,801 |
| Total equity and liabilities | 29,760,013 | 28,274,294 |

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

| | | |
|---|------------------|------------------|
| Profit before income tax and social contribution | 1,317,996 | 1,996,706 |
| Adjustment for: | | |
| Depreciation and amortization | 726,051 | 600,309 |
| Residual value of property, plant and equipment and intangible assets written-off | 28,887 | 8,067 |
| Allowance for doubtful accounts | 54,688 | 83,924 |
| Provision and inflation adjustment | 151,776 | 154,444 |
| Interest calculated on loans and financing payable | 293,000 | 276,654 |
| Inflation adjustment and foreign exchange gains (losses) on loans and financing | 183,808 | 207,776 |
| Interest and inflation adjustment losses | 13,942 | 17,458 |
| Interest and inflation adjustment gains | (24,564) | (8,023) |
| Financial charges from customers | (142,996) | (167,665) |
| Margin on intangible assets arising from concession | (42,775) | (35,170) |
| Provision for Consent Decree (TAC) | 40,977 | 17,314 |
| Equity result | 1,486 | (1,476) |
| Provision from São Paulo agreement | (17,504) | (4,612) |
| Provision for defined contribution plan | 7,105 | 7,383 |
| Pension obligations | 216,970 | 197,232 |
| Other provision/write-offs | 48,124 | (34,975) |
| Other adjustments | <u>8,962</u> | = |
| | 2,865,933 | 3,315,346 |
| Changes in assets | | |
| Trade accounts receivable | 277,581 | 64,955 |
| Accounts receivable from related parties | 40,940 | 10,623 |
| Inventories | 5,096 | 7,034 |
| Escrow deposits | 598 | 2,621 |
| Other accounts receivable | (30,621) | (28,084) |
| Changes in liabilities | | |
| Trade payables and contractors | 1,694 | (39,694) |
| Services received | 22,070 | (85,403) |
| Accrued payroll and related charges | 49,815 | 87,182 |
| Taxes and contributions payable | (100,753) | (88,897) |
| Deferred Cofins/Pasep | 953 | 4,213 |
| Provisions | (150,331) | (173,106) |
| Pension obligations | (119,580) | (109,482) |
| Other liabilities | <u>(18,437)</u> | <u>(28,409)</u> |
| Cash generated from operations | 2,844,958 | 2,938,899 |
| Interest paid | (415,829) | (394,918) |

| | | |
|--|--------------------|--------------------|
| Income tax and contribution paid | <u>(422,193)</u> | <u>(386,003)</u> |
| Net cash generated from operating activities | 2,006,936 | 2,157,978 |
| Cash flows from investing activities | | |
| Acquisition of intangibles | (1,834,304) | (1,546,449) |
| Restricted cash | (10,247) | 54,504 |
| Investment increase | (24) | (373) |
| Purchases of tangible assets | <u>(85,031)</u> | <u>(11,560)</u> |
| Net cash used in investing activities | (1,929,606) | (1,503,878) |
| Cash flow from financing activities | | |
| Loans and financing | | |
| Proceeds from loans | 940,215 | 1,391,619 |
| Repayments of loans | (418,963) | (1,590,430) |
| Payment of interest on shareholders'equity | (467,470) | (498,669) |
| Public-Private Partnership – PPP | (15,030) | (10,254) |
| Program Contract Commitments | <u>(38,393)</u> | <u>(33,570)</u> |
| Net cash used in financing activities | 359 | (741,304) |
| Increase in cash and cash equivalents | 77,689 | (87,204) |
| Represented by: | | |
| Cash and cash equivalents at beginning of the period | 1,782,001 | 1,915,974 |
| Cash and cash equivalents at end of the period | <u>1,859,690</u> | <u>1,828,770</u> |
| Increase in cash and cash equivalents | 77,689 | (87,204) |

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, 2014

Companhia de Saneamento Básico do Estado de São Paulo - SABESP

By: /s/ Rui de Britto Álvares Affonso

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.
