

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

June 23, 2008

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 June 23, 2008

(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):

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 1Q08 results

São Paulo, May 15, 2008 - **Companhia de Saneamento Básico do Estado de São Paulo SABESP** (Bovespa: SBSP3; NYSE: SBS), one of the largest water and sewage service providers in the world based on the number of customers, announces today its **results for the first quarter of 2008 (1Q08)**. The Company's operating and financial information, except when indicated otherwise, is presented in Brazilian Reals, in accordance with the Brazilian Corporate Law. All comparisons in this release, unless otherwise stated, refer to the same period of 2007.

SBSP3: R\$ 46.89 / share
SBS US\$ 56.35 (ADR=2 shares)
Total shares: 227,836,623
Market value: R\$ 10.7 billion
Closing Price: 05/15/2008

1. Net revenue grows 5.2%, EBITDA grows 7.3% with a 50.3% EBITDA margin

| | <i>R\$ million</i> | | | |
|---|--------------------|---------|-------|-------|
| | 1Q07 | 1Q08 | Chg. | % |
| (+)Gross operating revenue | 1,583.2 | 1,658.6 | 75.4 | 4.8 |
| (-) COFINS and PASEP taxes | 118.6 | 118.5 | (0.1) | (0.1) |
| (=)Net operating revenue | 1,464.6 | 1,540.1 | 75.5 | 5.2 |
| (-) Costs and expenses | 897.3 | 915.9 | 18.6 | 2.1 |
| (=)Earnings before financial expenses (EBIT*) | 567.3 | 624.2 | 56.9 | 10.0 |
| (+)Depreciation and amortization | 154.1 | 150.1 | (4.0) | (2.6) |
| (=)EBITDA** | 721.4 | 774.3 | 52.9 | 7.3 |
| (%) EBITDA margin | 49.3 | 50.3 | | |
| Net income | 292.9 | 303.7 | 10.8 | 3.7 |
| Earnings per share (R\$)*** | 0.01028 | 1.33 | | |

(*) Earnings before interest and taxes

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

(***) On June 2007 a reverse stock split was accomplished. EPS in 1Q07, considering the reverse stock split would be of R\$ 1.29/share

In 1Q08, net operating revenue totaled R\$ 1.5 billion, a 5.2% increase compared to 1Q07. Costs and expenses stood at R\$ 915.9 million, 2.1% higher than in 1Q07. EBITDA moved up 7.3% from R\$ 721.4 million in 1Q07 to R\$ 774.3 million in 1Q08, as revenues outgrew costs.

Earnings before financial expenses (EBIT) increased by 10.0%, from R\$ 567.3 million in 1Q07 to R\$ 624.2 million in 1Q08.

2. Gross operating revenue

In 1Q08, gross operating revenue grew R\$ 75.4 million, or 4.8%, from R\$ 1,583.2 million in 1Q07 to R\$ 1,658.6 million in 1Q08. The main reasons for this increase were:

The 4.1% tariff adjustment as of September 2007; and

The 1.3% increase in billed volume, of which 0.7% in retail and 6.7% in wholesale; however, the latter does not affect revenues in the same proportion.

3. Billed volume

The following tables show billed water and sewage volume per customer category and region in 1Q07 and 1Q08.

BILLED WATER AND SEWAGE VOLUME PER CUSTOMER CATEGORY - million m³

| | Water | | | Sewage | | | Water + Sewage | | |
|---------------------|--------------|--------------|------------|--------------|--------------|------------|----------------|--------------|------------|
| | 1Q07 | 1Q08 | % | 1Q07 | 1Q08 | % | 1Q07 | 1Q08 | % |
| Residential | 339.3 | 341.0 | 0.5 | 267.9 | 271.3 | 1.3 | 607.2 | 612.3 | 0.8 |
| Commercial | 37.7 | 37.8 | 0.3 | 34.2 | 34.6 | 1.2 | 71.9 | 72.4 | 0.7 |
| Industrial | 8.7 | 8.8 | 1.1 | 8.3 | 8.2 | (1.2) | 17.0 | 17.0 | - |
| Public | 11.0 | 10.8 | (1.8) | 8.8 | 8.7 | (1.1) | 19.8 | 19.5 | (1.5) |
| Total retail | 396.7 | 398.4 | 0.4 | 319.2 | 322.8 | 1.1 | 715.9 | 721.2 | 0.7 |

| | | | | | | | | | |
|--------------|--------------|--------------|------------|--------------|--------------|------------|--------------|--------------|------------|
| Wholesale | 66.7 | 70.6 | 5.8 | 6.4 | 7.4 | 15.6 | 73.1 | 78.0 | 6.7 |
| Total | 463.4 | 469.0 | 1.2 | 325.6 | 330.2 | 1.4 | 789.0 | 799.2 | 1.3 |

BILLED WATER AND SEWAGE VOLUME PER REGION - million m³

| | Water | | | Sewage | | | Water + Sewage | | |
|-------------------------|--------------|--------------|------------|--------------|--------------|------------|----------------|--------------|------------|
| | 1Q07 | 1Q08 | % | 1Q07 | 1Q08 | % | 1Q07 | 1Q08 | % |
| Metropolitan | 262.2 | 263.3 | 0.4 | 215.9 | 218.1 | 1.0 | 478.1 | 481.4 | 0.7 |
| Regional ⁽¹⁾ | 134.5 | 135.1 | 0.4 | 103.3 | 104.7 | 1.4 | 237.8 | 239.8 | 0.8 |
| Total retail | 396.7 | 398.4 | 0.4 | 319.2 | 322.8 | 1.1 | 715.9 | 721.2 | 0.7 |
| Wholesale | 66.7 | 70.6 | 5.8 | 6.4 | 7.4 | 15.6 | 73.1 | 78.0 | 6.7 |
| Total | 463.4 | 469.0 | 1.2 | 325.6 | 330.2 | 1.4 | 789.0 | 799.2 | 1.3 |

(1) Including coastal and interior regions

4. Costs, administrative and selling expenses

In 1Q08, costs, administrative and selling expenses grew R\$ 18.6 million, or 2.1% . On the other hand, costs and expenses as a percentage of net revenues dropped from 61.3% in 1Q07 to 59.5% in 1Q08.

| | <i>R\$ million</i> | | | |
|---|--------------------|--------------|-------------|------------|
| | 1Q07 | 1Q08 | Chg. | % |
| Payroll and benefits | 300.9 | 319.0 | 18.1 | 6.0 |
| Supplies | 32.1 | 30.8 | (1.3) | (4.0) |
| Treatment supplies | 35.5 | 40.0 | 4.5 | 12.7 |
| Third-party services | 126.7 | 128.4 | 1.7 | 1.3 |
| Electric power | 118.2 | 113.5 | (4.7) | (4.0) |
| General expenses | 44.8 | 68.4 | 23.6 | 52.7 |
| Tax expenses | 8.7 | 8.2 | (0.5) | (5.7) |
| Sub-total | 666.9 | 708.3 | 41.4 | 6.2 |
| Depreciation and amortization | 154.1 | 150.1 | (4.0) | (2.6) |
| Credit write-offs | 76.3 | 57.5 | (18.8) | (24.6) |
| Costs, administrative and selling expenses | 897.3 | 915.9 | 18.6 | 2.1 |
| % over net revenue | 61.3% | 59.5% | | |

4.1. Payroll and benefits

In 1Q08 payroll and benefits grew R\$ 18.1 million or 6.0%, from R\$ 300.9 million to R\$ 319.0 million, due to the following factors:

- Wage increase of 3.37%, as of May 2007;
- 2% increase in payroll, as of June 2007, as performance evaluation; and
- R\$ 2.6 million increase in provision for pension plan obligations, due to the change in the discount rate used for actuarial calculation from 8% in 2007 to 6.59% in 2008.

The Company expanded its services and increased the connection per employee rate from 689 in 1Q07 to 714 in 1Q08.

4.2. Supplies

In 1Q08 dropped R\$ 1.3 million or 4.0%, from R\$ 32.1 million in 1Q07 to R\$ 30.8 million in 1Q08 mainly due to: residential connections maintenance, which generated a R\$ 0.5 million drop, and system maintenance, which

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generated a R\$ 0.7 million drop.

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4.3. Treatment supplies

In 1Q08 expenses with chemical products were R\$ 4.5 million or 12.7% higher than in 1Q07, increasing from R\$ 35.5 million in 1Q07 to R\$ 40.0 million in 1Q08.

The lower volume of water produced, as a result of the progress of the Water Loss Reduction Program, partially offset the increase in the use of chemical products due to the decline in abstract water quality.

4.4. Third-party services

In 1Q08 this item rose R\$ 1.7 million or 1.3%, from R\$ 126.7 million to R\$ 128.4 million. The main reasons for this increase were:

- Hydrometer reading and bill delivery in the amount of R\$ 2.4 million, due to the expansion of the TACE (external technical sales services) and the increase in the number of connections;
- R\$ 2.2 million increase with surveillance due to the expansion of the area with electronic monitoring;
- Preventive and corrective maintenance at the water and sewage treatment systems in the amount of R\$ 2.0 million; and
- These increases were partially offset by the R\$ 4.9 million due to the booking of expenses related to the software license agreements.

4.5. Electric power

Electric power dropped R\$ 4.7 million or 4.0%, from R\$ 118.2 million in 1Q07 to R\$ 113.5 million in 1Q08.

This result was due to the 10.0% drop in the tariff from the captive market, which is responsible for 77.0% of total expenses with electric power, and the 1.1% decrease in electric power consumption between 1Q07 and 1Q08.

| | Share (%) | Average Price (Chg. %) | Weighted Average (%) |
|----------------|-----------|------------------------|----------------------|
| Free market | 23.0 | 13.0 | 3.0 |
| Captive market | 77.0 | (10.0) | (7.7) |
| | | | (4.7) |

4.6. General expenses

In 1Q08 general expenses moved up R\$ 23.6 million or 52.7%, from R\$ 44.8 million to R\$ 68.4 million, due to:

- New provisions for lawsuits related to clients and expenses with environmental compensation with a R\$ 21.9 million increase; and
- Payment for the use of water in the Piracicaba, Capivari, Jundiaí, Jaguarí, Atibaia and Paraíba do Sul river basins, with a R\$ 1.5 million increase.

4.7. Tax expenses

In 1Q08 tax expenses dropped R\$ 0.5 million or 5.7%, as a result of the extinction of the CPMF tax with a R\$ 6.3 million decrease. This drop was, partially, offset by exemption removal of the Municipal Real Estate Tax (IPTU) in the municipality of São Paulo, in the amount of R\$ 5.3 million.

4.8. Credit write-offs

In 1Q08 credit write-offs dropped R\$ 18.8 million or 24.6%, from R\$ 76.3 million to R\$ 57.5 million, mainly due to credit recovery resulting from agreements reached with the municipalities of Barueri, São Vicente, Cajamar and Bragança Paulista.

5. Financial expenses and revenues

5.1. Financial expenses

In 1Q08 financial expenses grew R\$ 5.4 million, or 3.2%, as follows:

| | 1Q07 | 1Q08 | Var. | <i>R\$ million</i> % |
|---|--------------|--------------|--------------|-------------------------|
| Financial expenses | | | | |
| Interest and charges on domestic loans and financing | 118.2 | 102.1 | (16.1) | (13.6) |
| Interest and charges on international loans and financing | 18.3 | 15.5 | (2.8) | (15.3) |
| Interest rate over lawsuit indemnity, net of provisions | 27.0 | 39.2 | 12.2 | 45.2 |
| Other financial expenses | 5.0 | 17.1 | 12.1 | 242.0 |
| Total financial expenses | 168.5 | 173.9 | 5.4 | 3.2 |
| Financial revenues | 23.4 | 35.4 | 12.0 | 51.3 |
| Financial expenses net of revenues | 145.1 | 138.5 | (6.6) | (4.5) |

The highlights for domestic financing were:

- The R\$ 16.1 million drop in the amount paid as interest regarding the settlements of the 2nd series of the 5th debenture in March 2007, and of the 1st series of the 6th debentures in September 2007.

The highlights for international financing were:

- The R\$ 2.8 million decline in interest due to the settlement of agreements with IDB - Inter-American Development Bank (in January, June, July and December 2007) and with the World Bank (in April 2007).

In 1Q08 the Company recorded an increase of R\$ 12.2 million in interest regarding lawsuits, moving up from R\$ 27.0 million in 1Q07 to R\$ 39.2 million in 1Q08.

Other financial expenses increased by R\$ 12.1 million mainly due to the payment of interest on own capital, referring to the period between March 2004 and December 2006, in the amount of R\$ 7.8 million, as foreseen by the second amendment of the GESP Agreement.

5.2. Financial revenues

Financial revenues increased R\$ 12.0 million, moving up from R\$ 23.4 million to R\$ 35.4 million, mainly due to a higher number of installment agreements with customers in 1Q08 versus 1Q07.

6. Foreign exchange and indexation

6.1. Variation on liability

| | 1Q07 | 1Q08 | Var. | <i>R\$ million</i> % |
|--|---------------|-------------|-------------|-------------------------|
| Monetary variation over loans and financing | 11.9 | 3.8 | (8.1) | (68.1) |
| Currency exchange variation over loans and financing | (46.9) | 11.5 | 58.4 | (124.5) |
| Other variations | 10.7 | 24.7 | 14.0 | 130.8 |
| Variation on liabilities | (24.3) | 40.0 | 64.3 | (264.6) |

The net effect of the foreign exchange and indexation was R\$ 40.0 million negative in 1Q08 versus R\$ 24.3 million positive in 1Q07, due to:

- The lower appreciation of the Brazilian Real against US dollar in 1Q08 (1.3%), versus 1Q07 (4.1%), despite a 6.0% Brazilian real depreciation against the currency basket in 1Q08 in comparison to 0.43% in 1Q07, generating a net variation of R\$ 58.4 million;
- Drop in the R\$ 8.1 million monetary restatement from the agreement with Banco do Brasil, mainly due to the lower variation of the TR, 0.17% in 1Q08 versus 0.48% in the previous period; as well as the decrease in the debit balance due to the settlement of the installments falling due in the period; and
- R\$ 14.0 million increase from other monetary variation, mainly by:
 - Higher variation of the IGPM Index, 2.38% in 1Q08, versus 1.11% in the previous period with a R\$ 12.7 million increase in monetary restatement over debentures; and
 - Monetary restatement from lawsuit indemnities with a R\$ 1.2 million increase.

6.2. Variation on assets

Foreign Exchange and indexation increased R\$ 6.7 million or 65.0%, from R\$ 10.3 million in 1Q07 to R\$ 17.0 million in 1Q08, mainly due to agreements on debt rescheduling.

7. Non-operating result

Non-operating result grew R\$ 12.0 million, from a R\$ 1.0 million expense in 1Q07 to a R\$ 11.0 million revenue in 1Q08, due to the following:

7.1. Non-operating revenues

Non-operating revenues moved up R\$ 14.9 million, from R\$ 1.3 million in 1Q07 to R\$ 16.2 million in 1Q08, mainly due to the sale of exceeding electric power in the amount of R\$ 8.9 million and the time prescription of amounts to be reimbursed to clients totaling R\$ 1.3 million.

7.2. Non-operating expenses

Non-operating expenses climbed R\$ 1.4 million or 70.0% over the same period of the previous year, due to the write-off of discontinued properties, plants and equipments and obsolete projects.

8. Operating indicators

The following table shows the continuous expansion of the services rendered by the Company:

| Operating indicators | 1Q07 | 1Q08 | % |
|---|--------|--------|-------|
| Water connections (1) | 6,650 | 6,804 | 2.3 |
| Sewage connections (1) | 5,036 | 5,198 | 3.2 |
| Population directly served - water (2) | 22.8 | 23.0 | 0.9 |
| Population directly served - sewage (2) | 18.6 | 18.9 | 1.6 |
| Number of employees | 16,966 | 16,804 | (1.0) |
| Number of water and sewage connections per employee | 689 | 714 | 3.6 |
| Water volume produced | 724.5 | 721.6 | (0.4) |
| Water losses index (%) | 31.4 | 29.1 | (7.3) |

(1) In thousand units at the end of the period

(2) In thousand inhabitants at the end of the period, not including wholesale

9. Loans and financing

Sabesp plans to sign, by the end of May, the following loans and financing, which have already been approved by the Board of the respective Banks: R\$ 170 million from BNDES, R\$ 619 million from Caixa Econômica Federal and US\$ 250 million from the IDB. These operations are part of the process in line with 2008 operating plan.

At the table below we present the debt amortization schedule:

| INSTITUTION | | | | | | | | R\$ million |
|-----------------------------------|--------------|----------------|--------------|--------------|--------------|--------------|------------------|----------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 and onwards | Total |
| Local market | | | | | | | | |
| Banco do Brasil | 180.8 | 259.7 | 282.7 | 307.7 | 334.8 | 364.5 | 96.0 | 1,826.2 |
| Caixa Econômica Federal | 44.5 | 62.4 | 67.0 | 72.6 | 78.4 | 78.5 | 141.7 | 545.1 |
| Debentures | - | 774.1 | 329.2 | 396.9 | - | - | - | 1,500.2 |
| FIDC - SABESP I | 41.7 | 55.6 | 55.6 | 13.8 | - | - | - | 166.7 |
| BNDES | 31.4 | 41.9 | 41.9 | 41.9 | 36.0 | 4.0 | - | 197.1 |
| Others | 2.3 | 5.9 | 6.4 | 5.8 | - | - | - | 20.4 |
| Interest and charges | 107.3 | 18.3 | 16.3 | 4.1 | - | - | - | 146.0 |
| Local market total | 408.0 | 1,217.9 | 799.1 | 842.8 | 449.2 | 447.0 | 237.7 | 4,401.7 |
| International market | | | | | | | | |
| IDB | 66.5 | 66.6 | 66.6 | 66.6 | 66.5 | 66.5 | 373.2 | 772.5 |
| Eurobonds | 171.5 | - | - | - | - | - | 244.9 | 416.4 |
| JBIC | - | - | - | 2.0 | 4.1 | 4.1 | 65.9 | 76.1 |
| Interest and charges | 24.9 | - | - | - | - | - | - | 24.9 |
| International market total | 262.9 | 66.6 | 66.6 | 68.6 | 70.6 | 70.6 | 684.0 | 1,289.9 |
| Total | 670.9 | 1,284.5 | 865.7 | 911.4 | 519.8 | 517.6 | 921.7 | 5,691.6 |

10. Conference call

In English

May 20, 2008
3:30 PM (US EST) / 4:30 PM (Brasília)
Dial in access: 1 973 935-8893
Conference ID: 45892672

Replay available until 5/27/2008

Dial in access: 1 706 645-9291
Replay ID: 45892672

In Portuguese

May 20, 2008
1:00 PM (US EST) / 2:00 PM (Brasília)
Dial in access: 55 11 2188-0188
Conference ID: Sabesp

Replay available until 5/27/2008

Dial in access: 55 11 2188-0188
Replay ID: Sabesp

Live webcast at www.sabesp.com.br

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Income Statement

| Corporate Law Method (Law No. 6,404/76) | R\$ '000 | | |
|---|------------------|-------------------|--------------|
| | 1Q08 | 1Q07 | % |
| Gross Revenue from Sales and Services | 1,658,617 | 1,583,224 | 4.8 |
| Water Supply - Retail | 854,058 | 821,077 | 4.0 |
| Water Supply - Wholesale | 77,056 | 69,674 | 10.6 |
| Sewage Collection and Treatment | 697,585 | 665,405 | 4.8 |
| Sewage Collection and Treatment - Wholesale | 4,825 | 1,260 | - |
| Other Services | 25,093 | 25,808 | (2.8) |
| Taxes on Sales and Services - COFINS and PASEP | (118,548) | (118,617) | (0.1) |
| Net Revenue from Sales and Services | 1,540,069 | 1,464,607 | 5.2 |
| Costs of Sales and Services | (664,753) | (652,919) | 1.8 |
| Gross Profit | 875,316 | 811,688 | 7.8 |
| Selling Expenses | (138,613) | (150,180) | (7.7) |
| Administrative Expenses | (112,476) | (94,265) | 19.3 |
| Operating Income before Financial Expenses and Foreign Exchange gain (loss), net | 624,227 | 567,243 | 10.0 |
| Financial Income and Expenses, net | (150,190) | (157,143) | (4.4) |
| Foreign Exchange gain (loss), net | (11,298) | 46,698 | (124.2) |
| Operating Income | 462,739 | 456,798 | 1.3 |
| Non-Operating Expenses (Income) | | | |
| Non-Operating Income | 14,385 | 997 | 1,342.8 |
| Non-Operating Expense | (3,428) | (2,009) | 70.6 |
| Income (loss) before Taxes on Income | 473,696 | 455,786 | 3.9 |
| Income and Social Contribution Taxes | | | |
| Current Income Tax/Social Contribution | (192,297) | (181,077) | 6.2 |
| Deferred Income Tax/Social Contribution | 22,326 | 18,171 | 22.9 |
| Income (loss) before Extraordinary Item | 303,725 | 292,880 | 3.7 |
| Extraordinary item, net of income taxes and social contribution | - | - | - |
| Net Income (loss) | 303,725 | 292,880 | 3.7 |
| Registered common shares (thousand of shares) | 227,836 | 28,479,577 | - |
| Earnings per shares R\$ (per thousand shares in 2007) | 1.33 | 10.28 | - |
| Depreciation and Amortization | (150,126) | (154,109) | (2.6) |

| | | | |
|--------------------|----------------|----------------|------------|
| EBITDA | 774,353 | 721,352 | 7.3 |
| % over net revenue | 50.3% | 49.3% | |

Balance Sheet

| Brazilian Corporate Law | | R\$ '000 | |
|---|-------------------|-------------------|--|
| ASSETS | 03/31/2008 | 12/31/2007 | |
| Cash and Cash Equivalents | 380,225 | 464,997 | |
| Accounts Receivable, net | 1,226,632 | 1,207,885 | |
| Accounts Receivable from Shareholders | 117,727 | 338,506 | |
| Inventory | 45,436 | 53,141 | |
| Taxes and contributions | 2,934 | 9,414 | |
| Other Receivables | 67,726 | 41,782 | |
| Deferred income tax and social contribution | 93,822 | 108,792 | |
| Total Current Assets | 1,934,502 | 2,224,517 | |
| Long Term Assets: | | | |
| Accounts Receivable, net | 296,956 | 278,787 | |
| Accounts Receivable from Shareholders | 1,042,144 | 986,988 | |
| Indemnities Receivable | 148,794 | 148,794 | |
| Judicial Deposits | 22,880 | 19,806 | |
| Taxes and contributions | 379,364 | 357,226 | |
| Other Receivables | 76,519 | 75,202 | |
| | 1,966,657 | 1,866,803 | |
| Permanent Assets: | | | |
| Investments | 720 | 720 | |
| Permanent Assets | 14,123,586 | 14,060,073 | |
| Intangible Assets | 562,075 | 507,789 | |
| Deferred Assets | 2,641 | 3,474 | |
| | 14,689,022 | 14,572,056 | |
| Total Permanent Assets | 16,655,679 | 16,438,859 | |
| Total Assets | 18,590,181 | 18,663,376 | |

| LIABILITIES | 03/31/2008 | 12/31/2007 | |
|-----------------------------------|-------------------|-------------------|--|
| Suppliers and Constructors | 106,953 | 165,267 | |
| Loans and Financing | 980,119 | 742,114 | |
| Salaries and Payroll Charges | 185,201 | 166,797 | |
| Taxes and contributions payable | 171,085 | 127,735 | |
| Taxes and contributions | 74,531 | 75,249 | |
| Interest on Own Capital Payable | 279,515 | 680,339 | |
| Provision for Judicial Pendencies | 247,816 | 290,172 | |
| Services Payable | 175,525 | 156,987 | |
| Other Payables | 49,357 | 50,077 | |
| Total Current Liabilities | 2,270,102 | 2,454,737 | |

Long Term Liabilities:

| | | |
|---|-------------------|-------------------|
| Loans and Financing | 4,711,501 | 4,943,121 |
| Taxes and Contributions Payable | 189,740 | 197,635 |
| Deferred Taxes and Contributions | 126,384 | 159,865 |
| Provision for Contingencies | 700,709 | 655,084 |
| Pension Fund Obligations | 378,630 | 365,234 |
| Other Payables | 122,284 | 103,694 |
| | 6,229,248 | 6,424,633 |
| Future Results: | | |
| Donations | 3,100 | - |
| | 3,100 | - |
| Total Non Current Liabilities | 6,232,348 | 6,424,633 |
| Capital Stock | 3,403,688 | 3,403,688 |
| Capital Reserves | 124,255 | 124,255 |
| Revaluation Reserves | 2,318,144 | 2,339,829 |
| Profit Reserves | 3,916,234 | 3,916,234 |
| Accrued income | 325,410 | - |
| Shareholder's Equity | 10,087,731 | 9,784,006 |
| Total Liabilities and Shareholder's Equity | 18,590,181 | 18,663,376 |

Cash Flow

| Brazilian Corporate Law | R\$ '000 | |
|--|-------------------|-------------------|
| Description | Jan-Mar/08 | Jan-Mar/07 |
| Cash flow from operating activities | | |
| Net income for the period | 303,725 | 292,880 |
| Adjustments for reconciliation of net income | | |
| Deferred income tax and social contribution | (22,326) | (18,002) |
| Provisions for contingencies | 91,958 | 47,299 |
| Reversion of provision for losses | (226) | - |
| Other provisions | 117 | - |
| Liabilities related to pension plans | 17,514 | 14,595 |
| Loss in the write-off of property, plant and equipment | 3,236 | 1,960 |
| Deferred asset write-offs | - | 801 |
| Depreciation and Amortization | 150,126 | 154,109 |
| Interest calculated on loans and financing payable | 118,965 | 138,038 |
| Foreign exchange loss on loans and financing | 38,013 | (25,022) |
| Monetary variation on interest on own capital | 7,338 | - |
| Passive monetary exchange variation and interest | 2,593 | 3,305 |
| Active monetary exchange variation and interest | (6,141) | (4,416) |
| Provisions for bad debt | 57,468 | 76,303 |
| (Increase) decrease in assets: | | |
| Clients | (93,120) | (105,717) |
| Accounts receivable from shareholders | 169,292 | 15,341 |
| Inventories | 7,931 | 6,972 |
| Recoverable Taxes | 6,480 | (2,190) |
| Other accounts receivable | (26,844) | (11,091) |
| Judicial deposits | (8,043) | (1,973) |
| Increase (decrease) in liabilities: | | |
| Accounts payable to suppliers and contractors | (34,080) | (102,502) |
| Salaries and payroll charges | 18,404 | (29,597) |
| Taxes and contributions | 13,821 | 81,837 |
| Services payable | (10,495) | (37,116) |
| Other accounts payable | 813 | (9,146) |
| Contingencies | (82,929) | (8,836) |
| Pension plan | (4,118) | (3,832) |
| Net cash from operating activities | 719,472 | 474,000 |
| Cash flow from investing activities: | | |
| Acquisition of property, plant and equipment | (218,029) | (104,135) |
| Increase in intangible assets | (14,634) | (1,786) |
| Net cash used in investing activities | (232,663) | (105,921) |
| Cash flow from financing activities | | |
| Loans and Financing - long term | | |

| | | |
|---|------------------|------------------|
| Funding | 38,821 | 32,812 |
| Payments | (202,240) | (275,364) |
| Interest on own capital payment | (408,162) | (2) |
| Net cash used in financing activities | (571,581) | (242,554) |
| Net increase (decrease) in cash equivalents | (84,772) | 125,525 |
| Cash and cash equivalents at the beginning of the period | 464,997 | 328,206 |
| Cash and cash equivalents at the end of the period | 380,225 | 453,731 |
| Change in Cash | (84,772) | 125,525 |
| Additional information on cash flow: | | |
| Interest and taxes over loans and financing | 96,260 | 120,089 |
| Capitalization of interest and financial charges | 12,826 | (2,671) |
| Payable income tax and social contribution | 145,037 | 87,744 |
| Property, plant and equip. received as donation and/or paid in stocks | 3,100 | 6,718 |
| COFINS and PASEP taxes payable | 178,731 | 114,461 |
| Liabilities from agreements | 45,973 | - |

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: June 23, 2008

**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.
