

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

April 01, 2005

**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 March 29, 2005

(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 its fourth quarter 2004 results

São Paulo, March 28, 2005. SABESP Cia. de Saneamento Básico do Estado de São Paulo (NYSE: SBS ; Bovespa: SBSP3), the largest water and sewage utility company in the Americas and the third largest in the world, according to its number of customers, announces today its results for the fourth quarter 2004 (4Q04). The Company's operating and financial information, except when indicated otherwise, is shown in Brazilian Reals, in accordance with the Brazilian corporate law. All comparisons in this release, unless otherwise stated, refer to the fourth quarter of 2003.

Highlights

- Net income in the quarter was R\$235.3 million;
- Water and sewage billed volume recovery after the conclusion of the campaign aimed at water consumption reduction;
- The beginning of a series of studies in 2004 for tariff restructuring, estimated to be concluded in October 2005. The studies encompass the company's cost analysis through careful consideration of its economic efficiency. There is also the development of a new Marketing plan for client and market segmentation, and a commercial practices improvement proposal.

1. SABESP posted 4.9% net revenue growth.

| | (R\$ million) | | |
|------------------------|---------------|---------|--------|
| Highlights | 4Q03 | 4Q04 | Chg.% |
| Net Operating Revenues | 1,128.4 | 1,183.9 | 4.9 |
| EBIT (*) | 434.7 | 302.7 | (30.4) |
| EBITDA (**) | 602.7 | 456.7 | (24.2) |
| EBITDA Margin | 53.4 | 38.6 | |
| Net Income (Loss) | 299.9 | 235.3 | (21.5) |

(*) Earnings Before Interest and Taxes

(**) Earnings Before Interest, Taxes, Depreciation and Amortization

SABESP recorded net revenue of R\$1.2 billion and EBITDA of R\$456.7 million in 4Q04. The final results for this period, a net income that adds up to R\$235.3 million, is a reflection of the positive effect from the 7.1% Brazilian Real appreciation versus US Dollar in the period and tariff readjustment of 6.78% in August 2004.

EBITDA margin dropped to 38.6%, mainly due to the increase in credit write-offs, to non-manageable costs, such as, electric power and treatment supplies, and to the increase in costs and services regarding the campaign aimed at water consumption reduction.

2. Gross Operating Revenue 8.9% growth

The 8.9% growth at gross operating revenue is due to the recovery trend from the retail market, with the conclusion of the campaign aimed at water consumption reduction in October 2004.

As of November, 2004 revenue figures include the 6.78% tariff readjustment effect that took place on August 29, 2004.

Volume of water and sewage billed to the retail market increased by 5.2%, mainly as a result of the inclusion of São Bernardo do Campo, in 2004. Disregarding the effect of São Bernardo do Campo, we still notice a billed volume increase of 1.7%. Taking into consideration total volume, there was a 1.3% growth. The following tables show the water and sewage services volume billed by type of use and region, in the fourth quarter of 2003 and 2004:

VOLUME OF WATER AND SEWAGE BILLED BY TYPE OF USER - million m3

| Type of user | Water | Chg. | Sewage | Chg. | Water + Sewage | Chg. |
|--------------|-------|------|--------|------|----------------|------|
|--------------|-------|------|--------|------|----------------|------|

| | 4Q03 | 4Q04 | % | 4Q03 | 4Q04 | % | 4Q03 | 4Q04 | % |
|--------------------------|-------|-------|------------|-------|-------|-------|-------|-------|--------|
| Residential | 297.8 | 312.6 | 5.0 | 229.2 | 244.0 | 6.5 | 527.0 | 556.6 | 5.6 |
| Commercial | 35.3 | 36.1 | 2.3 | 31.4 | 32.6 | 3.8 | 66.7 | 68.7 | 3.0 |
| Industrial | 7.8 | 8.4 | 7.7 | 7.5 | 8.0 | 6.7 | 15.3 | 16.4 | 7.2 |
| Public | 11.4 | 11.3 | (0.9) | 8.9 | 8.8 | (1.1) | 20.3 | 20.1 | (1.0) |
| Total Retail | 352.3 | 368.4 | 4.6 | 277.0 | 293.4 | 5.9 | 629.3 | 661.8 | 5.2 |
| Total Retail without SBC | 352.3 | 356.9 | 1.3 | 277.0 | 283.3 | 2.3 | 629.3 | 640.2 | 1.7 |
| Wholesale | 86.4 | 63.5 | (26.5)(**) | - | - | - | 86.4 | 63.5 | (26.5) |
| Total | 438.7 | 431.9 | (1.6) | 277.0 | 293.4 | 5.9 | 715.7 | 725.3 | 1.3 |

VOLUME OF WATER AND SEWAGE BILLED BY TYPE OF USER - million m3

| By Region | Water | | | Sewage | | | + Sewage | | |
|---------------|-------|-------|-------------|--------|-------|--------|----------|-------|--------|
| | 4Q03 | 4Q04 | Chg. % | 4Q03 | 4Q04 | Chg. % | 4Q03 | 4Q04 | Chg. % |
| Metropolitan | 230.3 | 244.6 | 6.2 | 183.8 | 198.6 | 8.1 | 414.1 | 443.2 | 7.0 |
| Reg. Systems* | 122.0 | 123.8 | 1.5 | 93.2 | 94.8 | 1.7 | 215.2 | 218.6 | 1.6 |
| Total Retail | 352.3 | 368.4 | 4.6 | 277.0 | 293.4 | 5.9 | 629.3 | 661.8 | 5.2 |
| Wholesale | 86.4 | 63.5 | (26.5) (**) | - | - | - | 86.4 | 63.5 | (26.5) |
| Total | 438.7 | 431.9 | (1.6) | 277.0 | 293.4 | 5.9 | 715.7 | 725.3 | 1.3 |

(*) Composed of the Coastal and Interior regions.

(**) decreased due to the São Bernardo do Campo reclassification from wholesale to retail.

3. Costs, Administrative and Selling Expenses

Product and service rendering costs, along with administrative and selling expenses increased R\$187.4 million or 27.0%.

Bellow we present the main variations:

| | 4Q03 | 4Q04 | Variation | Chg.% |
|--|--------|-------|-----------|--------|
| Salaries and Payroll | 299.5 | 265.9 | (33.6) | (11.2) |
| General Supplies | 25.1 | 30.5 | 5.4 | 21.6 |
| Treatment Supplies | 19.5 | 21.8 | 2.3 | 11.7 |
| Third Party Services | 91.1 | 131.9 | 40.8 | 44.7 |
| Electric Power | 87.4 | 117.1 | 29.7 | 34.0 |
| General Expenses | 54.4 | 63.4 | 9.0 | 16.7 |
| Depreciation and Amortization | 168.0 | 153.9 | (14.1) | (8.4) |
| Credit Write-offs | (57.5) | 89.0 | 146.5 | - |
| Tax Expenses | 6.2 | 7.6 | 1.4 | 22.6 |
| Costs, Administrative and Selling Expenses | 693.7 | 881.1 | 187.4 | 27.0 |

3.1. Salaries and Payroll

Salaries and payroll presented a R\$33.6 million, or 11.2% decrease. Such decrease came as a result of the Programa de Demissão Incentivada PDI (Encouraged Dismissal Program), accrued on December, 2003.

3.2. General Supplies

General supplies posted a 21.6% increase, totaling R\$5.4 million, mainly directed towards materials utilized in the maintenance of residential connections, system and network maintenance, facilities and real estate preservation, lab material, and the company's vehicles maintenance and safekeeping.

3.3. Treatment Supplies

Treatment supplies expenses increased by R\$2.3 million or 11.7%, as a result of the high consumption levels of active carbon, copper sulfate and aluminum sulfate. An increase in the price per ton of active carbon (74.0 %) in copper sulfate (26.4 %) during the 4Q04 also contributed to increased expenses.

3.4. Third Party Services

Total increase of R\$40.8 million or 44.7%, due to the following factors:

- The maintenance program for the water distribution and sewage collection system in the metropolitan region (Global Sourcing), which impacted technical professional services, residential connections maintenance, paving and sidewalk replacement;
- Data conversion services for the creation of the geographical information system (GIS) digital base, which generated some impacts due to the acquisition of specific software and technical professional services;
- Advertising and media campaigns for programs such as: The correct use of the sewage network services, Incentive-bonus, Watch the level, among others;
- Hired labor force for service rendered in São Bernardo do Campo;
- System maintenance;
- Loss control.

3.5. Electric power

Electric power presented an increase of \$29.7 million or 34.0%, resulting from the average increase of 7.7% in electric power tariffs, and from the provision established in December 2004, regarding non billed and non read amounts in the electric power bills in the amount of R\$14.1 million. Electric power consumption in the 4Q03 and 4Q04 was 511,777 MWh and 510,718 MWh, respectively.

3.6. General Expenses

Presented a R\$9.1 million or 16.7% raise, mainly due to water bills payment receiving impacted by a 4.1% banking fees increase and for contingency provisions regarding new estimates for the already existing processes.

3.7. Depreciation and Amortization

Presented an 8.4% decrease, totaling R\$14.1 million, resulted from the transfer of works in place from permanent assets under development to operating permanent assets. Works amounting R\$459.1 million during the 4Q03 and R\$221.6 million during the 4Q04, were finalized and transferred.

3.8. Credit Write-offs

Write-offs increased by R\$146.6 million, mostly due to increased write-offs in 2004, after initiated litigation procedures mainly regarding receivables up to R\$ 5,000 which were 180 days overdue, and also of receivables over R\$ 30,000 which were 360 days overdue. In addition, there was a significant one-time write-off reversion in December 2003, after the settlement of receivables from the city of São Bernardo do Campo due to its incorporation to SABESP's retail network.

3.9. Tax Expenses

Increased R\$1.4 million, or 22.6%, mainly due to CPMF contribution on financial activities.

4. Financial Expenses and Monetary Variations

4.1 Financial Expenses

Financial expenses posted a decrease of 45.2%, equivalent to R\$103.9 million due to:

- Interest expenses on domestic loans and financing caused a decrease of R\$9.3 million, due to lower Certificates of Interbank Deposits (CDI) annual interest rate used to calculate interest of the debentures issued by SABESP;
- Interest expenses on external financing caused a decrease of R\$18.4 million, due to Real exchange rate appreciation versus US Dollar registered in the 4Q04, affecting provisioned interest over its respective balance;
- Decrease of R\$54.0 million, due to the IRRF credit interest rates on foreign remittance, that took place during the 4Q04; and
- Provisions for financial contingencies, a drop of R\$22.5 million, in December, due to lawsuits.

4.2 Monetary Exchange Variation

The monetary exchange variation presented a drop of R\$165.6 million, due to Real exchange rate appreciation versus US Dollar of 7.1% in 4Q04 compared to a depreciation of 1.2% which occurred in 4Q03, mainly affecting loans denominated in foreign currency

5. Financial revenues and active monetary variation

5.1 Financial Revenues

Financial revenues were increased by R\$14.1 million or 62.9%, from R\$22.5 million to R\$36.6 million, mainly due to interest from GESP agreement recorded in 2004.

5.2 Active monetary variation

Active monetary variation posted a decrease amounting to R\$128.7 million, due to the update of the GESP agreement and to the impact of monetary variation over São Bernardo do Campo's precatory letter that took place during 2003.

6. Operating Indicators

As presented in the following table, the Company showed significant improvement as a result of São Bernardo do Campo's insertion in the retail market.

| Operational Indicators | 4Q03 | 4Q04 | Var.% |
|---|--------|--------|--------|
| Water connections (1) | 6.044 | 6.358 | 5.2 |
| Sewage connections (1) | 4.462 | 4.747 | 6.4 |
| Population directly served - water (2) | 21.3 | 22.3 | 4.7 |
| Population directly served - sewage (2) | 17.2 | 18.2 | 5.8 |
| Bulk Water Sales billed (3) | 86.4 | 63.5 | (26.5) |
| Retail Water Sales billed (3) | 352.3 | 368.4 | 4.6 |
| Sewage Services Sales billed (3) | 277.0 | 293.4 | 5.9 |
| Number of employees | 18.546 | 17.735 | (4.4) |
| Operating productivity (4) | 566 | 626 | 10.6 |

Notes:

(1) In 1,000 units at the end of the period.

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(2) Million of inhabitants at the end of the period (does not include bulk services).

(3) In million m3.

(4) Number of water and sewage connections per employee.

7. Loan Settlements and Financing

Total indebtedness payable by the end of 2005, in which we highlight the Eurobonus in the amount of R\$730 million due on July, the single largest impact on the Company's cash, R\$100 million from the 4th debenture issuance, to be paid in 4 installments of R\$25 million per quarter and on one third of the 5th debenture issuance in the amount approximately of R\$150 million.

| (R\$ million) | | | | | | | | |
|----------------------------|--------------|------------|------------|------------|------------|------------|------------------|--------------|
| INSTITUTION | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 and onwards | TOTAL |
| DOMESTIC | | | | | | | | |
| Banco do Brasil | 174 | 189 | 206 | 224 | 244 | 265 | 1.035 | 2.335 |
| Caixa Econômica Federal | 40 | 41 | 44 | 47 | 50 | 54 | 220 | 498 |
| Debentures | 248 | 248 | 380 | - | 193 | 185 | - | 1.255 |
| BNDES | 5 | 24 | 25 | 25 | 25 | 25 | 47 | 178 |
| Other | 2 | 4 | 4 | 4 | 4 | 4 | 4 | 27 |
| Interest and Charges | 77 | - | - | - | - | - | - | 77 |
| Domestic Total | 547 | 507 | 660 | 301 | 517 | 533 | 1.305 | 4.370 |
| INTERNATIONAL | | | | | | | | |
| World Bank | 12 | 12 | 6 | - | - | - | - | 31 |
| Société Générale | 3 | 4 | - | - | - | - | - | 7 |
| BID | 104 | 115 | 115 | 78 | 78 | 78 | 647 | 1.215 |
| Eurobonus | 730 | - | - | 597 | - | - | - | 1.327 |
| Deutsche Bank Luxembourg | 53 | - | - | - | - | - | - | 53 |
| Interest and Charges | 47 | - | - | - | - | - | - | 47 |
| International Total | 950 | 131 | 121 | 675 | 78 | 78 | 647 | 2.681 |
| Total | 1.497 | 638 | 781 | 976 | 595 | 612 | 1.952 | 7.051 |

In addition to the maturities above, the repayment of two thirds of the 5th debenture issuance is ongoing, due on April 1, 2005, in the amount of approximately R\$ 300 million.

8. Conference Call and Webcast Details

Portuguese: Thursday, April 7, 2005
 10:00 a.m. US EST
 Phone: +55 (11) 2101-1490
 Conference ID: SABESP

English: Thursday, April 7, 2005
 12:00 p.m. US EST
 Phone: +1 (973) 935-8511
 Conference ID: 5893347 or SABESP

For additional information please contact the Investor Relations Department:

Mario Sampaio
 (11) 3388-8664
 maasampaio@sabesp.com.br

Marisa Guimarães
 (11) 3388-9135
 marisag@sabesp.com.br

www.sabesp.com.br

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

Brazilian Corporate Law

R\$ thousand

| | 4T04 | 4T03 | % |
|---|------------|------------|---------|
| Sales/Services Gross Revenues | 1,276,679 | 1,171,978 | 8.9 |
| Water Supply - Retail | 675,966 | 604,176 | 11.9 |
| Water Supply - Wholesale | 57,087 | 73,071 | (21.9) |
| Sewage Collection and Treatment | 543,626 | 494,731 | 9.9 |
| Other Services | - | - | - |
| Gross Revenue Deductions (Cofins/Pasep) | (92,768) | (43,561) | 113.0 |
| Net Sales | 1,183,911 | 1,128,417 | 4.9 |
| Cost of Goods and/or Services Sold | (616,185) | (589,586) | 4.5 |
| Gross Profit | 567,726 | 538,831 | 5.4 |
| Selling Expenses | (159,973) | (13,689) | 1,068.6 |
| General & Administrative Expenses | (104,979) | (90,433) | 16.1 |
| Net Interest Income (Expense) | 42,334 | (116,030) | - |
| Operating Result | 345,108 | 318,679 | 8.3 |
| Non Operating Expenses (Income) | (22,955) | (21,817) | 5.2 |
| Income Before Taxes | 322,153 | 296,862 | 8.5 |
| Provision for Income Tax/Social Contribution | (79,746) | (18,727) | 325.8 |
| Provision for Deferred Income Tax/Social Contribution | 1,715 | 30,563 | (94.4) |
| Extraordinary Item Net of IT and SC | (8,780) | (8,778) | - |
| Net Income | 235,342 | 299,920 | (21.5) |
| Shares Outstanding (1000 shares) | 28,479,577 | 28,479,577 | - |
| EPS (R\$/1000 shares) | 8.26 | 10.53 | (21.5) |
| Depreciation and Amortization | (153,899) | (168,033) | (8.4) |
| EBITDA | 456,673 | 602,742 | (24.2) |
| % of net sales | 38.6% | 53.4% | |

Balance Sheet

Brazilian Corporate Law

R\$thousand

| ASSETS | 31/12/04 | 12/31/03 |
|---------------------------------------|-------------------|-------------------|
| Cash and Cash Equivalents | 105,557 | 281,013 |
| Accounts Receivable | 949,792 | 871,145 |
| Accounts Receivable from Shareholders | 81,334 | |
| Inventory | 29,604 | 22,308 |
| Tax loss carryforwards | - | - |
| Taxes and Contributions | 30,215 | 29,684 |
| Other Receivables | 33,288 | 13,015 |
| Total Current Assets | 1,229,790 | 1,217,165 |
| Accounts Receivable | 278,060 | 185,090 |
| Accounts Receivable from Shareholders | 740,609 | 655,163 |
| Indemnities Receivable | 148,794 | 148,794 |
| Judicial Deposits | 16,189 | 17,576 |
| Taxes and Contributions | 257,271 | 222,804 |
| Other Receivables | 27,976 | 30,583 |
| Total Long-Term Assets | 1,468,899 | 1,260,010 |
| Investments | 5,100 | 740 |
| Permanent Assets | 14,040,922 | 14,063,248 |
| Deferred Assets | 39,097 | 48,951 |
| Total Permanent Assets | 14,085,119 | 14,112,939 |
| Total Assets | 16,783,808 | 16,590,114 |

| LIBILITIES | 31/12/04 | 12/31/03 |
|-----------------------------------|------------------|------------------|
| Suppliers and Constructors | 51,578 | 51,934 |
| Loans and Financing | 1,496,810 | 996,998 |
| Salaries and Payroll Charges | 107,228 | 135,294 |
| Provision for Judicial Pendencies | 30,373 | 19,266 |
| Interest on Own Capital Payable | 144,078 | 242,524 |
| Taxes and Contributions payable | 115,119 | 84,488 |
| Taxes and Contributions | 71,902 | 45,502 |
| Other Payables | 83,801 | 155,993 |
| Total Current Liabilities | 2,100,889 | 1,731,999 |

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| | | |
|--|------------|------------|
| Loans and Financing | 5,553,843 | 6,267,265 |
| Taxes and Contributions | 130,055 | 121,117 |
| Taxes and Contributions payable | 272,338 | 282,214 |
| Provision for Contingencies | 460,231 | 384,571 |
| Pension Fund Obligations | 222,176 | 145,540 |
| Other Payables | 92,688 | 80,465 |
| | <hr/> | <hr/> |
| Total Long-Term Liabilities | 6,731,331 | 7,281,172 |
| Capital Stock | 3,403,688 | 3,403,688 |
| Capital Reserves | 65,291 | 50,739 |
| Revaluation Reserves | 2,619,220 | 2,723,720 |
| Profit Reserves | 1,863,389 | 1,398,796 |
| Retained Earnings | - | - |
| | <hr/> | <hr/> |
| Shareholder's Equity | 7,951,588 | 7,576,943 |
| | <hr/> | <hr/> |
| Total Liabilities and Shareholder's Equity | 16,783,808 | 16,590,114 |
| | <hr/> | <hr/> |

Statements of Cash Flow

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R\$ thousand

| Description | Jan-Dec/03 | Jan-Dec/04 |
|--|------------------|------------------|
| Cash flow from operating activities | | |
| Net income (loss) for the period | 833,320 | 513,028 |
| Adjustments for reconciliation of net income (loss) | | |
| Deferred income tax and social contribution | 16,617 | 340 |
| Compensated taxes | - | (43,096) |
| Provisions for contingencies | (13,468) | 91,183 |
| Liabilities related to pension plans | 77,204 | 89,906 |
| Property, plant and equipment received as donations (Private Sector) | (2,428) | - |
| Loss in the write-off of property, plant and equipment | 61,654 | 34,440 |
| Loss resulting from deferred assets | 984 | - |
| Gain in the sale of investment | - | - |
| Gain in the sale of property, plant and equipment | (4) | - |
| Depreciation | 544,731 | 570,353 |
| Amortization | 19,724 | 28,558 |
| Interest calculated on loans and financing payable | 802,976 | 693,684 |
| Foreign exchange loss on loans and financing | (396,147) | (103,640) |
| Monetary exchange loss on interest on own capital | 31,098 | 9,794 |
| Passive monetary variation | 14,686 | 28,128 |
| Active monetary variation | - | (36,000) |
| Provisions for bad debt | 37,625 | 241,577 |
| | <u>2,028,572</u> | <u>2,118,255</u> |
| (Increase) decrease in assets | | |
| Clients | 61,909 | (244,047) |
| Accounts receivable from shareholders | 116,990 | (166,627) |
| Inventories | 334 | (7,296) |
| Tax loss carryforwards | - | - |
| Other accounts receivable | 71,845 | (20,273) |
| Clients long term | (172,681) | (169,839) |
| Accounts receivable from shareholders- long term | (47,789) | (104,977) |
| Judicial deposits | 5,931 | 1,387 |
| Other long term receivables | (10,150) | (1,753) |
| | <u>26,389</u> | <u>(713,425)</u> |
| Increase (decrease) in liabilities | | |
| Accounts payable to suppliers and contractors | 15,323 | (356) |
| Salaries and payroll charges | 49,543 | (28,066) |
| Interest on own capital payable | (6,685) | (1,865) |
| Taxes and contributions | 192,370 | 49,735 |
| Other accounts payable | 108,961 | 25,811 |
| Pension plans | - | (13,270) |
| Contingencies | - | (4,416) |

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| | | |
|--|-------------|-------------|
| Taxes and contributions - long term | - | - |
| Other accounts payable - long term | 8,487 | 3,723 |
| | | |
| Net cash from operating activities | 367,999 | 31,296 |
| | | |
| Cash flow from investing activities | 2,422,960 | 1,436,126 |
| Acquisition of property, plant and equipment | (1,007,260) | (670,257) |
| Sale of investment | - | - |
| Sale of property, plant and equipment | 7 | 176 |
| Increase in Deferred Assets | (9,469) | (444) |
| | | |
| Net cash used in investing activities | (1,016,722) | (670,525) |
| | | |
| Cash flow from financing activities | | |
| Loans and Financing - short term | | |
| Funding | - | 130,000 |
| Payments | - | (133,787) |
| Loans and Financing - long term | | |
| Funding | 918,623 | 780,722 |
| Payments | (1,937,286) | (1,585,496) |
| Interest on own Capital | | |
| Interest on own capital payment | (119,521) | (132,496) |
| Balancing accounts | (401,712) | |
| | | |
| Net cash used in financing activities | (1,539,896) | (941,057) |
| | | |
| Net increase (decrease) in cash equivalents | (133,658) | (175,456) |
| | | |
| Cash and cash equivalents at the beginning of the period | 414,671 | 281,013 |
| Cash and cash equivalents at the end of the period | 281,013 | 105,557 |
| | | |
| Change in Cash | (133,658) | (175,456) |
| | | |
| Additional information on cash flow | | |
| Interest and payable taxes for loans and financing | 856,331 | 701,261 |
| Capitalization of interest and financial charges | (1,559) | 4,907 |
| Payable income tax and social contribution | 130,731 | 129,973 |
| Property, plant and equip. received as donations and/or paid in stocks | 3,664 | 14,552 |
| COFINS and PASEP taxes payable | 154,344 | 216,699 |

Transactions that does not affect the cash flow

Acquisition regarding São Bernardo do Campo

| | | |
|-------------------|---|---------|
| Acquisition price | - | 415,471 |
|-------------------|---|---------|

| | | |
|----------------------------------|---|-----------|
| Carryforward accounts receivable | - | (265,432) |
|----------------------------------|---|-----------|

| | | |
|----------------|---|---|
| Amount payable | - | - |
|----------------|---|---|

| | | |
|-------------|---|--------|
| Amount paid | - | 88,813 |
|-------------|---|--------|

| | | |
|---|---|-----------|
| Balancing accounts - Agreement w/ State of São Paulo Government | - | (126,814) |
|---|---|-----------|

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: March 29, 2005

Companhia de Saneamento Básico do Estado de São Paulo - SABESP

By: /s/ Rui de Britto Álvares Affonso

Name: Rui de Britto Álvares
Affonso
Title: Economic-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.
