

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

June 15, 2012

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 May 11, 2012
(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 1Q12 results

São Paulo, May 10, 2012 - **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 **first quarter 2012 (1Q12)**. 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 2011.

SBSP3: R\$ 76.00/ share
SBS: US\$ 78.46 (ADR=2 shares)
Total shares: 227.836.623
Market Value: R\$ 17 billion
Closing Price: 05/10/2012

1. Financial highlights

	1Q11	1Q12	Var. (R\$)	R\$ million %
(+) Gross operating revenue	1,989.8	2,189.4	199.6	10.0
(+) Construction revenue	450.2	550.9	100.7	22.4
(-) COFINS and PASEP taxes	145.4	162.6	17.2	11.8
(=) Net operating revenue	2,294.6	2,577.7	283.1	12.3
(-) Costs and expenses	1,428.1	1,334.8	(93.3)	(6.5)
(-) Construction costs	439.4	539.4	100.0	22.8
(+) Equity Results	(0.9)	(1.8)	(0.9)	-
(=) Earnings before financial expenses (EBIT*)	426.2	701.7	275.5	64.6
(+) Depreciation and amortization	228.1	186.5	(41.6)	(18.2)
(=) EBITDA**	654.3	888.2	233.9	35.7
(%) EBITDA margin	28.5	34.5		
Net income	182.8	491.9	309.1	169.1
Earnings per share (R\$)	0.80	2.16		

(*) Earnings before interest and taxes

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

In 1Q12, net operating revenue reached R\$ 2.6 billion, a 12.3% growth compared to 1Q11. Costs and expenses, including construction costs, in the amount of R\$ 1.9 billion grew 0.4% over 1Q11. EBIT grew 64.6%, from R\$ 426.2 million in 1Q11 to R\$ 701.7 million in 1Q12. EBITDA increased 35.7%, from R\$ 654.3 million in 1Q11 to R\$ 888.2 million in 1Q12. The EBITDA margin was 34.5% in 1Q12 in comparison to 28.5% in the same period of the previous year. Excluding construction revenues and construction costs, the EBITDA margin was 43.3% in 1Q12 (34.9% in 1Q11).

2. Gross operating revenue

Gross operating revenue from water supply and sewage collection grew from R\$ 2.0 billion in 1Q11 to R\$ 2.2 billion in 1Q12, an increase of R\$ 199.6 million or 10.0%. The main factors that led to this variation were: the increase of 3.0% in total billed volume, out of which 2.6% in water and 3.5% in sewage, and the tariff adjustment of 6.83% as of September 2011.

3. Construction revenue

In 1Q12, construction revenue grew from R\$ 450.2 million to R\$ 550.9 million, an increase of R\$ 100.7 million or 22.4%, comparing to 1Q11. This variation was mainly due to higher investments in the period.

4. Billed volume

The following tables show the billed water and sewage volume per customer category and region in 1Q11 and 1Q12.

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

Category	Water			Sewage			Water + Sewage		
	1Q11	1Q12	%	1Q11	1Q12	%	1Q11	1Q12	%
Residential	373.4	384.6	3.0	303.6	315.2	3.8	677.0	699.8	3.4
Commercial	41.3	42.9	3.9	38.3	39.7	3.7	79.6	82.6	3.8
Industrial	9.4	9.6	2.1	9.9	10.4	5.1	19.3	20.0	3.6
Public	12.2	13.2	8.2	9.5	10.1	6.3	21.7	23.3	7.4
Total retail	436.3	450.3	3.2	361.3	375.4	3.9	797.6	825.7	3.5
Wholesale	74.1	73.3	(1.1)	7.5	6.4	(14.7)	81.6	79.7	-2.3
Reused water	0.1	0.1	-	-	-	-	0.1	0.1	-
Total	510.5	523.7	2.6	368.8	381.8	3.5	879.3	905.5	3.0

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

Region	Water			Sewage			Water + Sewage		
	1Q11	1Q12	%	1Q11	1Q12	%	1Q11	1Q12	%
Metropolitan	285.3	293.2	2.8	241.3	248.3	2.9	526.6	541.5	2.8
Regional ⁽²⁾	151.0	157.1	4.0	120.0	127.1	5.9	271.0	284.2	4.9
Total retail	436.3	450.3	3.2	361.3	375.4	3.9	797.6	825.7	3.5
Wholesale	74.1	73.3	(1.1)	7.5	6.4	(14.7)	81.6	79.7	-2.3
Reused water	0.1	0.1	-	-	-	-	0.1	0.1	-
Total	510.5	523.7	2.6	368.8	381.8	3.5	879.3	905.5	3.0

(1) Unaudited

(2) Including coastal and countryside

5. Costs, administrative, selling and construction expenses

In 1Q12, costs of products and services, administrative, selling and construction expenses grew 0.4% (R\$ 6.7 million). As a percentage of net revenue, cost and expenses moved from 81.4% in 1Q11 to 72.7% in 1Q12.

	1Q11	1Q12	Chg. (R\$)	R\$ million %
Payroll and benefits	556.5	406.3	(150.2)	(27.0)
Supplies	37.2	40.5	3.3	8.9
Treatment supplies	45.6	44.6	(1.0)	(2.2)
Services	231.4	265.0	33.6	14.5
Electric power	141.3	150.3	9.0	6.4
General expenses	127.5	167.8	40.3	31.6
Tax expenses	27.4	35.0	7.6	27.7
Sub-total	1,166.9	1,109.5	(57.4)	(4.9)
Depreciation and amortization	228.1	186.5	(41.6)	(18.2)

Credit write-offs	33.1	38.8	5.7	17.2
Sub-total	1,428.1	1,334.8	(93.3)	(6.5)
Construction costs	439.4	539.4	100.0	