

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

March 27, 2013

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 27, 2013
(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 4Q12 and 2012 results

SBSP3: R\$ 88.90 / share

São Paulo, March 21, 2013 - **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 **fourth quarter 2012 (4Q12) and full year 2012**. 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.

SBS: US\$ 44.44 (ADR=2 shares)

Total shares: 227.836.623

Market Value: R\$ 20.3 billion

Closing Price: 03/21/2013

1. Financial highlights

							R\$ million	
	4Q11	4Q12	Var. (R\$)	%	2011	2012	Var. (R\$)	%
(+) Gross operating revenue	2,261.7	2,425.8	164.1	7.3	8,305.0	8,926.7	621.7	7.5
(+) Construction revenue	603.6	723.5	119.9	19.9	2,224.6	2,464.5	239.9	10.8
(-) COFINS and PASEP taxes	163.5	175.4	11.9	7.3	602.2	653.6	51.4	8.5
(=) Net operating revenue	2,701.8	2,973.9	272.1	10.1	9,927.4	10,737.6	810.2	8.2
(-) Costs and expenses	1,334.0	1,439.0	105.0	7.9	5,302.1	5,450.2	148.1	2.8
(-) Construction costs	595.3	710.4	115.1	19.3	2,177.0	2,414.4	237.4	10.9
(+) Equity Results	0.8	(2.9)	(3.7)	(462.5)	(3.6)	(6.5)	(2.9)	80.6
(=) Earnings before financial expenses (EBIT*)	773.3	821.6	48.3	6.2	2,444.7	2,866.5	421.8	17.3
Net income	493.0	765.4	272.4	55.3	1,223.4	1,911.9	688.5	56.3
Earnings per share (R\$)	2.16	3.36			5.37	8.39		
(*) Earnings before interest and taxes								

Adjusted EBITDA Reconciliation (Non-accounting measures)

							R\$ million	
	4Q11	4Q12	Var. (R\$)	%	2011	2012	Var. (R\$)	%
Net income	493.0	765.4	272.4	55.3	1,223.4	1,911.9	688.5	56.3
Financial result	117.2	(100.0)	(217.2)	(185.3)	633.0	295.7	(337.3)	(53.3)
Depreciation and amortization	196.2	194.8	(1.4)	(0.7)	768.7	738.5	(30.2)	(3.9)
Income tax and social contribution	34.1	165.7	131.6	385.9	498.1	635.7	137.6	27.6
Other operating expenses, net	129.0	(9.5)	(138.5)	(107.4)	90.2	23.2	(67.0)	(74.3)
(=) Adjusted EBITDA **	969.5	1,016.4	46.9	4.8	3,213.4	3,605.0	391.6	12.2
(%) Adjusted EBITDA margin	35.9	34.2			32.4	33.6		

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

In 2012, net operating revenue reached R\$ 10.7 billion, an 8.2% growth compared to 2011. Costs and expenses, including construction costs, in the amount of R\$ 7.9 billion grew 5.2% over 2011. EBIT grew 17.3%, from R\$ 2.4 billion in 2011 to R\$ 2.9 billion in 2012. Adjusted EBITDA increased 12.2%, from R\$ 3.2 billion in 2011 to R\$ 3.6 billion in 2012. The adjusted EBITDA margin was 33.6% in 2012 in comparison to 32.4% in 2011. Excluding construction revenues and construction costs, the adjusted EBITDA margin was 43.0% in 2012 (41.1% in 2011).

Net income reached R\$ 1.9 billion in 2012, 56.3% higher than in 2011.

2. Gross operating revenue

Gross operating revenue from water supply and sewage collection grew from R\$ 8.3 billion in 2011 to R\$ 8.9 billion in 2012, an increase of R\$ 621.7 million or 7.5%. The main factors that led to this variation were: the increase of 2.4% in water billed volume and of 3.2% in sewage billed volume, the Company's total increase in billed volume was of 2.7%, and the tariff adjustment of 6.83% since September 2011 and of 5.15% since September 2012.

3. Construction revenue

In 2012, construction revenue increased R\$ 239.9 million or 10.8%, comparing to 2011. This variation was mainly due to higher investments in 2012.

4. Billed volume

The following tables show the billed water and sewage volume per customer category and region in 4Q11 and 4Q12, and 2011 and 2012.

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

Category	Water			Sewage			Water + Sewage		
	4Q11	4Q12	%	4Q11	4Q12	%	4Q11	4Q12	%
Residential	378.8	392.7	3.7	311.8	324.9	4.2	690.6	717.6	3.9
Commercial	42.8	44.0	2.8	39.8	40.8	2.5	82.6	84.8	2.7
Industrial	9.7	9.7	-	10.5	10.4	(1.0)	20.2	20.1	(0.5)
Public	13.5	13.7	1.5	10.5	10.7	1.9	24.0	24.4	1.7
Total retail	444.8	460.1	3.4	372.6	386.8	3.8	817.4	846.9	3.6
Wholesale	74.8	75.6	1.1	6.2	6.3	1.6	81.0	81.9	1.1
Reused water	0.1	0.1	-	-	-	-	0.1	0.1	-
Total	519.7	535.8	3.1	378.8	393.1	3.8	898.5	928.9	3.4
	2011	2012	%	2011	2012	%	2011	2012	%
Residential	1,488.0	1,530.0	2.8	1,220.7	1,262.6	3.4	2,708.7	2,792.6	3.1
Commercial	167.6	172.8	3.1	156.4	160.5	2.6	324.0	333.3	2.9
Industrial	38.7	38.3	(1.0)	40.5	41.6	2.7	79.2	79.9	0.9
Public	53.1	54.8	3.2	41.5	42.5	2.4	94.6	97.3	2.9
Total retail	1,747.4	1,795.9	2.8	1,459.1	1,507.2	3.3	3,206.5	3,303.1	3.0
Wholesale	297.3	297.5	0.1	27.2	27.3	0.4	324.5	324.8	0.1
Reused water	0.3	0.4	33.3	-	-	-	0.3	0.4	33.3
Total	2,045.0	2,093.8	2.4	1,486.3	1,534.5	3.2	3,531.3	3,628.3	2.7

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

Region	Water			Sewage			Water + Sewage		
	4Q11	4Q12	%	4Q11	4Q12	%	4Q11	4Q12	%
Metropolitan	293.0	301.8	3.0	248.9	256.9	3.2	541.9	558.7	3.1
Regional ⁽²⁾	151.8	158.3	4.3	123.7	129.9	5.0	275.5	288.2	4.6
Total retail	444.8	460.1	3.4	372.6	386.8	3.8	817.4	846.9	3.6
Wholesale	74.8	75.6	1.1	6.2	6.3	1.6	81.0	81.9	1.1
Reused water	0.1	0.1	-	-	-	-	0.1	0.1	-
Total	519.7	535.8	3.1	378.8	393.1	3.8	898.5	928.9	3.4
	2011	2012	%	2011	2012	%	2011	2012	%
Metropolitan	1,150.6	1,181.9	2.7	976.8	1,005.7	3.0	2,127.4	2,187.6	2.8
Regional ⁽²⁾	596.8	614.0	2.9	482.3	501.5	4.0	1,079.1	1,115.5	3.4
Total retail	1,747.4	1,795.9	2.8	1,459.1	1,507.2	3.3	3,206.5	3,303.1	3.0
Wholesale	297.3	297.5	0.1	27.2	27.3	0.4	324.5	324.8	0.1
Reused water	0.3	0.4	33.3	-	-	-	0.3	0.4	33.3
Total	2,045.0	2,093.8	2.4	1,486.3	1,534.5	3.2	3,531.3	3,628.3	2.7

(1) Unaudited

(2) Including coastal and countryside

5. Costs, administrative, selling and construction expenses

In 2012, costs of products and services, administrative, selling and construction expenses grew 5.2% (R\$ 385.5 million). As a percentage of net revenue, cost and expenses moved from 75.3% in 2011 to 73.2% in 2012.

	4Q11	4Q12	Chg. (R\$)	%	2011	2012	Chg. (R\$)	%
Payroll and benefits	408.5	462.2	53.7	13.1	1,804.1	1,738.9	(65.2)	(3.6)
Supplies	44.9	52.0	7.1	15.8	159.1	181.8	22.7	14.3
Treatment supplies	35.9	42.3	6.4	17.8	154.7	177.5	22.8	14.7
Services	284.4	296.5	12.1	4.3	993.6	1,075.5	81.9	8.2
Electric power	147.5	147.2	(0.3)	(0.2)	584.1	590.0	5.9	1.0
General expenses	177.3	186.3	9.0	5.1	656.0	687.5	31.5	4.8
Tax expenses	12.4	11.5	(0.9)	(7.3)	61.5	68.3	6.8	11.1
Sub-total	1,110.9	1,198.0	87.1	7.8	4,413.1	4,519.5	106.4	2.4
Depreciation and amortization	196.2	194.8	(1.4)	(0.7)	768.7	738.5	(30.2)	(3.9)
Credit write-offs	26.9	46.2	19.3	71.7	120.3	192.2	71.9	59.8
Sub-total	223.1	241.0	17.9	8.0	889.0	930.7	41.7	4.7
Construction costs	595.3	710.4	115.1	19.3	2,177.0	2,414.4	237.4	10.9
Costs, administrative, selling and construction expenses	1,929.3	2,149.4	220.1	11.4	7,479.1	7,864.6	385.5	5.2
% over net revenue	71.4	72.3			75.3	73.2		

5.1. Payroll and benefits

In 2012 payroll and benefits dropped R\$ 65.2 million or 3.6%, from R\$ 1.8 billion to R\$ 1.7 billion, due to the following:

- Complementation of the actuarial liability related to the G0 Plan, in the amount of R\$ 157.5 million in 2011, non-recurring for 2012; and
- Decline of R\$ 14.0 million in the actuarial calculation related to the Defined Benefit Plan in 2012.

These decreases were partially offset by the 8.00% increase in wages since May 2011 and of 6.17% since May 2012, with an impact of approximately R\$ 102.9 million in payroll.

In 4Q12 payroll and benefits grew R\$ 53.7 million or 13.1%, due to the following:

- 6.17% increase in wages since May 2012, with an impact of approximately R\$ 34.4 million; and
- Increase in the provision for severance pay in the amount of R\$ 19.9 million, due to: (i) increased adhesion of employees who applied for retirement; and (ii) approval of Law 12.506/11, changing the notice period from 30 to 90 days in case of dismissal without cause.

5.2. Supplies

In 2012, expenses with supplies increased by R\$ 22.7 million or 14.3%, when compared to the previous year, from R\$ 159.1 million to R\$ 181.8 million, mostly due to: (i) preventive and corrective maintenance in water and sewage systems, in the amount of R\$ 8.7 million; (ii) maintenance of water and sewage networks totaling R\$ 7.2 million, due to regularity in the execution of Global Sourcing services and the increase in the price of certain materials.

In 4Q12, these expenses increased by R\$ 7.1 million or 15.8%, due to the same factors mentioned for the year.

5.3. Treatment supplies

Treatment supplies expenses in 2012 were R\$ 22.8 million or 14.7% higher than in 2011, from R\$ 154.7 million to R\$ 177.5 million. The main factors for this variation were:

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