

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

June 25, 2004

**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, 2004

(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):

COMPANHIA DE SANEAMENTO BÁSICO DO ESTADO DE SÃO PAULO SABESP

PUBLICLY HELD COMPANY
Corporate Taxpayer's ID (CNPJ) 43.776.517/0001-80

NOTICE TO SHAREHOLDERS

We hereby inform the Company's Shareholders that the payment of Dividends in the form of Interest on Own Capital, referring to the first quarter of 2003, April 2003, October 2003, November 2003 and December 2003, are going to be settled on June 29, 2004. Such payment was approved by the Board of Directors in meetings held on April 24, May 29, November 20, 2003 and January 8, 2004, respectively.

1. Dividends in the form of Interests on Own Capital dividends are going to be paid at the ratio of R\$ 1.41 (one real and forty-one cents) per thousand shares held on record date 05.08.2003, R\$ 4.15 (four reais and fifteen cents) per thousand shares held on record date 06.16.2003, R\$ 5.44 (five reais and forty-four cents) per thousand shares held on record date 12.15.2003 and R\$ 6.70 (six reais and seventy cents) per thousand shares held on record date 01.19.2004.
2. Instructions for credit:
 - 2.1. Shareholders are going to have their credits available according to their banking instructions provided to Banco Itaú S/A.
 - 2.2. Shareholders whose Registry Information is not updated: shareholders whose registry information does not include either their Individual/Corporate Taxpayer's Identification Number (CPF/CNPJ) or complete banking instructions (bank, branch and account number) are going to have their interests credited as of the third business day after pending information is updated in the electronic files of Banco Itaú S.A..
 - 2.3. Those shareholders whose shares are under fiduciary custody are going to have their Dividends in the form of Interests on Own Capital credited in accordance to procedures adopted by Stock Exchanges.
3. Assistance to Shareholders:

Shareholders can be assisted at any Banco Itaú S/A's branch, as well as, at any branch allowed to assist shareholders, during banking working hours.

São Paulo, June 21, 2004
Rui de Britto Álvares Affonso
Economic and Financial Officer and Investor Relations Officer

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, 2004

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 and 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.
