

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

July 29, 2008

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**SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549**

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**FORM 6-K**

**REPORT OF FOREIGN ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**For July 29, 2008**

**(Commission File No. 1-31317)**

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**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)*

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**Rua Costa Carvalho, 300  
São Paulo, S.P., 05429-900  
Federative Republic of Brazil**  
*(Address of Registrant's principal executive offices)*

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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):

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**COMPANHIA DE SANEAMENTO BÁSICO DO ESTADO DE SÃO PAULO SABESP**

**PUBLICLY-HELD COMPANY  
CORPORATE TAXPAYER S ID (CNPJ) No. 43.776.517/0001 -80**

**MATERIAL FACT**

Companhia de Saneamento Básico do Estado de São Paulo Sabesp ( SABESP ), under the terms and for the purposes of CVM Instruction No. 358 dated January 3<sup>rd</sup>, 2002, of the Brazilian Securities and Exchange Commission ( CVM ), as amended, hereby informs to its shareholders and the market in general that it has begun the process of structuring the 2<sup>nd</sup> Securities Distribution Program ( 2<sup>nd</sup> Distribution Program ), in the amount of up to three billion reais (R\$3,000,000,000.00), and the 9<sup>th</sup> Issuance of Simple Debentures ( 9<sup>th</sup> Issuance ), in the amount of up to five hundred million reais (R\$500,000,000.00), the first issuance in the scope of the 2<sup>nd</sup> Distribution Program; the amount and conditions of the 9<sup>th</sup> issuance shall be determined during the structuring process.

The structuring process is being carried out by means of a consortium with financial institutions under the leadership of HSBC Bank Brasil S.A. Banco Múltiplo ( Lead Manager ). The other managers are Banco Citibank S.A., BB Banco de Investimento S.A. and Caixa Econômica Federal (jointly with the Lead Manager, the Managers ). The 2<sup>nd</sup> Distribution Program and the 9<sup>th</sup> Issuance shall be filed for registration at CVM, pursuant the terms of CVM Instruction no. 400, dated December 29, 2003, as amended, and the effective accomplishment of the 9<sup>th</sup> Issuance shall be subject to market conditions.

São Paulo, July 15, 2008.

Rui de Britto Álvares Affonso  
Chief 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: July 29, 2008

**Companhia de Saneamento Básico do Estado de São Paulo -  
SABESP**

By: /S/ Rui de Britto Álvares  
Affonso

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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.

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