Conference Call – 3Q17

November /2017

Economic-Financial Office and Investor Relations Office

SBS LISTED NYSE

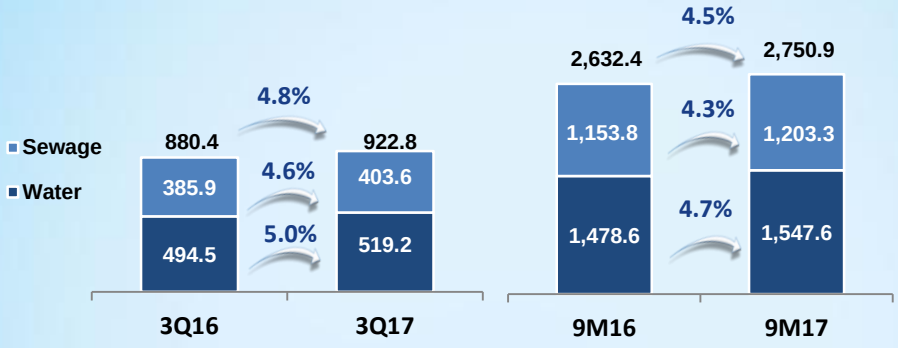
SBSP3 NOVO MERCADO BM&FBOVESPA

Notice

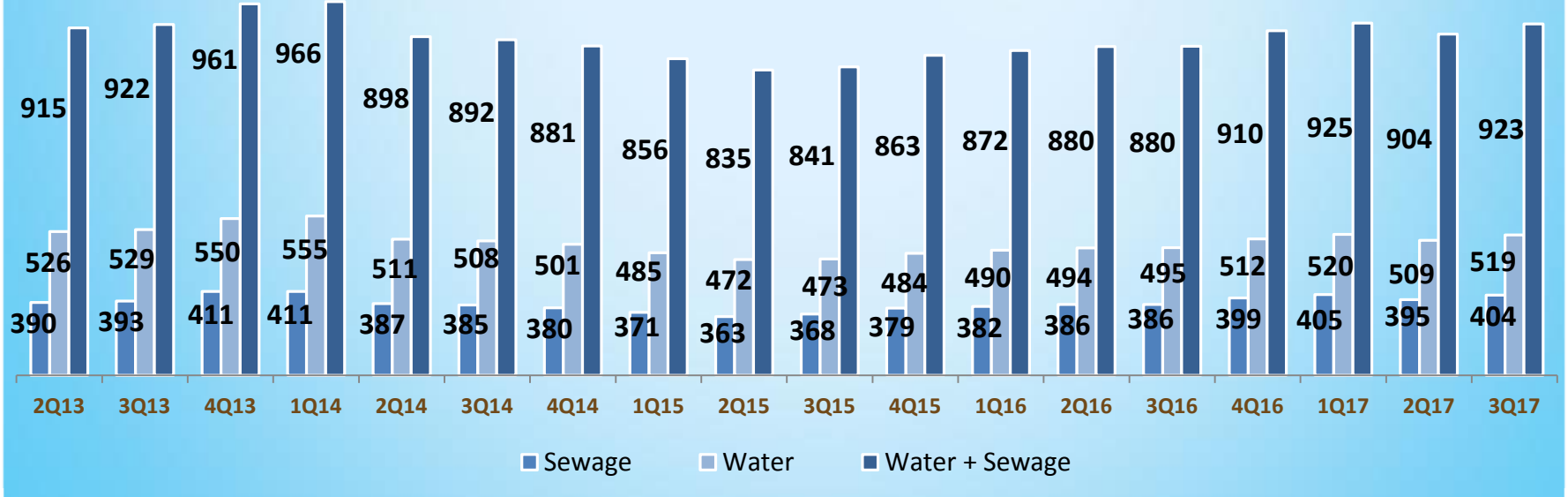
This presentation may contain forward-looking statements referring to SABESP's business outlook. operating and financial results estimates. and growth prospects. These are only projections. and as such. they are exclusively based on SABESP's management expectation in relation to the future of business and its continuous access to capital to finance the Company's business plan. These forward-looking statements largely depend on changes in market conditions. governmental rules. industry performance and the Brazilian economy. amongst other factors. in addition to risks exhibited in disclosure documents filed by SABESP. Therefore. they are subject to changes without prior notice.

Billed Volume (million m³)

Total water and sewage billed volume, including wholesale



Historical Billed Volume



Financial Highlights (R$ million)



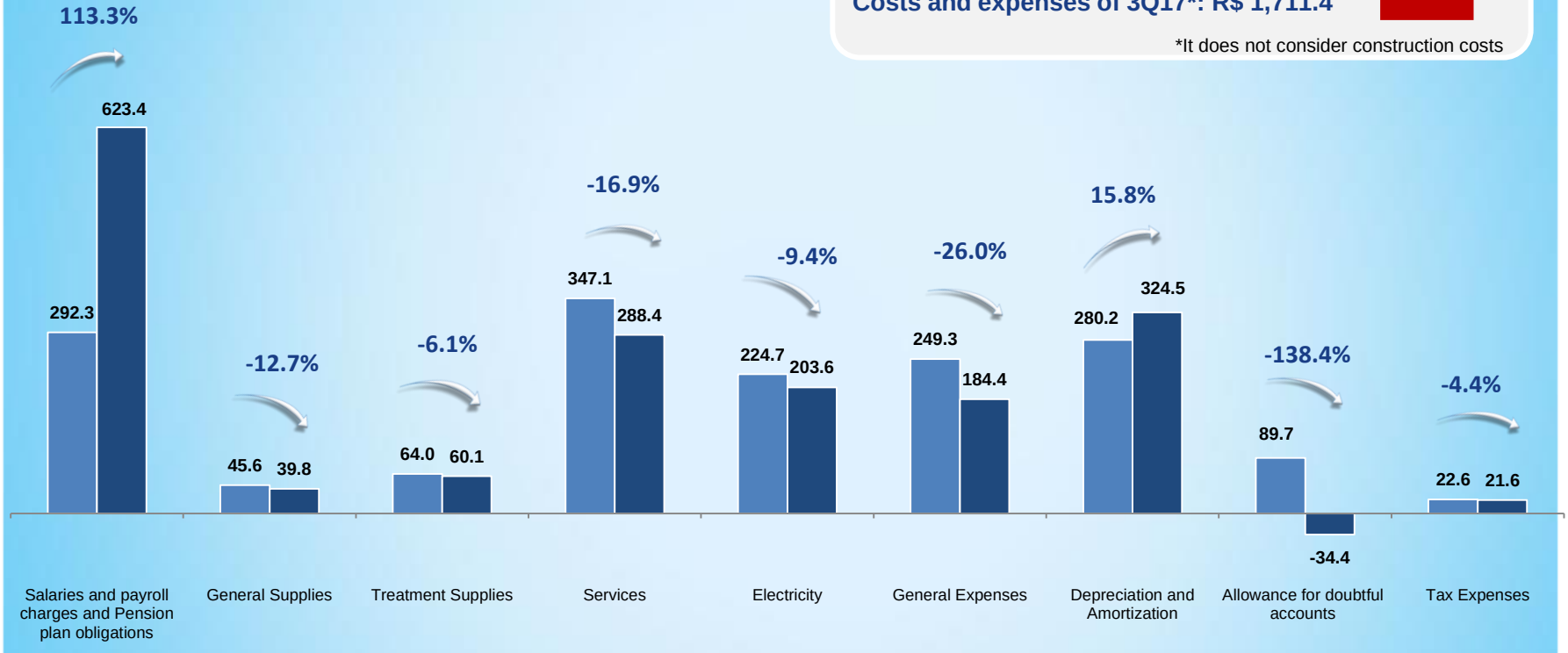
Costs and Expenses (R$ million)

Costs and expenses of 3Q16*: R$ 1,615.5

Costs and expenses of 3Q17*: R$ 1,711.4

5.9%

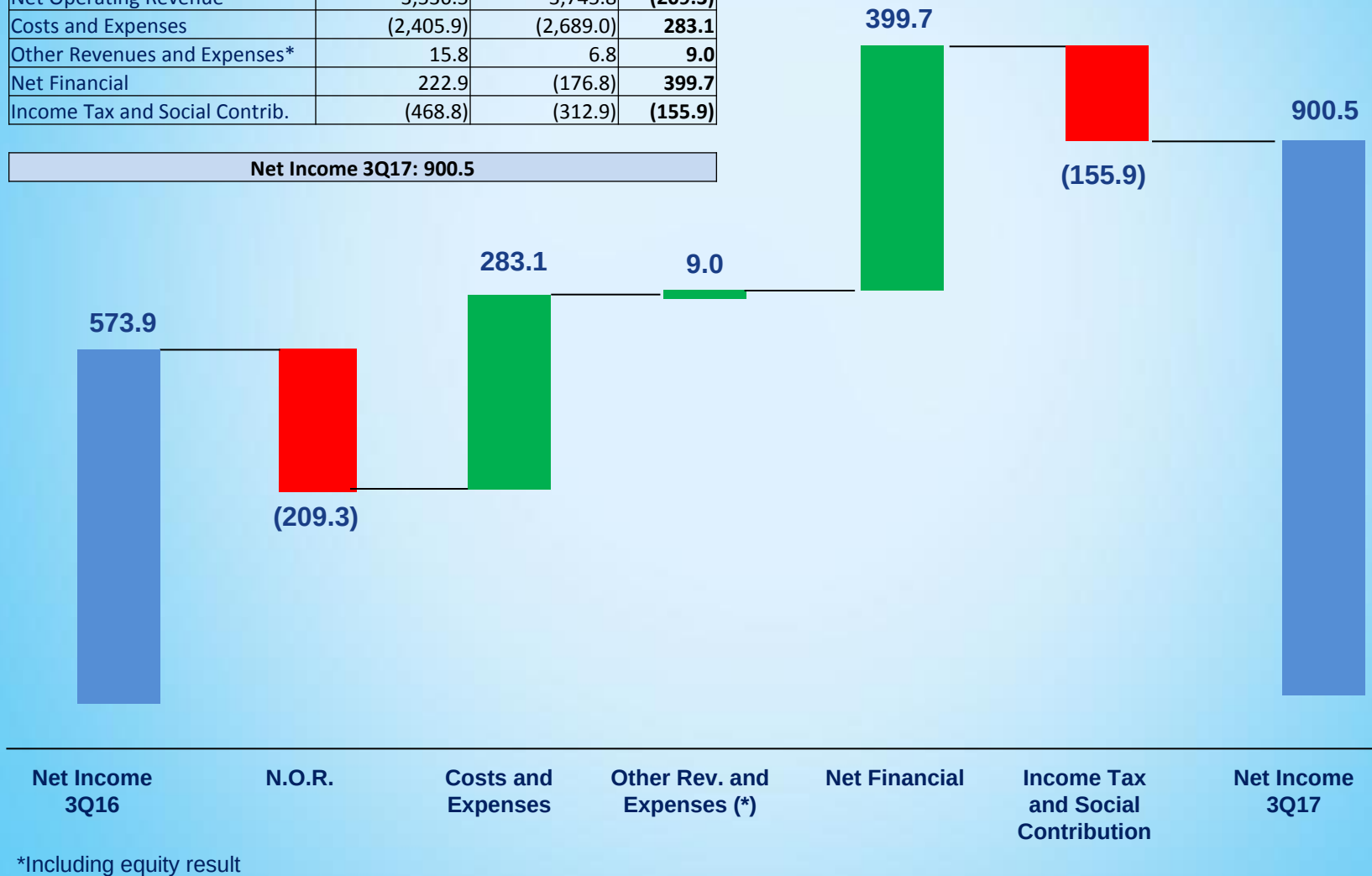
*It does not consider construction costs



% Net Revenue in 3Q16								
7.8%	1.2%	1.7%	9.3%	6.0%	6.7%	7.5%	2.4%	0.6%
% Net Revenue in 3Q17								
17.6%	1.1%	1.7%	8.2%	5.8%	5.2%	9.2%	-1.0%	0.6%

Net income – Main variations (R$ million)

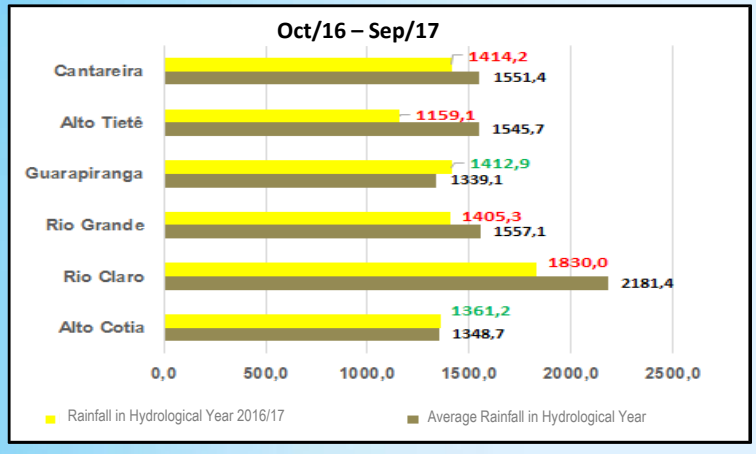
	3Q17	3Q16	Chng.
Net Income 3Q16: 573.9			
Net Operating Revenue	3,536.5	3,745.8	**(209.3)**
Costs and Expenses	(2,405.9)	(2,689.0)	**283.1**
Other Revenues and Expenses*	15.8	6.8	**9.0**
Net Financial	222.9	(176.8)	**399.7**
Income Tax and Social Contrib.	(468.8)	(312.9)	**(155.9)**
Net Income 3Q17: 900.5			



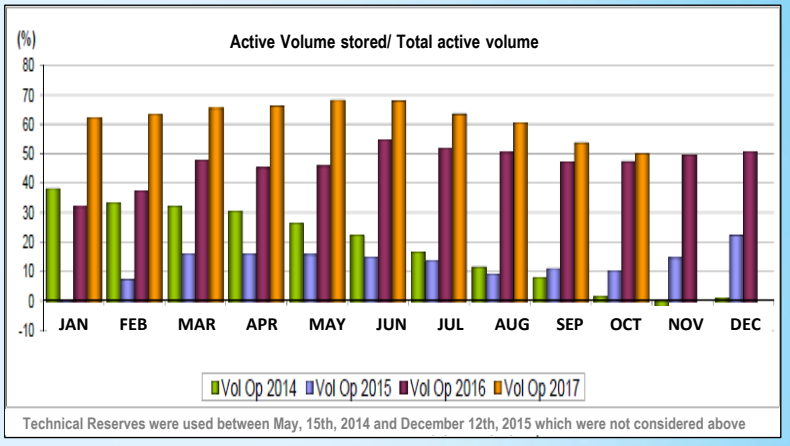
*Including equity result

Hydrological Status in SPMR

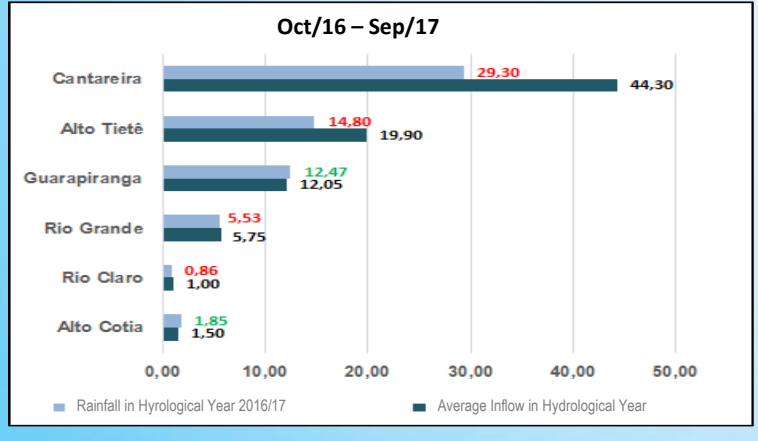
Rainfall (mm) – Hydrological Year



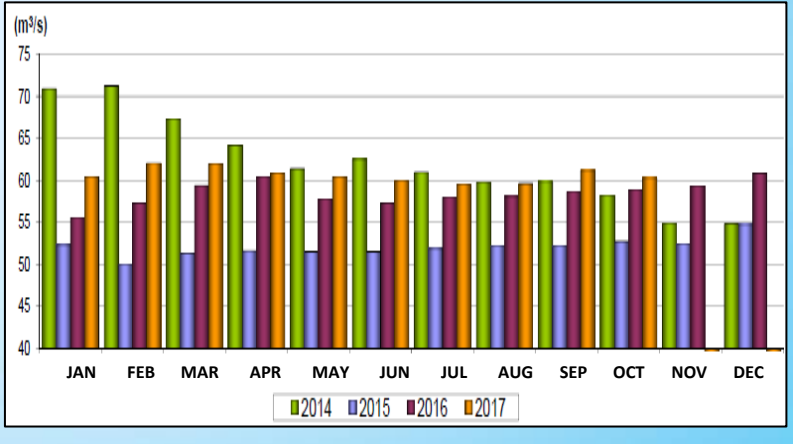
Reservoirs' Storage



Water Inflow (m³/s) – Hydrological Year



Monthly Average Production



2nd Ordinary Tariff Revision

- **10/06/2017** - ARSESP released Final Technical Note NT/F/004/2017

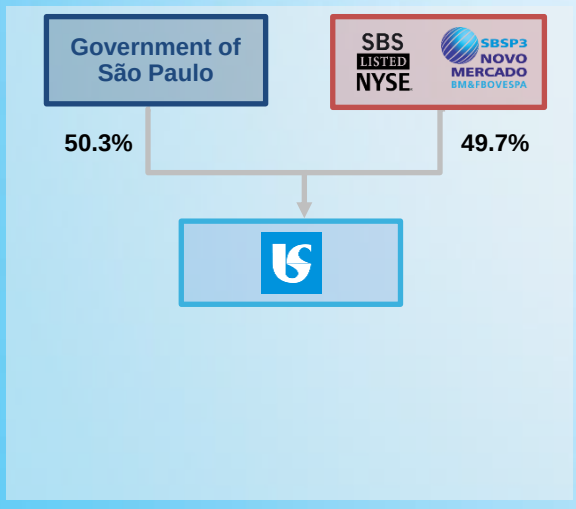
Initial Stage of the 2nd Ordinary Tariff Revision of Sabesp

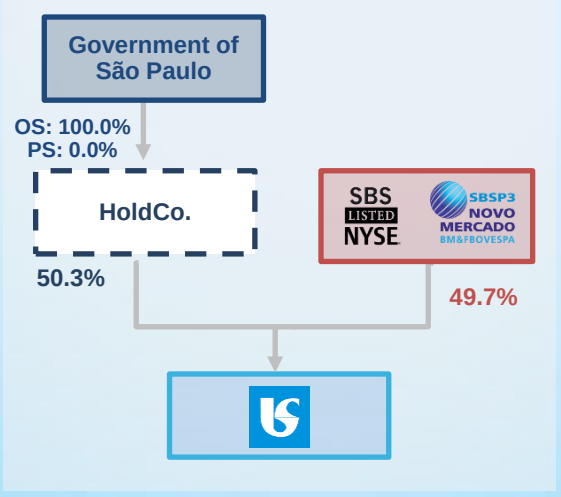
	NT/F/003/2017	NT/F/004/2017
Initial Regulatory Asset Base	R$ 40.3 billion	R$ 40,3 billion
WACC	8.01%	8.11%
Current Average Tariff	R$ 3.47484/m³	R$ 3.37255/m³
Preliminary P0	R$ 3.62652/m³	R$ 3.63861/m³
Tariff Repositioning Index	4.3650%	7.8888%

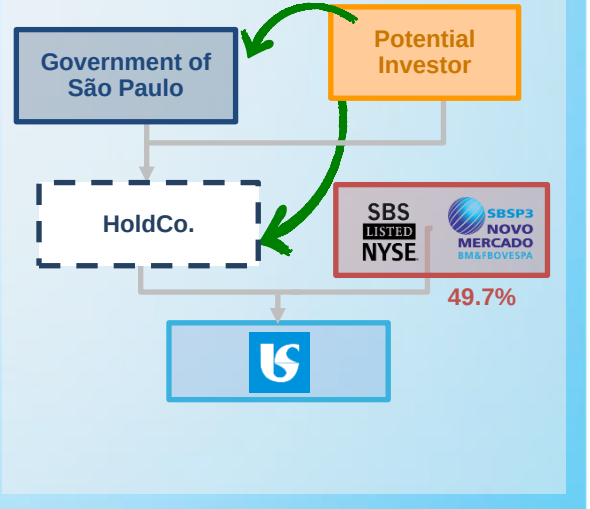
Holding Company and Capitalization of Sabesp

The importance of the holding company:

- To the State Government:
  - ✓ Platform to attract private capital to develop Basic Sanitation and related businesses
  - ✓ To alienate part of its shares in the holding company and raise funds for State investments
- To Sabesp:
  - ✓ Possibility of accessing equity for its expansion → incorporation of long-term and active investor
  - ✓ To implement Management Contract → deepen its management model → emphasis on efficiency and results
- Preemptive conditions for Sabesp Capitalization and Follow-on
  - ✓ Creation and capitalization of the holding company → entry of private investors
  - ✓ Conclusion of the Tariff Revision
  - ✓ Inclusion of new investments arising from capitalization in the regulatory asset base
  - ✓ Favorable market conditions







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