

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

November 29, 2017

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 November, 2017
(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 3Q17 results

São Paulo, November 14, 2017 - **Companhia de Saneamento Básico do Estado de São Paulo - SABESP** (B3: SBSP3; NYSE: SBS), one of the largest water and sewage services providers in the world based on the number of costumers, announces today its **3Q17 results**. 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 2016.

SBSP3: R\$ 29.46/share
SBS: US\$ 8.94 (ADR=1 share)
Total shares: 683,509,869
Market value: R\$ 20.1 billion
Closing quote: 11/14/2017

1. Financial highlights

| | | R\$ million | | | | | | | |
|-----|---|------------------------|-----------|-----------|---------|-----------|-----------|---------------|---------|
| | | 3Q17 | 3Q16 | Chg.(R\$) | % | 9M17 | 9M16 | Chg. (R\$) | % |
| | Gross operating revenue | 2,999.7 | 2,854.1 | 145.6 | 5.1 | 8,930.6 | 8,148.2 | 782.4 | 9.6 |
| | Construction revenue | 712.9 | 1,097.8 | (384.9) | (35.1) | 2,215.2 | 2,620.2 | (405.0) | (15.5) |
| | COFINS and PASEP taxes | (176.1) | (206.1) | 30.0 | (14.6) | (555.9) | (556.2) | 0.3 | (0.1) |
| (=) | Net operating revenue | 3,536.5 | 3,745.8 | (209.3) | (5.6) | 10,589.9 | 10,212.2 | 377.7 | 3.7 |
| | Costs and expenses | (1,711.4) | (1,615.5) | (95.9) | 5.9 | (5,528.0) | (5,147.9) | (380.1) | 7.4 |
| | Construction costs | (694.5) | (1,073.5) | 379.0 | (35.3) | (2,165.9) | (2,563.2) | 397.3 | (15.5) |
| | Equity result | 1.2 | 0.5 | 0.7 | 140.0 | 4.7 | 2.3 | 2.4 | 104.3 |
| | Other operating revenue (expenses), net | 14.6 | 6.3 | 8.3 | 131.7 | 37.7 | 27.9 | 9.8 | 35.1 |
| (=) | Earnings before financial result, income tax and social contribution | 1,146.4 | 1,063.6 | 82.8 | 7.8 | 2,938.4 | 2,531.3 | 407.1 | 16.1 |
| | Financial result | 222.9 | (176.8) | 399.7 | (226.1) | (54.5) | 536.1 | (590.6) | (110.2) |
| (=) | Earnings before income tax and social contribution | 1,369.3 | 886.8 | 482.5 | 54.4 | 2,883.9 | 3,067.4 | (183.5) | (6.0) |
| | Income tax and social contribution | (468.8) | (312.9) | (155.9) | 49.8 | (977.2) | (1,067.2) | 90.0 | (8.4) |
| (=) | Net income | 900.5 | 573.9 | 326.6 | 56.9 | 1,906.7 | 2,000.2 | (93.5) | (4.7) |
| | Earnings per share* (R\$) | 1.32 | 0.84 | | | 2.79 | 2.93 | | |

* Total shares = 683,509,869

Adjusted EBITDA Reconciliation (Non-accounting measures)

| | | R\$ million | | | | | | | |
|-----|--|------------------------|---------|------------|---------|---------|---------|------------|---------|
| | | 3Q17 | 3Q16 | Chg. (R\$) | % | 9M17 | 9M16 | Chg. (R\$) | % |
| | Net income | 900.5 | 573.9 | 326.6 | 56.9 | 1,906.7 | 2,000.2 | (93.5) | (4.7) |
| | Income tax and social contribution | 468.8 | 312.9 | 155.9 | 49.8 | 977.2 | 1,067.2 | (90.0) | (8.4) |
| | Financial result | (222.9) | 176.8 | (399.7) | (226.1) | 54.5 | (536.1) | 590.6 | (110.2) |
| | Other operating revenues (expenses), net | (14.6) | (6.3) | (8.3) | 131.7 | (37.7) | (27.9) | (9.8) | 35.1 |
| (=) | Adjusted EBIT* | 1,131.8 | 1,057.3 | 74.5 | 7.0 | 2,900.7 | 2,503.4 | 397.3 | 15.9 |
| | Depreciation and amortization | 324.5 | 280.2 | 44.3 | 15.8 | 974.5 | 859.1 | 115.4 | 13.4 |
| (=) | Adjusted EBITDA ** | 1,456.3 | 1,337.5 | 118.8 | 8.9 | 3,875.2 | 3,362.5 | 512.7 | 15.2 |
| | (%) Adjusted EBITDA margin | 41.2 | 35.7 | | | 36.6 | 32.9 | | |

(* Adjusted EBIT is net income before: (i) other operating revenues/expenses, net; (ii) financial result; and (iii) income tax and social contribution.

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

In 3Q17, net operating revenue, including construction revenue, reached R\$ 3,536.5 million; a 5.6% decrease compared to the same period in 2016.

Costs and expenses, including construction costs, totaled R\$ 2,405.9 million, 10.5% lower than in 3Q16.

Adjusted EBIT, in the amount of R\$ 1,131.8 million, increased 7.0% from R\$ 1,057.3 million recorded in 3Q16.

Adjusted EBITDA, in the amount of R\$ 1,456.3 million, increased 8.9% from R\$ 1,337.5 million recorded in 3Q16. (R\$ 5,084.3 million in the last twelve months).

The adjusted EBITDA margin was 41.2% in 3Q17 against 35.7% in 3Q16 (35.1% in the last twelve months).

Excluding construction revenues and construction costs, the adjusted EBITDA margin was 50.9% in 3Q17 (49.6% in 3Q16 and 44.9% in the last twelve months).

In 3Q17 the Company recorded a net income of R\$ 900.5 million, in comparison to a net income of R\$ 573.9 million in 3Q16.

2. Gross operating revenue

Gross operating revenue from sanitation services, not including construction revenue, totaled R\$ 2,999.7 million, an increase of R\$145.6 million or 5.1%, when compared to the R\$ 2,854.1 million recorded in 3Q16.

The main factors that led to this variation were:

- Increase of 4.8% in the Company's total billed volume (5.0% in water and 4.6% in sewage);
- Lower estimated loss of wholesale revenue in 3Q17, in the amount of R\$ 16.7 million, due to the payment received in the period, especially from the Guarulhos municipal government.

3. Construction revenue

Construction revenue decreased R\$ 384.9 million or 35.1%, when compared to 3Q16. The variation was mainly due to lower investments in the municipalities served by the Company.

4. Billed volume

The following tables show the water and sewage billed volume, on quarter-on-quarter and year-to-date basis, per customer category and region.

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

| Category | Water | | | Sewage | | | Water + Sewage | | |
|--------------------------|----------------|----------------|------------|----------------|----------------|------------|----------------|----------------|------------|
| | 3Q17 | 3Q16 | % | 3Q17 | 3Q16 | % | 3Q17 | 3Q16 | % |
| Residential | 394.2 | 377.6 | 4.4 | 336.3 | 321.0 | 4.8 | 730.5 | 698.6 | 4.6 |
| Commercial | 41.6 | 40.3 | 3.2 | 40.1 | 38.5 | 4.2 | 81.7 | 78.8 | 3.7 |
| Industrial | 7.8 | 8.0 | (2.5) | 9.4 | 9.5 | (1.1) | 17.2 | 17.5 | (1.7) |
| Public | 10.2 | 10.2 | - | 9.2 | 9.0 | 2.2 | 19.4 | 19.2 | 1.0 |
| Total retail | 453.8 | 436.1 | 4.1 | 395.0 | 378.0 | 4.5 | 848.8 | 814.1 | 4.3 |
| Wholesale ⁽²⁾ | 65.4 | 58.4 | 12.0 | 8.6 | 7.9 | 8.9 | 74.0 | 66.3 | 11.6 |
| Total | 519.2 | 494.5 | 5.0 | 403.6 | 385.9 | 4.6 | 922.8 | 880.4 | 4.8 |
| | 9M17 | 9M16 | % | 9M17 | 9M16 | % | 9M17 | 9M16 | % |
| Residential | 1,177.9 | 1,135.6 | 3.7 | 1,002.7 | 961.4 | 4.3 | 2,180.6 | 1,097.0 | 4.0 |
| Commercial | 123.9 | 121.7 | 1.8 | 118.9 | 115.7 | 2.8 | 242.8 | 237.4 | 2.3 |
| Industrial | 23.6 | 23.7 | (0.4) | 28.1 | 28.8 | (2.4) | 51.7 | 52.5 | (1.5) |
| Public | 30.6 | 30.5 | 0.3 | 27.1 | 26.8 | 1.1 | 57.7 | 57.3 | 0.7 |
| Total retail | 1,356.0 | 1,311.5 | 3.4 | 1,176.8 | 1,132.7 | 3.9 | 2,532.8 | 2,444.2 | 3.6 |
| Wholesale ⁽²⁾ | 191.6 | 167.1 | 14.7 | 26.5 | 21.1 | 25.6 | 218.1 | 188.2 | 15.9 |
| Total | 1,547.6 | 1,478.6 | 4.7 | 1,203.3 | 1,153.8 | 4.3 | 2,750.9 | 2,632.4 | 4.5 |

(1) Unaudited

(2) Reused water volume and non-domestic sewage are included in

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

| Region | Water | | | Sewage | | | Water + Sewage | | |
|---------------------|----------------|----------------|------------|----------------|----------------|------------|----------------|----------------|------------|
| | 3Q17 | 3Q16 | % | 3Q17 | 3Q16 | % | 3Q17 | 3Q16 | % |
| Metropolitan | 295.1 | 283.5 | 4.1 | 257.6 | 246.8 | 4.4 | 552.7 | 530.3 | 4.2 |
| Regional (2) | 158.7 | 152.6 | 4.0 | 137.4 | 131.2 | 4.7 | 296.1 | 283.8 | 4.3 |
| Total retail | 453.8 | 436.1 | 4.1 | 395.0 | 378.0 | 4.5 | 848.8 | 814.1 | 4.3 |
| Wholesale (3) | 65.4 | 58.4 | 12.0 | 8.6 | 7.9 | 8.9 | 74.0 | 66.3 | 11.6 |
| Total | 519.2 | 494.5 | 5.0 | 403.6 | 385.9 | 4.6 | 922.8 | 880.4 | 4.8 |
| | 9M17 | 9M16 | % | 9M17 | 9M16 | % | 9M17 | 9M16 | % |
| Metropolitan | 877.5 | 846.0 | 3.7 | 763.9 | 735.1 | 3.9 | 1,641.4 | 1,581.1 | 3.8 |
| Regional (2) | 478.5 | 465.5 | 2.8 | 412.9 | 397.6 | 3.8 | 891.4 | 863.1 | 3.3 |
| Total retail | 1,356.0 | 1,311.5 | 3.4 | 1,176.8 | 1,132.7 | 3.9 | 2,532.8 | 2,444.2 | 3.6 |
| Wholesale (3) | 191.6 | 167.1 | 14.7 | 26.5 | 21.1 | 25.6 | 218.1 | 188.2 | 15.9 |
| Total | 1,547.6 | 1,478.6 | 4.7 | 1,203.3 | 1,153.8 | 4.3 | 2,750.9 | 2,632.4 | 4.5 |

(1) Unaudited

(2) Including coastal and interior region

(3) Reused water volume and non-domestic sewage are included in

5. Costs, administrative & selling expenses and construction costs

Costs, administrative & selling expenses as well as construction costs decreased 10.5% in 3Q17 (R\$ 283.1 million). Excluding construction costs, costs and expenses increased by 5.9% (R\$ 95.9 million).

As a percentage of net revenue, costs and expenses were 68.0% in 3Q17 compared to 71.8% in 3Q16.

| | <i>R\$ million</i> | | | | | | | |
|---|--------------------|----------------|----------------|---------------|----------------|----------------|---------------|--------------|
| | 3Q17 | 3Q16 | Chg. (R\$) | % | 9M17 | 9M16 | Chg. (R\$) | % |
| Salaries and payroll charges and Pension plan obligations | 623.4 | 292.3 | 331.1 | 113.3 | 1,927.8 | 1,488.0 | 439.8 | 29.6 |
| General supplies | 39.8 | 45.6 | (5.8) | (12.7) | 117.4 | 124.5 | (7.1) | (5.7) |
| Treatment supplies | 60.1 | 64.0 | (3.9) | (6.1) | 198.9 | 205.3 | (6.4) | (3.1) |
| Services | 288.4 | 347.1 | (58.7) | (16.9) | 920.9 | 945.8 | (24.9) | (2.6) |
| Electricity | 203.6 | 224.7 | (21.1) | (9.4) | 591.2 | 707.9 | (116.7) | (16.5) |
| General expenses | 184.4 | 249.3 | (64.9) | (26.0) | 633.9 | 640.6 | (6.7) | (1.0) |
| Tax expenses | 21.6 | 22.6 | (1.0) | (4.4) | 75.9 | 66.5 | 9.4 | 14.1 |
| Sub-total | 1,421.3 | 1,245.6 | 175.7 | 14.1 | 4,466.0 | 4,178.6 | 287.4 | 6.9 |
| Depreciation and amortization | 324.5 | 280.2 | 44.3 | 15.8 | 974.5 | 859.1 | 115.4 | 13.4 |
| Allowance for doubtful accounts | (34.4) | 89.7 | (124.1) | (138.4) | 87.5 | 110.2 | (22.7) | (20.6) |
| Sub-total | 290.1 | 369.9 | (79.8) | (21.6) | 1,062.0 | 969.3 | 92.7 | 9.6 |
| Costs, administrative and selling expenses | 1,711.4 | 1,615.5 | 95.9 | 5.9 | 5,528.0 | 5,147.9 | 380.1 | 7.4 |
| Construction costs | 694.5 | 1,073.5 | (379.0) | (35.3) | 2,165.9 | 2,563.2 | (397.3) | (15.5) |
| Costs, adm & selling expenses and construction costs | 2,405.9 | 2,689.0 | (283.1) | (10.5) | 7,693.9 | 7,711.1 | (17.2) | (0.2) |
| % of net revenue | 68.0 | 71.8 | | | 72.7 | 75.5 | | |

5.1. Salaries and payroll charges and Pension plan obligations

There was an increase of R\$ 331.1 million in 3Q17, mainly due to:

- Increase of R\$ 34.5 million, mostly due to the 1% increase related to the Career and Salary Plan since December 2016 and the 3.71% pay rise in May 2017; and
- Migration of 3,572 participants from the Defined Benefit Plan (G1) to the Defined Contribution Plan (Sabesprev Mais) in 3Q16, generating an early reduction of R\$ 334.2 million in the actuarial deficit, offset by an incentive and extraordinary contribution of R\$ 26.8 million, resulting in a net reduction of R\$ 307.4

million in expenses in that period.

5.2. Services

Services expenses totaled R\$ 288.4 million, R\$ 58.7 million less than the R\$ 347.1 million recorded in 3Q16. This decline was distributed in several items, including:

- Marketing campaigns, in the amount of R\$ 10.9 million;
- Nautical services related to the application of chemicals in the water reservoirs, in the amount of R\$ 10.1 million;
- Leasing of machinery and equipment, in the amount of R\$ 4.3 million; and
- Telephony, in the amount of R\$ 3.2 million.

5.3. Electricity

Electricity expenses totaled R\$ 203.6 million in 3Q17, a decrease of R\$ 21.1 million or 9.4% in comparison to the R\$ 224.7 million in 3Q16. The main factors that contributed to this decrease were:

- Average reduction of 12.1% in the free market tariffs, with an 14.6% increase in consumption;
- Average reduction of 29.4% in the grid market tariff (TUSD), with a 19.6% rise in consumption; and
- Average reduction of 3.0% in the regulated market tariffs, with a 3.0%.decrease in consumption.

In 3Q17, the free market accounted for 35.2% of the total electricity consumed by the Company, the grid market accounted for 31.9% and the regulated market accounted for 32.9% of total consumption.

5.4. General expenses

General expenses decreased R\$ 64.9 million, or 26.0%, totaling R\$ 184.4 million in 3Q17, versus the R\$ 249.3 million recorded in 3Q16, mainly due to the following reasons:

- Higher provisioning for lawsuits in 3Q16, totaling R\$ 31.6 million; and
- Non-recurring provisioning of R\$ 38.1 million in 3Q16, related to the agreement with Empresa Metropolitana de Águas e Energia – EMAE.

5.5. Depreciation and amortization

Depreciation and amortization increased R\$ 44.3 million or 15.8%, reaching R\$ 324.5 million in 3Q17 in comparison to the R\$ 280.2 million recorded in 3Q16, largely due to the beginning of operations of intangible assets, in the amount of R\$ 1.6 billion.

5.6. Allowance for doubtful accounts

The allowance for doubtful accounts fell R\$ 124.1 million, mainly due to lower delinquency rates in the period.

6. Other operational revenues (expenses), net

There was an R\$ 8.3 million increase in this line, mostly due to the payment of R\$ 9.2 million received under the Water Basin Clean-up Program in 3Q17.

7. Financial result

| | <i>R\$ million</i> | | | |
|-------------------------------------|------------------------|----------------|--------------|----------------|
| | 3Q17 | 3Q16 | Chg. | % |
| Financial expenses, net of income | (44.5) | (91.7) | 47.2 | (51.5) |
| Net monetary and exchange variation | 267.4 | (85.1) | 352.5 | (414.2) |
| Financial result | 222.9 | (176.8) | 399.7 | (226.1) |

7.1. Financial income and expenses

| | <i>R\$ million</i> | | | |
|---|------------------------|----------------|-------------|---------------|
| | 3Q17 | 3Q16 | Chg. | % |
| Financial expenses | | | | |
| Interest and charges on international loans and financing | (28.7) | (28.5) | (0.2) | 0.7 |
| Interest and charges on domestic loans and financing | (72.4) | (80.5) | 8.1 | (10.1) |
| Other financial expenses | (30.6) | (49.2) | 18.6 | (37.8) |
| Total financial expenses | (131.7) | (158.2) | 26.5 | (16.8) |
| Financial income | 87.2 | 66.5 | 20.7 | 31.1 |
| Financial expenses net of income | (44.5) | (91.7) | 47.2 | (51.5) |

7.1.1. Financial expenses

Decrease of R\$ 26.5 million, mainly due to the following events:

- Interest and charges on domestic loans and financing: decline of R\$ 8.1 million, mainly due to the lower CDI rate in 3Q17, compared with 3Q16 (8.14% and 14.13%, respectively); and
- Other financial expenses: reduction of R\$ 18.6 million, mostly due to lower provisioning for interest on court proceedings in 3Q17.

7.1.2. Financial income

Financial income moved up R\$ 20.7 million, mostly due to the higher recognition of interest on installment agreements in 3Q17.

7.2. Monetary and exchange rate variation on assets and liabilities

| | R\$ million | | | |
|--|------------------------|----------------|--------------|----------------|
| | 3Q17 | 3Q16 | Chg. | % |
| Monetary variation on loans and financing | (3.6) | (24.4) | 20.8 | (85.2) |
| Currency exchange variation on loans and financing | 253.2 | (79.2) | 332.4 | (419.7) |
| Other monetary variations | (0.9) | (9.1) | 8.2 | (90.1) |
| Monetary/exchange rate variation on liabilities | 248.7 | (112.7) | 361.4 | (320.7) |
| Monetary/exchange rate variation on assets | 18.7 | 27.6 | (8.9) | (32.2) |
| Monetary/exchange rate variation, net | 267.4 | (85.1) | 352.5 | (414.2) |

7.2.1 Monetary and exchange rate variation on liabilities

The effect of monetary and currency variations in 3Q17 was R\$ 361.4 million lower than in 3Q16, mainly due to:

- Reduction of R\$ 20.8 million in expenses with monetary variation on loans and financing, due to the lower variation in the IPCA in 3Q17 compared with 3Q16 (0.6% and 1.0%, respectively); and
- Decrease of R\$ 332.4 million in exchange variation on loans and financing, as a result of the devaluation of dollar and yen against the real in 3Q17 (-4.2% and -4.5%, respectively), versus an appreciation of 1.1% and 2.7%, respectively, in 3Q16.

8. Income tax and social contribution

Increase of R\$ 155.9 million, mainly due to the higher taxable result reported in the period, which was mostly impacted by the devaluation of dollar and yen against the real in 3Q17, versus an appreciation in 3Q16.

9. Indicators

9.1. Operating

| Operating indicators * | 3Q17 | 3Q16 | % |
|--|--------|--------|-------|
| Water connections (1) | 8,807 | 8,595 | 2.5 |
| Sewage connections (1) | 7,247 | 7,036 | 3.0 |
| Population directly served - water (2) | 24.9 | 24.6 | 1.2 |
| Population directly served - sewage (2) | 21.5 | 21.1 | 1.9 |
| Number of Employees | 13,901 | 14,172 | (1.9) |
| Water volume produced in the quarter (3) | 695 | 670 | 3.8 |
| Water volume produced in 9M (3) | 2,082 | 2,006 | 3.8 |
| IPM - Measured water loss (%) | 31.1 | 31.3 | (0.6) |
| IPDt (liters/connection x day) | 306 | 298 | 2.7 |

(1) Total connections, active and inactive, in thousand units at the end of the period

(2) In million inhabitants, at the end of the period. Not including wholesale

(3) In millions of cubic meters

(*) Unaudited

9.2. Financial

| Economic Variables at the close of the quarter* | 3Q17 | 3Q16 |
|---|------|-------|
| Amplified Consumer Price Index Variation (%) ⁽¹⁾ | 0.59 | 1.04 |
| Referential Rate Variation (%) ⁽¹⁾ | 0.11 | 0.58 |
| Interbank Deposit Certificate (%) ⁽²⁾ | 8.14 | 14.13 |

| | | |
|-------------------|---------|---------|
| US DOLAR (R\$)(3) | 3.1680 | 3.2462 |
| YEN (R\$)(3) | 0.02813 | 0.03207 |

- (1) Quarterly rate (%)
(2) Last day average
(3) R\$/previous day price
(*) Unaudited

10. Loans and financing

| INSTITUTION | | | | | | | | <i>R\$ million</i> |
|----------------------------------|--------------|----------------|----------------|----------------|--------------|--------------|----------------|--------------------|
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
| | Onwards | | | | | | | |
| Local currency | | | | | | | | |
| Caixa Econômica Federal | 15.9 | 66.9 | 69.1 | 71.5 | 75.2 | 79.2 | 838.4 | 1,216.2 |
| Debentures | 58.7 | 897.8 | 1,015.7 | 573.2 | 374.6 | 353.8 | 255.9 | 3,529.7 |
| BNDES | 22.1 | 98.3 | 112.3 | 94.2 | 93.8 | 93.8 | 538.1 | 1,052.6 |
| Leasing | 4.2 | 30.3 | 31.8 | 33.4 | 35.1 | 37.0 | 387.2 | 559.0 |
| Others | 0.2 | 1.5 | 1.4 | 1.4 | 1.4 | 1.3 | 4.0 | 11.2 |
| Interest and other charges | 50.3 | 64.8 | - | - | - | - | - | 115.1 |
| Total Local Currency | 151.4 | 1,159.6 | 1,230.3 | 773.7 | 580.1 | 565.1 | 2,023.6 | 6,483.8 |
| Foreign currency | | | | | | | | |
| IADB | 39.8 | 107.4 | 107.4 | 107.4 | 107.4 | 107.4 | 1,056.4 | 1,633.2 |
| IBRD | -- | -- | 9.6 | 19.3 | 19.3 | 19.3 | 221.4 | 288.9 |
| Deutsche Bank 350 | -- | 237.6 | 230.9 | -- | -- | -- | -- | 468.5 |
| Eurobond | -- | -- | -- | 1,106.1 | -- | -- | -- | 1,106.1 |
| JICA | 1.2 | 64.0 | 108.8 | 108.8 | 108.8 | 108.8 | 1,108.6 | 1,609.0 |
| IDB 1983AB | -- | 75.6 | 56.0 | 54.6 | 24.4 | 24.4 | 22.4 | 257.4 |
| Interest and other charges | 36.0 | 4.8 | -- | -- | -- | -- | -- | 40.8 |
| Total in foreign currency | 77.0 | 489.4 | 512.7 | 1,396.2 | 259.9 | 259.9 | 2,408.8 | 5,403.9 |
| Total | 228.4 | 1,649.0 | 1,743.0 | 2,169.9 | 840.0 | 825.0 | 4,432.4 | 11,887.7 |

11. Capex

In 9M17, capex reached R\$ 2.3 billion, including R\$ 0.6 billion related to the São Lourenço PPP. Out of the total amount invested by the Company, R\$ 1.1 billion has not affected the Company's cash.

12. Conference calls

In English

November 17, 2017 - Friday

11:00 am US EST / 02:00 pm (Brasília)

Dial in: + 1 (412) 317-5486

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Income Statement

| Brazilian Corporate Law | R\$ '000 | |
|---|------------------|------------------|
| | 3Q17 | 3Q16 |
| Net Operating Income | 3,536,444 | 3,745,807 |
| Operating Costs | (2,047,318) | (2,236,740) |
| Gross Profit | 1,489,126 | 1,509,067 |
| Operating Expenses | | |
| Selling | (124,619) | (234,226) |
| Administrative revenue (expenses) | (233,926) | (218,041) |
| Other operating revenue (expenses), net | 14,642 | 6,264 |
| Operating Income Before Shareholdings | 1,145,223 | 1,063,064 |
| Equity Result | 1,232 | 525 |
| Earnings Before Financial Results, net | 1,146,455 | 1,063,589 |
| Financial, net | (30,289) | (97,717) |
| Exchange gain (loss), net | 253,158 | (79,093) |
| Earnings before Income Tax and Social Contribution | 1,369,324 | 886,779 |
| Income Tax and Social Contribution | | |
| Current | (406,548) | (243,481) |
| Deferred | (62,251) | (69,411) |
| Net Income for the period | 900,525 | 573,887 |
| Registered common shares ('000) | 683,509 | 683,509 |
| Earnings per shares - R\$ (per share) | 1.32 | 0.84 |
| Depreciation and Amortization | (324,516) | (280,217) |
| Adjusted EBITDA | 1,456,329 | 1,337,542 |
| % over net revenue | 41.2% | 35.7% |
| Net Operating Income Breakdown | R\$ '000 | |
| | 3Q17 | 3Q16 |
| Gross operating income | 3,712,622 | 3,951,882 |
| Water suply - retail | 1,535,239 | 1,484,426 |
| Water suply - wholesale | 58,366 | 25,138 |
| Sewage collection and treatment | 1,352,755 | 1,290,092 |
| Sewage collection and treatment - wholesale | 10,181 | 9,783 |

| | | |
|---------------------------------------|------------------|------------------|
| Construction revenue - water | 518,052 | 770,619 |
| Construction revenue - sewage | 194,824 | 327,180 |
| Other services | 43,205 | 44,644 |
| Gross sales deductions (Cofins/Pasep) | (176,178) | (206,075) |
| Net operating income | 3,536,444 | 3,745,807 |

Balance Sheet

| Brazilian Corporate Law | R\$ '000 | |
|---|-------------------|-------------------|
| ASSETS | 09/30/17 | 12/31/2016 |
| Current assets | | |
| Cash and cash equivalents | 2,101,000 | 1,886,221 |
| Trade receivables | 1,581,066 | 1,557,472 |
| Related parties and transactions | 177,196 | 202,553 |
| Inventories | 123,238 | 58,002 |
| Restricted cash | 15,229 | 24,078 |
| Current recoverable taxes | 11,047 | 42,633 |
| Other receivables | 104,336 | 52,676 |
| Total current assets | 4,113,112 | 3,823,635 |
| Noncurrent assets | | |
| Trade receivables | 157,867 | 153,834 |
| Related parties and transactions | 649,334 | 669,156 |
| Escrow deposits | 105,708 | 77,915 |
| Deferred income tax and social contribution | 108,550 | 186,345 |
| Water National Agency – ANA | 73,363 | 81,221 |
| Other receivables | 127,642 | 114,693 |
| Equity investments | 35,795 | 31,096 |
| Investment properties | 57,900 | 57,968 |
| Intangible assets | 32,684,419 | 31,246,788 |
| Property, plant and equipment | 259,737 | 302,383 |
| Total noncurrent assets | 34,260,315 | 32,921,399 |
| Total assets | 38,373,427 | 36,745,034 |
| LIABILITIES AND EQUITY | 09/30/17 | 12/31/2016 |
| Current liabilities | | |
| Trade payables | 284,833 | 311,960 |
| Borrowings and financing | 1,388,013 | 1,246,567 |

| | | |
|---|-------------------|-------------------|
| Accrued payroll and related charges | 598,330 | 458,299 |
| Taxes and contributions | 128,115 | 168,757 |
| Dividends and interest on capital payable | 276 | 700,034 |
| Provisions | 658,621 | 730,334 |
| Services payable | 386,209 | 460,054 |
| Public-Private Partnership – PPP | 33,865 | 31,898 |
| Program Contract Commitments | 129,425 | 109,042 |
| Other liabilities | 117,150 | 85,563 |
| Total current liabilities | 3,724,837 | 4,302,508 |
| Noncurrent liabilities | | |
| Borrowings and financing | 10,499,758 | 10,717,576 |
| Deferred Cofins and Pasesp | 132,243 | 138,071 |
| Provisions | 443,160 | 442,741 |
| Pension obligations | 3,332,955 | 3,265,250 |
| Public-Private Partnership – PPP | 2,749,339 | 2,217,520 |
| Program Contract Commitments | 81,872 | 69,051 |
| Other liabilities | 146,076 | 173,106 |
| Total noncurrent liabilities | 17,385,403 | 17,023,315 |
| Total liabilities | 21,110,240 | 21,325,823 |
| Equity | | |
| Paid-up capital | 10,000,000 | 10,000,000 |
| Profit reserve | 6,182,140 | 6,244,859 |
| Other comprehensive income | (825,648) | (825,648) |
| Retained earnings | 1,906,695 | - |
| Total equity | 17,263,187 | 15,419,211 |
| Total equity and liabilities | 38,373,427 | 36,745,034 |

Cash Flow

| Brazilian Corporate Law | R\$ '000 | |
|---|------------------|------------------|
| | Jan-Sep 2017 | Jan-Sep 2016 |
| Cash flow from operating activities | | |
| Profit before income tax and social contribution | 2,883,881 | 3,067,389 |
| Adjustment for: | | |
| Depreciation and amortization | 974,487 | 859,055 |
| Residual value of property, plant and equipment and intangible assets written-off | 11,528 | 7,211 |
| Allowance for doubtful accounts | 87,480 | 110,181 |
| Provision and inflation adjustment | 138,571 | 207,313 |
| Pension obligations - curtailment | - | (334,152) |
| Interest calculated on loans and financing payable | 296,665 | 352,665 |
| Inflation adjustment and foreign exchange gains (losses) on loans and financing | (86,081) | (754,853) |
| Interest and inflation adjustment losses | 6,948 | 21,434 |
| Interest and inflation adjustment gains | (28,710) | (69,272) |
| Financial charges from customers | (169,194) | (158,219) |
| Margin on intangible assets arising from concession | (49,299) | (57,006) |
| Provision for Consent Decree (TAC) | 60,670 | 12,229 |
| Equity result | (4,699) | (2,278) |
| Provision from São Paulo agreement | 318,920 | 19,089 |
| Provision for defined contribution plan | - | 235 |
| Pension obligations | 228,404 | 288,352 |
| Other adjustments | (10,332) | (6,466) |
| | 4,659,239 | 3,562,907 |
| Changes in assets | | |
| Trade accounts receivable | 49,471 | (28,316) |
| Accounts receivable from related parties | 68,390 | (3,597) |
| Inventories | (65,200) | 13,385 |
| Recoverable taxes | 31,586 | 65,244 |
| Escrow deposits | (17,678) | 31,740 |
| Other accounts receivable | (56,751) | 88,705 |

| | | |
|---|--------------------|--------------------|
| Changes in liabilities | | |
| Trade payables and contractors | (217,200) | (9,720) |
| Services payable | (392,765) | (27,537) |
| Accrued payroll and related charges | 79,361 | 59,815 |
| Taxes and contributions payable | (151,611) | (106,825) |
| Deferred Cofins/Pasep | (5,828) | 4,120 |
| Provisions | (209,865) | (131,711) |
| Pension obligations | (160,699) | (134,274) |
| Other liabilities | 7,805 | 5,144 |
| Cash generated from operations | 3,618,255 | 3,389,080 |
| Interest paid | (494,094) | (535,299) |
| Income tax and contribution paid | (784,965) | (824,946) |
| Net cash generated from operating activities | 2,339,196 | 2,028,835 |
| Cash flows from investing activities | | |
| Acquisition of intangibles | (1,233,769) | (1,432,336) |
| Restricted cash | 8,849 | 10,727 |
| Purchases of tangible assets | (12,442) | (23,313) |
| Net cash used in investing activities | (1,237,362) | (1,444,922) |
| Cash flow from financing activities | | |
| Loans and financing | | |
| Proceeds from loans | 893,178 | 493,863 |
| Repayments of loans | (953,482) | (968,124) |
| Payment of interest on shareholders'equity | (765,933) | (139,399) |
| Public-Private Partnership – PPP | (23,528) | (22,865) |
| Program Contract Commitments | (37,290) | (171,137) |
| Net cash generated by (used in) financing activities | (887,055) | (807,662) |
| Cash reduce and cash equivalents | 214,779 | (223,749) |
| Represented by: | | |
| Cash and cash equivalents at beginning of the period | 1,886,221 | 1,639,214 |
| Cash and cash equivalents at end of the period | 2,101,000 | 1,415,465 |
| Cash reduce and cash equivalents | 214,779 | (223,749) |

