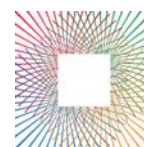


May 31, 2007



The **BANK**  
of **NEW YORK**

**A SECURITIES SERVICING  
DEPOSITARY RECEIPTS**

## Corporate Action

**ATTENTION: International Research, Sales, Trading and Operations Staff**

### Ratio Change

	OLD	NEW
<b>Name:</b>	SABESP-Companhia de Saneamento Básico do Estado de Sao Paulo	SABESP-Companhia de Saneamento Básico do Estado de Sao Paulo
<b>Country:</b>	Brazil	Brazil
<b>Symbol:</b>	SBS	SBS
<b>CUSIP Number:</b>	20441A102	20441A102
<b>Exchange:</b>	NYSE	NYSE
<b>Ratio:</b>	1 ADR : 250 ORDs	1 ADR : 2 ORDs

Please be advised that effective June 8, 2007 The Bank of New York as SABESP's depositary bank will amend the ADR ratio from 1 ADR representing 250 common shares to 1 ADR representing 2 common shares. The ratio change is a result of a simultaneous 1,000 to 8 reverse split in the Brazilian market.

6/4/07 - Effective date of 1:2 for pricing purposes.

6/8/07 - Effective date of 1:2 for issuance and cancellation purposes.

There will be no mandatory exchange of stock. Our existing inventory of ADR certificates for the program will be over-stamped to reflect the new ratio. No action is required by ADR holders.

To learn more about ADRs and issuer programs, please call our marketing desks:

**New York**

Jason A. Smith  
Assistant Treasurer  
jasmith@bankofny.com  
212 815 3874 Telephone

**London**

Joseph Oakenfold  
Assistant Vice President  
joakenfold@bankofny.com  
44 207 964 6419 Telephone

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