

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

January 10, 2013

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 January 10, 2013
(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/MF): 43.776.517/0001-80

MATERIAL FACT

Companhia de Saneamento Básico do Estado de São Paulo – SABESP (“**SABESP**” or “**Company**”), pursuant to Instruction 358 issued by the Brazilian Securities and Exchange Commission (CVM) on January 3, 2002, as amended, hereby informs its shareholders and the market in general that, at a meeting held on January 10, 2013, its Board of Directors approved (i) the change in the number of shares backing the Company’s American Depositary Receipts (“**ADRs**”), traded on the New York Stock Exchange (“**NYSE**”), from the current two (2) common shares for each ADR to one (1) common share for each ADR in order to increase these papers’ liquidity, and (ii) the proposed split of common shares issued by SABESP, in a proportion to be defined by its management, which will then be submitted for evaluation by the shareholders of SABESP through an extraordinary shareholders’ meeting and will result, upon approval, in the change of Article 3 of the SABESP Bylaws, given that the number of shares representing the Company’s capital stock will be altered based on the proportion to be defined.

Regarding the change in the backing of ADRs mentioned above, the Company announces that today it has sent a communication to the Bank of New York Mellon, the depository institution of the Company's ADRs in the United States (“**Depository Institution**”), informing them of said change. As a result, the Depository Institution will issue new ADRs and distribute them to the ADR holders in accordance with a timetable that will be timely disclosed to the market.

São Paulo, January 10, 2013.

Rui de Britto Álvares Affonso

Chief Financial Officer and Investor Relations Officer

