

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

May 29, 2009

**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 May, 2009

(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 1Q09 results

São Paulo, May 15, 2009 - **Companhia de Saneamento Básico do Estado de São Paulo SABESP** (BM&FBovespa: SBSP3; NYSE: SBS), one of the largest water and sewage services providers in the world based on the number of customers, announces today its **results for the first quarter of 2009 (1Q09)**. The Company is operating and when indicated otherwise, is presented in Brazilian Reals, in accordance with the Brazilian Corporate Law. All comparisons in this release, unless otherwise stated, refer to the same period of 2008.

SBSP3: R\$ 28.96 / share
SBS US\$ 27.40 (ADR=2
shares)
Total shares: 227,836,623
Market value: R\$ 6.6 billion
Closing price: May 15, 2009

1. Net Operating Revenue

| | <i>R\$ million</i> | | | |
|---|--------------------|---------|---------|--------|
| | 1Q08 | 1Q09 | Change | |
| | | | R\$ | % |
| (+) Gross operating revenue | 1,658.6 | 1,779.4 | 120.8 | 7.3 |
| (-) COFINS and PASEP taxes | 118.5 | 126.0 | 7.5 | 6.3 |
| (=) Net operating revenue | 1,540.1 | 1,653.4 | 113.3 | 7.4 |
| (-) Costs and expenses | 915.8 | 1,191.4 | 275.6 | 30.1 |
| (=) Earnings before financial expenses (EBIT*) | 624.3 | 462.0 | (162.3) | (26.0) |
| (+) Depreciation and amortization | 150.1 | 161.6 | 11.5 | 7.7 |
| (=) EBITDA** | 774.4 | 623.6 | (150.8) | (19.5) |
| (%) EBITDA margin | 50.3 | 37.7 | - | - |
| Net income | 303.7 | 256.2 | (47.5) | (15.6) |
| Earnings per share (R\$) | 1.33 | 1.12 | - | - |

(*) Earnings before interest and taxes

(**) Earnings before interest, taxes, depreciation and amortization

In 1Q09, net operating revenue totaled R\$ 1.7 billion, a 7.4% increase compared to same period of 2008. Costs and expenses, stood at R\$ 1.2 billion, 30.1% higher than in the previous year. EBITDA dropped 19.5%, from R\$ 774.4 billion in 1Q08 to R\$ 623.6 billion in 1Q09.

Earnings before financial expenses (EBIT) decreased 26.0%, from R\$ 624.3 million in 1Q08 to R\$ 462.0 million in 1Q09.

This quarter results was particularly affected by an accounting register of R\$ 146.6 million, corresponding to payment of termination costs related to retired employees who will be laid off, between 2009 and 2011, in compliance to the Conduct Adjustment Term (TAC). Disregarding this fact, net income would have totaled R\$ 358.3 million, and EBITDA R\$ 778.2 million, with a 47.1% margin.

2. Gross operating revenue

In 1Q09, gross operating revenue grew R\$ 120.8 million, or 7.3%, from R\$ 1.7 billion in 1Q08 to R\$ 1.8 billion in 1Q09. The main reasons for this increase were:

The 5.1% tariff adjustment as of September 2008;

The 3.0% growth in total billed volume, 2.7% of which corresponded to water and 3.5% to sewage.

3. Billed volume

The following tables show billed water and sewage volume per customer category and region in 1Q08 and 1Q09.

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

| Category | Water | | | Sewage | | | Water + Sewage | | |
|-------------|-------|-------|-----|--------|-------|-----|----------------|-------|-----|
| | 1Q08 | 1Q09 | % | 1Q08 | 1Q09 | % | 1Q08 | 1Q09 | % |
| Residential | 341.0 | 351.8 | 3.2 | 271.3 | 281.7 | 3.8 | 612.3 | 633.5 | 3.5 |

| | | | | | | | | | |
|---------------------|--------------|--------------|------------|--------------|--------------|------------|--------------|--------------|------------|
| Commercial | 37.8 | 38.6 | 2.1 | 34.6 | 35.4 | 2.3 | 72.4 | 74.0 | 2.2 |
| Industrial | 8.8 | 8.3 | (5.7) | 8.2 | 8.1 | (1.2) | 17.0 | 16.4 | (3.5) |
| Public | 10.8 | 10.9 | 0.9 | 8.7 | 8.9 | 2.3 | 19.5 | 19.8 | 1.5 |
| Total retail | 398.4 | 409.6 | 2.8 | 322.8 | 334.1 | 3.5 | 721.2 | 743.7 | 3.1 |
| Wholesale | 70.6 | 71.9 | 1.8 | 7.4 | 7.7 | 4.1 | 78.0 | 79.6 | 2.1 |
| Total | 469.0 | 481.5 | 2.7 | 330.2 | 341.8 | 3.5 | 799.2 | 823.3 | 3.0 |

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

| Region | Water | | | Sewage | | | Water + Sewage | | |
|-------------------------|--------------|--------------|------------|--------------|--------------|------------|----------------|--------------|------------|
| | 1Q08 | 1Q09 | % | 1Q08 | 1Q09 | % | 1Q08 | 1Q09 | % |
| Metropolitan | 263.3 | 269.7 | 2.4 | 218.1 | 225.0 | 3.2 | 481.4 | 494.7 | 2.8 |
| Regional ⁽²⁾ | 135.1 | 139.9 | 3.6 | 104.7 | 109.1 | 4.2 | 239.8 | 249.0 | 3.8 |
| Total retail | 398.4 | 409.6 | 2.8 | 322.8 | 334.1 | 3.5 | 721.2 | 743.7 | 3.1 |
| Wholesale | 70.6 | 71.9 | 1.8 | 7.4 | 7.7 | 4.1 | 78.0 | 79.6 | 2.1 |
| Total | 469.0 | 481.5 | 2.7 | 330.2 | 341.8 | 3.5 | 799.2 | 823.3 | 3.0 |

(1) Not revised by the Independent Auditors

(2) Including coastal and countryside

4. Costs, administrative and selling expenses

In 1Q09, costs of products and services, administrative and selling expenses increased 30.1% (R\$ 275.6 million). Costs and expenses as a percentage of net revenue grew from 59.5% in 1Q08 to 72.1% in 1Q09. Excluding the TAC effect of R\$ 146.6 million, these costs would have reached R\$ 1,036.8 million and its net revenue percentage would be of 62.7% .

| | <i>R\$ million</i> | | | |
|---|--------------------|----------------|---------------|-------------|
| | 1Q08 | 1Q09 | Change R\$ | % |
| Payroll and benefits | 319.0 | 488.0 | 169.0 | 53.0 |
| Supplies | 30.7 | 34.8 | 4.1 | 13.4 |
| Treatment supplies | 40.0 | 38.8 | (1.2) | (3.0) |
| Services | 128.4 | 181.7 | 53.3 | 41.5 |
| Electric power | 113.5 | 117.1 | 3.6 | 3.2 |
| General expenses | 68.4 | 58.0 | (10.4) | (15.2) |
| Tax expenses | 8.2 | 24.0 | 15.8 | 192.7 |
| Sub-total | 708.2 | 942.4 | 234.2 | 33.1 |
| Depreciation and amortization | 150.1 | 161.6 | 11.5 | 7.7 |
| Credit write-offs | 57.5 | 87.4 | 29.9 | 52.0 |
| Costs, administrative and selling expenses | 915.8 | 1,191.4 | 275.6 | 30.1 |
| % over net revenue | 59.5 | 72.1 | - | - |

4.1. Payroll and benefits

In 1Q09 payroll and benefits grew R\$ 169.0 million or 53.0%, from R\$ 319.0 million to R\$ 488.0 million, due to:

Wage increase of 5.03% as of May 2008;

R\$146.6 million increase (non recurring) due to the TAC, composed of advanced notice, assessment of Government Severance Indemnity Fund for Employees - FGTS - and benefits;

R\$7.9 million increase in payment of assessment of FGTS; due to lay off occurred in 1Q09, not associated to the TAC; and

R\$1.3 million increase in provision for pension plan obligations, due to the adjustment of 2009 estimated value.

4.2. Supplies

In 1Q09, supplies grew R\$ 4.1 million or 13.4%, from R\$ 30.7 million to R\$ 34.8 million. The main reasons for this increase were expenses with supplies used in the maintenance of water and sewage treatment stations and electrical and electro-mechanical systems in pumping stations and sewage treatment, and the intensification of efforts related to the Water Loss Reduction Program.

4.3. Treatment supplies

In 1Q09, expenses with chemical products dropped R\$ 1.2 million or 3.0%, from R\$ 40.0 million in 1Q08 to R\$ 38.8 million in 1Q09, mainly due to the improvement in the quality of water of the Alto Tietê and Guarapiranga reservoirs.

4.4. Services

In the 1Q09, this item grew R\$ 53.3 million or 41.5%, from R\$ 128.4 million to R\$ 181.7 million. The main factors leading to this increase were:

Expenses with advertising campaigns focused on social environmental initiatives, such as *Onda Limpa*, *Projeto Verão*, *Córrego Limpo*, PURA (Program for the Rational Use of Water), among others, in the amount of R\$ 16.5 million, which will be recurring for the coming quarters;

Expenses with risk contracts for the recovery of credits in the amount of R\$ 8.7 million, due to the intensification of collection operations, which led to a R\$ 65.3 million increase in the quarter s ;

Technical professional services in the amount of R\$ 5.4 million due to the hiring of consultancy and advisory firms, as well as other specialized services focused on several areas, such as: implementation of Added-Value Management (GVA), hiring of the FIPECAFI (Actuarial and Economic Research Institute Foundation) to conduct studies regarding characteristics of large water clients demand, development of quality management projects for maintenance services at the Regional Office GLOBAL R , investment bank to conduct the economic-financial valuation of the EMAE (Metropolitan Company of Water and Energy), engineering service to list, describe and analyze properties sewage systems; monitoring, analysis and integration of the information image exposure, among others;

Residential connection and sewage network maintenance in the amount of R\$ 7.5 million, due to the intensification of the efforts to meet the demand from the *Córrego Limpo* Program with the Municipality of São Paulo;

Preventive and corrective maintenance of water and sewage treatment systems in the amount of R\$ 3.8 million;

Expenses with the implementation of PURA (Program for the Rational Use of Water) at municipal schools in the amount of R\$ 3.4 million, as a result of the partnership established between Sabesp and the São Paulo municipal government, with higher disbursements since July/08;

Hydrometer reading and bill delivery in the amount of R\$ 2.5 million, due to the higher number of connections and utilization of new technologies, increasing security and speeding up the system for issuing and reading the bills; and

Car rental expenses totaling R\$ 2.2 million, due to the replacement of the Company s own fleet as of 2008.

4.5. Electric power

In 1Q09, electric power expenses grew R\$ 3.6 million or 3.2%, from R\$ 113.5 million to R\$ 117.1 million. This result was due to: The 3.5% adjustment in the tariff from the captive market and a 3.7% consumption increase, while the free market presented a 13.5% drop in consumption and 3.7% increase in tariffs.

| | Participation (%) | Average Price Change (%) | Weighted Average (%) |
|----------------|-------------------|--------------------------|----------------------|
| Free market | 22.0 | 10.9 | 2.4 |
| Captive market | 78.0 | 3.5 | 2.7 |
| | | | 5.1 |

4.6. General expenses

In 1Q09, general expenses dropped R\$ 10.4 million or 15.2%, from R\$ 68.4 million to R\$ 58.0 million, mainly due to the decline of R\$ 14.6 million in provisions for judicial contingencies.

4.7. Credit write-offs

In 1Q09 credit write-offs grew R\$ 29.9 million or 52.0%, from R\$ 57.5 million to R\$ 87.4 million, mainly due to the need to complement provision over the municipalities billing, that are served by the Company in the wholesale. These values are registered as provision at the moment of the debit, which will be non-recurring for the coming quarters.

4.8. Tax expenses

In 1Q09 tax expenses grew R\$ 15.8 million or 192.7%, due to:

Payment of the Municipal Real Estate Tax IPTU to the São Paulo municipality in the amount of R\$ 8.3 million, which will be recurring; and

Payment of the TRCF (Regulation, Control and Supervision Charge) to ARSESP (São Paulo State Sanitation and Energy Regulatory Agency) in the amount of R\$ 6.3 million, which will be recurring for the coming quarters.

5. Other operating revenues and expenses

5.1. Operating revenues

Operating revenues dropped R\$ 7.8 million in 1Q09, mainly due to decrease in the sale of exceeding electric power.

5.2. Operating expenses

Operating expenses declined R\$ 1.3 million or 38.2%, mainly as a result of lower write-off in suspended construction works and projects due to obsolescence.

6. Financial revenues and expenses

| | 1Q08 | 1Q09 | Var. | <i>R\$ million</i> % |
|---|--------------|--------------|---------------|-------------------------|
| Financial expenses | | | | |
| Interest and charges on domestic loans and financing | 102.1 | 102.6 | 0.5 | 0.5 |
| Interest and charges on international loans and financing | 15.5 | 19.8 | 4.3 | 27.7 |
| Interest rate over foreign remittance | 1.4 | 0.9 | (0.5) | (35.7) |
| Interest rate over lawsuit indemnity, net of provisions | 39.2 | 19.4 | (19.8) | (50.5) |
| Other financial expenses | 15.7 | 7.9 | (7.8) | (49.7) |
| Total financial expenses | 173.9 | 150.6 | (23.3) | (13.4) |
| Financial revenues | 35.4 | 47.5 | 12.1 | 34.2 |
| Financial expenses net of revenues | 138.5 | 103.1 | (35.4) | (25.6) |

6.1. Financial expenses

In 1Q09, financial expenses dropped R\$ 23.3 million or 13.4%, as described below:

R\$ 4.3 million increase in interest in international financing, due to the new AB LOAN, contracted in June, 2008, in the amount of US\$ 250.0 million, with booking of interest of R\$ 6.8 million in 1Q09; and to the loan with the IDB (Inter-American Development Bank), with variation of R\$ 1.2 million, due to a lower US dollar depreciation, of 0.93% in 1Q09 compared to 1.25% in 1Q08;

This increase was partially offset by the settlement of the 2008 Eurobonds, in June 2008, in the amount of US\$ 98.0 million, with a R\$ 3.8 million variation;

Decrease in interest on lawsuits in the amount of R\$ 19.8 million, due to lower indemnities payment; and

R\$ 7.8 million decrease in other financial expenses, mainly due to the adjustment in interest calculation regarding the special installment program (PAES).

6.2. Financial revenues

Financial revenues presented an increase of R\$ 12.1 million mainly due to the income arising from the higher average balance of financial investments in 1Q09.

7. Foreign exchange and indexation

| | 1Q08 | 1Q09 | Var. | <i>R\$ million</i> % |
|--|-------------|---------------|---------------|-------------------------|
| Monetary variation over loans and financing | 26.5 | 0.2 | (26.3) | (99.2) |
| Currency exchange variation over loans and financing | 11.5 | (32.9) | (44.4) | (386.1) |
| Other variations | 2.0 | 6.1 | 4.1 | 205.0 |
| Variation on liabilities | 40.0 | (26.6) | (66.6) | (166.5) |
| Variation on assets | 17.0 | 8.9 | (8.1) | (47.6) |
| Net Variation | 23.0 | (35.5) | (58.5) | (254.3) |

7.1. Variation on liabilities

The net effect of the variation on liabilities was R\$ 66.6 million lower in 1Q09 versus 1Q08, due to the:

0.93% US Dollar appreciation versus the Brazilian Real in 1Q09, was higher than the US dollar depreciation in 1Q08 (1.25%), in addition to the currency basket variation, which recorded a 3.6% depreciation in 1Q09 and a 6.0% appreciation in 1Q08, totaling a net impact of R\$ 44.4 million in exchange variations. The US Dollar denominated debt balance in 1Q08 was R\$ 1.2 billion (US\$ 679.7million), versus R\$ 1.8 billion (US\$ 789.3 million) in 1Q09;

R\$ 26.6 million decrease in monetary variation on debentures, resulting from a lower variation in the IGPM (General Market Price Index) 0.92% in 1Q09, versus 2.38% in 4Q08; and

Other monetary variations from lawsuit indemnities, with a R\$ 4.1 million increase.

7.2. Variation on assets

The variation on assets declined R\$ 8.1 million, mainly due to retention of JICA (former JBIC) disbursements in December 2008 and January 2009, which were affected by depreciation of the yen, by the time of the disbursement in February 2009.

8. Operating indicators

Sabesp continues to work on reducing water loss. Total water loss dropped 6.5%, from 29.1% in 1Q08 to 27.2% in 1Q09. This reduction can be observed by the 0.4% decrease in the volume of water produced combined to 2.7% increase in billed volume.

| Operating indicators* | 1Q08 | 1Q09 | % |
|--|-------------|-------------|----------|
| Water connections ⁽¹⁾ | 6,804 | 6,989 | 2.7 |
| Sewage connections ⁽¹⁾ | 5,198 | 5,381 | 3.5 |
| Population directly served - water ⁽²⁾ | 23.0 | 23.2 | 0.8 |
| Population directly served - sewage ⁽²⁾ | 18.9 | 19.3 | 1.8 |
| Number of employees | 16,804 | 16,349 | (2.7) |
| Water volume produced ⁽³⁾ | 721.6 | 719.0 | (0.4) |
| Water losses (%) | 29.1 | 27.2 | (6.5) |

(1) In thousand units at the end of the period.

(2) In thousand inhabitants at the end of the period, not including wholesale.

(3) In million m³ at the end of the period.

* Not revised by the Independent Auditors

9. Loans and financing

Financial leverage measured by the Net Debt/EBITDA ratio rose from 1.9x in 1Q08 to 2.3x in 1Q09, as a result of funds that the Company has been raising related to investments. In the same period, foreign currency debt increased from 23% to 35%, due to the Real devaluation and additional US denominated fund raising. However, in 1Q09 the company holds 85% of this debt with multilateral institutions versus 66% in 1Q08.

| | | | | | | | | <i>R\$ million</i> |
|-----------------------------------|----------------|--------------|----------------|--------------|--------------|--------------|---------------------------------|------------------------|
| INSTITUTION | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 and onwards | Total |
| Local market | | | | | | | | |
| Banco do Brasil | 200.4 | 287.9 | 313.3 | 341.0 | 371.2 | 97.8 | - | 1,611.6 |
| Caixa Econômica Federal | 52.9 | 75.4 | 81.7 | 88.2 | 88.9 | 50.0 | 211.8 | 648.9 |
| Debentures | 588.2 | 350.1 | 454.9 | 32.9 | 73.4 | 40.4 | 40.4 | 1,580.3 |
| FIDC - SABESP I | 41.7 | 55.6 | 13.9 | - | - | - | - | 111.2 |
| BNDES | 32.2 | 42.8 | 42.8 | 36.9 | 4.2 | - | - | 158.9 |
| BNDES BX SANTISTA | - | - | - | 5.9 | 5.9 | 5.9 | 29.5 | 47.2 |
| Others | 2.0 | 6.4 | 6.6 | - | - | - | - | 15.0 |
| Interest and charges | 134.5 | 28.2 | 6.5 | - | - | - | - | 169.2 |
| Local market total | 1,051.9 | 846.4 | 919.7 | 504.9 | 543.6 | 194.1 | 281.7 | 4,342.3 |
| International market | | | | | | | | |
| IDB | 71.7 | 83.6 | 83.6 | 83.6 | 83.6 | 83.6 | 434.8 | 924.5 |
| Eurobonds | - | - | - | - | - | - | 324.1 | 324.1 |
| JICA | - | - | 12.9 | 25.7 | 25.7 | 25.8 | 386.1 | 476.2 |
| IDB 1983AB | - | - | 55.1 | 55.1 | 55.1 | 55.1 | 354.8 | 575.2 |
| Interest and charges | 32.2 | - | - | - | - | - | - | 32.2 |
| International market total | 103.9 | 83.6 | 151.6 | 164.4 | 164.4 | 164.5 | 1,499.8 | 2,332.2 |
| Total | 1,155.8 | 930.0 | 1,071.3 | 669.3 | 708.0 | 358.6 | 1,781.5 | 6,674.5 |

10. Conference Calls

In English

May 19, 2009

3:00 PM (US EST) / 4:00 PM (Brasília)

Dial-in access: (1 973) 935-8893

Conference ID: 10037888

Replay available until 05/29/09

Dial-in access: (1 706) 645-9291

Replay ID: 10037888

In Portuguese

May 19, 2009

1:00 PM (US EST) / 2:00 PM (Brasília)

Dial-in access: (55 11) 2188-0188

Conference ID: Sabesp

Replay available until 05/26/09

Dial-in access: (55 11) 2188-0188

Replay ID: Sabesp

Live webcast at www.sabesp.com.br

For more information, please contact:

Mario Arruda Sampaio

Phone: (55 11) 3388-8664

E-mail: maasampaio@sabesp.com.br

Angela Beatriz Airoidi

Phone: (55 11) 3388-8793

E-mail: abairoidi@sabesp.com.br

Statements contained in this press release may contain information that is forward-looking and reflects management's current view and estimates of future economic circumstances, industry conditions, SABESP performance, and financial results. Any statements, expectations, capabilities, plans and assumptions contained in this press release that do not describe historical facts, such as statements regarding the declaration or payment of dividends, the direction of future operations, the implementation of principal operating and financing strategies and capital expenditure plans, the factors or trends affecting financial condition, liquidity or results of operations are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and involve a number of risks and uncertainties. There is no guarantee that these 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.

Income Statement

| Corporate Law Method (Law No. 6,404/76) | PARENT COMPANY | | CONSOLIDATED |
|--|------------------|------------------|------------------|
| | 03/31/09 | 03/31/08 | 03/31/09 |
| | | | R\$ '000 |
| Gross Revenue from Sales and Services | 1,779,367 | 1,658,617 | 1,779,367 |
| Water Supply - Retail | 913,539 | 854,058 | 913,539 |
| Water Supply - Wholesale | 82,072 | 77,055 | 82,072 |
| Sewage Collection and Treatment | 749,226 | 697,585 | 749,226 |
| Sewage Collection and Treatment - Wholesale | 5,678 | 4,825 | 5,678 |
| Other Services | 28,852 | 25,094 | 28,852 |
| Taxes on Sales and Services - COFINS and PASEP | (126,001) | (118,548) | (126,001) |
| Net Revenue from Sales and Services | 1,653,366 | 1,540,069 | 1,653,366 |
| Costs of Sales and Services | (835,189) | (664,753) | (835,189) |
| Gross Profit | 818,177 | 875,316 | 818,177 |
| Operating Expenses | | | |
| Sales | (208,516) | (138,613) | (208,516) |
| Administrative | (147,722) | (112,476) | (147,860) |
| Other Operating Revenue (Expenses) | 5,470 | 10,957 | 5,470 |
| Operating Result Before Equity Interest | 467,409 | 635,184 | 467,271 |
| Equity Results | (31) | - | - |
| Earnings Before Net Financial Result | 467,378 | 635,184 | 467,271 |
| Financial Income and Expenses, Net | (93,026) | (150,190) | (92,919) |
| Foreing Exchange Gain (Loss), Net | 25,423 | (11,298) | 25,423 |
| Income (loss) before Taxes on Income | 399,775 | 473,696 | 399,775 |
| Income and Social Contribution Taxes | | | |
| Current Income Tax/Social Contribution | (176,354) | (192,297) | (176,354) |
| Deferred Income Tax/Social Contribution | 32,793 | 22,326 | 32,793 |
| Net Income (loss) | 256,214 | 303,725 | 256,214 |
| Registered common shares (thousand of shares) | 227,836 | 227,836 | 227,836 |
| Earnings per shares R\$ | 1.12 | 1.33 | 1.12 |
| Depreciation and Amortization | (161,692) | (150,126) | (161,692) |
| EBITDA | 623,601 | 774,352 | 623,494 |
| % over net revenue | 37.7% | 50.3% | 37.7% |

Balance Sheet

| Brazilian Corporate Law | | R\$ '000 | | | |
|---|-------------------|-------------------|-------------------|-------------------|--|
| ASSETS | PARENT COMPANY | | CONSOLIDATED | | |
| | 03/31/2009 | 03/31/2008 | 03/31/2009 | 03/31/2008 | |
| Current | | | | | |
| Cash and Cash Equivalents | 797,909 | 622,059 | 801,514 | 625,732 | |
| Accounts Receivable, net | 1,127,086 | 1,129,746 | 1,127,086 | 1,129,746 | |
| Accounts Receivable from Shareholders | 147,269 | 210,131 | 147,269 | 210,131 | |
| Inventory | 42,228 | 47,678 | 42,228 | 47,678 | |
| Taxes and contributions | 6,552 | 4,665 | 6,552 | 4,665 | |
| Other Receivables | 27,044 | 49,478 | 27,048 | 49,478 | |
| Deferred income tax and social contribution | 181,286 | 170,982 | 181,286 | 170,982 | |
| Total Current Assets | 2,329,374 | 2,234,739 | 2,332,983 | 2,238,412 | |
| Non-current | | | | | |
| Long Term Assets: | | | | | |
| Accounts Receivable, net | 282,867 | 326,472 | 282,867 | 326,472 | |
| Accounts Receivable from Shareholders | 1,399,023 | 1,389,835 | 1,399,023 | 1,389,835 | |
| Indemnities Receivable | 146,213 | 148,794 | 146,213 | 148,794 | |
| Judicial Deposits | 51,236 | 49,127 | 51,236 | 49,127 | |
| Other accounts receivable | 207,985 | 192,257 | 207,985 | 192,257 | |
| Taxes and contributions | 455,856 | 435,341 | 455,856 | 435,341 | |
| | 2,543,180 | 2,541,826 | 2,543,180 | 2,541,826 | |
| Investments | 4,521 | 4,552 | 719 | 720 | |
| Permanent Assets | 15,047,121 | 14,926,433 | 15,047,337 | 14,926,616 | |
| Intangible Assets | 837,807 | 815,416 | 837,807 | 815,416 | |
| | 15,889,449 | 15,746,401 | 15,885,863 | 15,742,752 | |
| Total Permanent Assets | 18,432,629 | 18,288,227 | 18,429,043 | 18,284,578 | |
| Total Assets | 20,762,003 | 20,522,966 | 20,762,026 | 20,522,990 | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| Current | | | | | |
| Suppliers and Constructors | 175,656 | 187,139 | 175,657 | 187,143 | |
| Loans and Financing | 1,289,791 | 1,448,860 | 1,289,791 | 1,448,860 | |
| Salaries and Payroll Charges | 357,065 | 196,056 | 357,087 | 196,075 | |
| Deferred Taxes and Contributions | 139,814 | 130,409 | 139,814 | 130,410 | |
| Taxes and contributions | 50,498 | 64,369 | 50,498 | 64,369 | |
| Interest on Own Capital Payable | 275,007 | 275,007 | 275,007 | 275,007 | |
| Provision for Judicial Pendencies | 492,092 | 459,395 | 492,092 | 459,395 | |
| Services Payable | 198,112 | 198,511 | 198,112 | 198,511 | |

| | | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| Other Payables | 58,230 | 57,149 | 58,230 | 57,149 |
| Total current liabilities | 3,036,265 | 3,016,895 | 3,036,288 | 3,016,919 |
| Non-current | | | | |
| Long Term Liabilities: | | | | |
| Loans and Financing | 5,384,714 | 5,416,248 | 5,384,714 | 5,416,248 |
| Taxes and Contributions Payable | 107,196 | 114,210 | 107,196 | 114,210 |
| Deferred Taxes and Contributions | 145,205 | 141,492 | 145,205 | 141,492 |
| Provision for Contingencies | 677,932 | 698,253 | 677,932 | 698,253 |
| Pension Fund Obligations | 434,553 | 419,871 | 434,553 | 419,871 |
| Other Payables | 227,495 | 223,568 | 227,495 | 223,568 |
| Total non-current liabilities | 6,977,095 | 7,013,642 | 6,977,095 | 7,013,642 |
| Shareholder's Equity | | | | |
| Capital Stock | 6,203,688 | 6,203,688 | 6,203,688 | 6,203,688 |
| Capital Reserves | 124,255 | 124,255 | 124,255 | 124,255 |
| Revaluation Reserves | 2,231,350 | 2,253,012 | 2,231,350 | 2,253,012 |
| Profit Reserves | 1,911,474 | 1,911,474 | 1,911,474 | 1,911,474 |
| Accrued income | 277,876 | - | 277,876 | - |
| Total Shareholder's Equity | 10,748,643 | 10,492,429 | 10,748,643 | 10,492,429 |
| Total Liabilities and Shareholder's Equity | 20,762,003 | 20,522,966 | 20,762,026 | 20,522,990 |

Cash Flow

| Brazilian Corporate Law | R\$ '000 | | |
|--|------------------|------------------|----------------------------|
| Description | Jan-Mar/09 | Jan-Mar/08 | CONSOLIDATED Jan-Mar/09 |
| Cash flow from operating activities | | | |
| Net income for the period | 256,214 | 303,725 | 256,214 |
| Adjustments for reconciliation of net income | | | - |
| Deferred income tax and social contribution | (40,977) | (22,326) | (40,977) |
| Provisions for contingencies | 48,068 | 91,958 | 48,068 |
| Reversion of provision for losses | 288 | (226) | 288 |
| Other provisions | 122 | 117 | 122 |
| Liabilities related to pension plans | 19,037 | 17,514 | 19,037 |
| Loss in the write-off of property, plant and equipment | 1,780 | 3,236 | 1,780 |
| Depreciation and Amortization | 161,692 | 150,126 | 161,693 |
| Interest calculated on loans and financing payable | 123,271 | 118,965 | 123,271 |
| Foreign exchange loss on loans and financing | (32,648) | 38,013 | (32,648) |
| Monetary variation over interest on own capital | - | 7,338 | - |
| Passive monetary exchange variation and interest | 1,555 | 2,593 | 1,555 |
| Active monetary exchange variation and interest | (8,479) | (6,141) | (8,479) |
| Equity result | 31 | - | - |
| Provisions for bad debt | 87,400 | 57,468 | 87,400 |
| Adjusted net income | 617,354 | 762,360 | 617,324 |
| (Increase) decrease in assets: | | | |
| Clients | (41,130) | (93,120) | (41,131) |
| Accounts receivable from shareholders | 55,709 | 169,292 | 55,709 |
| Receivable indemnities | 2,581 | - | 2,581 |
| Inventories | 5,162 | 7,931 | 5,162 |
| Recoverable Taxes | (1,887) | 6,480 | (1,887) |
| Other accounts receivable | 7,119 | (26,844) | 7,115 |
| Judicial deposits | 6,353 | (8,043) | 6,353 |
| Increase (decrease) in liabilities: | | | |
| Accounts payable to suppliers and contractors | (4,249) | (34,080) | (4,252) |
| Salaries and payroll charges | 161,009 | 18,404 | 161,015 |
| Taxes and contributions | 836 | 13,821 | 832 |
| Services payable | (15,091) | (10,495) | (15,091) |
| Other accounts payable | 388 | 813 | 388 |
| Contingencies | (38,082) | (82,929) | (38,082) |
| Pension plan | (4,355) | (4,118) | (4,355) |
| Variation on assets and liabilities | 134,363 | (42,888) | 134,357 |
| Net cash from operating activities | 751,717 | 719,472 | 751,681 |
| Cash flow from investing activities: | | | |
| Acquisition of property, plant and equipment | (325,691) | (218,029) | (325,723) |
| Increase in intangible assets | (4,233) | (14,634) | (4,233) |
| Net cash used in investing activities | (329,924) | (232,663) | (329,956) |

Cash flow from financing activities**Loans and Financing - long term**

| | | | |
|---|------------------|------------------|------------------|
| Funding | 178,193 | 38,821 | 178,193 |
| Payments | (424,136) | (202,240) | (424,136) |
| Interest on own capital payment | - | (408,162) | - |
| Net cash used in financing activities | (245,943) | (571,581) | (245,943) |
| Net increase (decrease) in cash equivalents | 175,850 | (84,772) | 175,782 |
| Cash and cash equivalents at the beginning of the period | 622,059 | 464,997 | 625,732 |
| Cash and cash equivalents at the end of the period | 797,909 | 380,225 | 801,514 |
| Change in Cash | 175,850 | (84,772) | 175,782 |
| Additional information on cash flow: | | | |
| Interest and taxes over loans and financing | 105,658 | 96,260 | 105,658 |
| Capitalization of interest and financial charges | (35,283) | 12,826 | (38,283) |
| Payable income tax and social contribution | 513,873 | 145,037 | 513,873 |
| Property, plant and equip. received as donation and/or paid in stocks | - | 3,100 | - |
| COFINS and PASEP taxes payable | 129,604 | 178,731 | 129,604 |
| Agreements and commitment to program contracts | 19,190 | 45,973 | 19,190 |

