

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

August 30, 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 August 29, 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

Pursuant to CVM Instruction 358 of January 3, 2002, Companhia de Saneamento Básico do Estado de São Paulo - SABESP (“Company” or “SABESP”) hereby announces that it has entered into an agreement with the Executive Power of the Municipality of Diadema to assume total control over the municipality’s water and sewage services for a period of 30 years.

The main items of the agreement are:

1. Total assumption of the concession, comprising water and sewage services, for 30 years.
2. Settlement of the lawsuit in regard to debt arising from the expropriation of the assets by the municipal government.
3. Settlement of the lawsuits related to wholesale water supply debt arising from the partial payment of water bills by Saned – the municipal company that currently provides these services in the municipality.
4. The assumption of Saned’s workforce by Sabesp.
5. Compliance with the Municipal Sanitation Plan.

The realisation of the transaction and the signature of the agreement depend on approval by the municipal legislature.

More details will be available in a conference call to be held shortly.

São Paulo, August 29, 2013.

Rui de Britto Álvares Affonso

Chief Financial and Investor Relations Officer

