

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

May 27, 2014

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 27, 2014
(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
Company Registry (NIRE) 35.300.016.831
Rua Costa Carvalho n° 300

MATERIAL FACT

Companhia de Saneamento Básico do Estado de São Paulo – Sabesp (“**SABESP**” or “**Company**”), in compliance with Rule 358, of January 3, 2002, as amended, issued by the Brazilian Securities and Exchange Commission (“**CVM**”), hereby informs its shareholders and the market in general that SABESP's Board of Directors' meeting held on May 14, 2014, approved the 19^h issue of simple, unsecured and non-convertible debentures, in a single series, for public distribution, with restricted placement efforts, pursuant to CVM Rule 476, of January 16, 2009, as amended (“**CVM Rule 476**”), in the total amount of five hundred million reais (R\$500,000,000.00) (“**Debentures**” and “**Offer**”, respectively).

The Offer will target qualified investors only, in compliance with Article 109 of CVM Rule 409, as of August 18, 2004, and its amendment, of Article 4 of CVM Rule 476. According to Article 3 of CVM Rule 476, the Offer will be presented to a maximum of fifty (50) qualified investors, though the Debentures may only be subscribed by a maximum of twenty (20) qualified investors. The process of structuring and distribution of the Debentures will be undertaken by a consortium of financial institutions that are part of the securities distribution system.

The proceeds from the issue and offer of Debentures will be used to pay the Company's financial commitments with due date to 2014 and 2015.

São Paulo, May 23, 2014.

Rui de Britto Álvares Affonso
Chief Financial Officer and Investor Relations Officer

