

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

April 19, 2016

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 April 11, 2016
(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):

*(Convenience Translation into English from the Original Previously
Issued in Portuguese)*

**Companhia de Saneamento Básico
do Estado de São Paulo - SABESP**

Financial Statements as at December 31, 2015 and 2014

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2015 Financial Statements

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(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Board of Directors and Management of

Companhia de Saneamento Básico do Estado de São Paulo – SABESP

São Paulo - SP

We have audited the financial statements of Companhia de Saneamento Básico do Estado de São Paulo - SABESP (the “Company”), which comprise the balance sheet as of December 31, 2015, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS), issued by the *International Accounting Standards Board (IASB)*, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and international standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing selected procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Companhia de Saneamento Básico do Estado de São Paulo - SABESP as of December 31, 2015, and its financial performance and cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by the *International Accounting Standards Board (IASB)*.

Other matters

Statements of value added

We have also audited the statements of value added (DVA) for the year ended December 31, 2015, prepared under the responsibility of the Company's management, the presentation of which is required by the Brazilian Corporate Law for publicly-traded companies and as supplemental information for IFRS, which does not require the presentation of DVA. These statements were subject to the same auditing procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, March 24, 2016

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Délio Rocha Leite
Engagement Partner

Companhia de Saneamento Básico do Estado de São Paulo - SABESP

Companhia de Saneamento Básico do Estado de São Paulo - SABESP

2015 Management Report

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Companhia de Saneamento Básico do Estado de São Paulo - SABESP

MORE PREPARED AND RESILIENT FOR FACING FUTURE ADVERSITY

The occurrence of what was considered the worst drought ever registered in the History of the São Paulo Metropolitan Region (SPMR) could have triggered a social convulsion. Fortunately, this did not take place thanks to the populations' brilliant collaboration, duly convinced of the need to save water. Also because Sabesp carried out strategic measures correctly ensuring, at the onset of the crisis, and in record time, the execution of a vast amount of emergency construction works to increase water supply as well as the operational flexibility of production systems.

Today, the SPMR is well prepared to face droughts of much greater proportion than those predicted in the water resource plans developed since the 1960s. Even if hydrological conditions as adverse as those undergone in the 2014-2015 biennium repeat themselves, water safety will be fully guaranteed when three other infrastructural constructions are completed: the first being the Ribeira River Basin (up to 6.4 m³/s); the second, the Paraíba do Sul River Basin (up to 8.5 m³/s); and the third, the Itapanhaú River Basin (up to 2.5 m³/s).

Reducing water losses is another fundamental task in the mission of guaranteeing supply safety. Throughout the past decade Sabesp has made an important effort in this direction. But we need to go further, however. The main initiative, already set into action in the Pegasus community, located in the municipality of Embu das Artes, consists of eliminating the "spaghetti" of tubes spread out through the alleys of settlements which despite being irregular are irreversibly established. However, the success of this initiative, which brought health and citizenship to locations where people are otherwise deprived of public services, depends not only on Sabesp, but also on the City Government and Public Prosecution Office. The Catholic Church, which brought up the importance of sanitation as a theme in their Fraternity Campaign, is another important partner. Their ecclesiastical base, which experiences the tough reality of these regions, is able to act as a facilitator in carrying out this work.

Prioritizing the infrastructural construction works that secures water safety inescapably implies in the postponing of other equally important investments that are less urgent. This scenario, however, does not exclude from our horizon the permanent search for the universalization of sewage collection and treatment in the operated regions. In 2015, the Company invested R\$853.4 million in sanitary sewage works, including the construction of 226 thousand new sewage connections, totalizing 22.8 million people reached.

In the inland, we started up eight Sewage Treatment Plant (STP) and another 27 are under construction. In the SPMR, we reached in 2015 the mark of 4 thousand kms of pipelines in the sewage collection networks, branch collectors and interceptors within the Tietê Project (1992-2015). And on the Coastline cities, in 2015, R\$172 million were invested with the *Onda limpa* program, the greatest sewage sanitation intervention in the Brazilian Coast.

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Companhia de Saneamento Básico do Estado de São Paulo - SABESP

Perfecting the efficiency in management and quality of the services provided implies an effective policy of valuing and training our employees, developing leadership and modernizing technology and internal processes.

Ethical, transparent and committed governance that regards accountability to society is another characteristic in permanent improvement based on a compliance program structured on practices referencing the main global requirements, including the Foreign Corrupt Practices Act (FCPA) and the law No. 12,846/2013 (Brazilian Anticorruption Act). In 2015, we also adhered to the Call to Action, a UN initiative in the scope of the Global Compact that incentivizes governments to establish anticorruption measures.

We are institutionally raising a flag for level A sanitation. There is no reason for us, as Brazilians, to be satisfied with a standard of civilization inferior to that which other countries have reached. In Sabesp, revenue comes only from the services offered in water and sewage. We cannot level the quality of services by the payment capacity of the poorest. We must economically protect this population by offering social tariffs. However, if we wish to improve the quality of our services, those with better conditions must pay more and demand more efficient services. Therefore companies must pursue profit because it is from profit that the necessary resources for investments and thus, improvements of the services offered to the population, will arise.

It is also necessary that society and its legal institutions understand that the objective of sanitation is to maximize social wellbeing with the resources available, prioritizing investments in water treatment and distribution, followed by sewage collection, and finally in sewage treatment. That is to say we must copy the developed countries which, in the stage we are now in, chose to put people's health above any other consideration.

It is thus not very wise to use the scarce financial resources of sanitation companies to pay the so-called "environmental compensations", fines destined to punish companies for the pollution of rivers or the ocean during the period in which the sewage was collected but not yet treated. Such fines and penalties have the effect of subtracting resources that are extremely necessary to expand the services and improve their quality.

Backtracking to the experience in the biennium of 2014-2015, there is no doubt that today both Company and society are stronger, more conscious and resilient to face future adversity. A crisis is an opportunity for improvement which cannot be wasted.

Jerson Kelman, Sabesp's CEO

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Companhia de Saneamento Básico do Estado de São Paulo - SABESP

AMONG THE WORLD'S LARGEST IN SERVED POPULATION

Founded in 1973 from the merger of different sanitation companies and under the guidelines of the National Sanitation Plan (Planasa), Companhia de Saneamento Básico do Estado de São Paulo (Sabesp) has as its mission “to provide sanitation services, contributing to improving quality of life and environment”. Also, it operates in accordance with sustainable development principles and with the environmental, social and economic policies of São Paulo State Government, its controlling shareholder.

As a publicly held mixed capital company headquartered in the municipality of São Paulo, the capital of São Paulo state, Brazil, the Company is governed by public and private Law standards and principles.

In accordance with the latest edition of the *Pinsent Masons Water Yearbook* (2012-2013), Sabesp is the largest sanitation company of the Americas and the fifth largest of the world in terms of population served.

In 2015, we disclosed a net revenue of approximately R\$11.7 billion and a net income of R\$536.3 billion. Assets totaled R\$33.7 billion and market cap was R\$12.9 billion on December 31, 2015. The Company supplies water to 28.6 million people (25.5 million directly and 3.1 million residents in the five municipalities served by the wholesale market) and collects the sewage generated by 22.8 million people. Sabesp's services cover approximately 68% of the urban population of the state of São Paulo.

The Company's structure is divided into five executive areas, in addition to the CEO, two of which are operational, divided into 17 business units throughout the State. The Company operates 235 water treatment plants and 539 sewage treatment plants, including 9 ocean outfalls. Water and sewage distribution networks are 71.7 kilometers and 48.8 kilometers long, respectively. The Company currently has 14,223 employees, whose total productivity was 1,074 connections per employee.

Currently the Company operates water and sewage services in 365 municipalities in the State of São Paulo, including the municipality of Santa Isabel, in which operations were initiated in

January 2016. Besides that, it also partially serves the municipality of Mogi das Cruzes. In addition, the Company supplies wholesale water to five other municipalities located in the São Paulo metropolitan region (SPMR), four of which also used sewage treatment services.

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Companhia de Saneamento Básico do Estado de São Paulo - SABESP

In another three municipalities of the State of São Paulo, Sabesp is partner of Águas de Castilho S.A., Águas de Andradina S.A. and Saneaqua Mairinque S.A., which provide water and sewage services and, in the municipality of Mogi Mirim (SP). It is also a partner in SESAMM – Serviços de Saneamento de Mogi Mirim S.A., which is engaged in the modernization, implementation and management of the sewage treatment system. In 2015, SABESP contributed R\$2.5 million in Águas de Andradina, which corresponds to its share in that investee.

Sabesp also produces, supplies and sells reused water obtained through the effluent treatment, which takes place directly in its own plants, as a partner in Aquapolo Ambiental, which supplies the Petrochemical Center of Capuava. In the segment of non-domestic sewage, the Company partners with Estre Ambiental, in the company Attend Ambiental.

In 2015, Sabesp also began working in the electric energy sector. For further information please consult the “Strategy and Vision of the Future” segment of this Report.

The control, oversight and regulation, including tariff regulation, of our operations are mostly carried out by the São Paulo State Sanitation and Energy Regulatory Agency - Arsesp.

The Company’s shares – all common voting shares – are traded on the Novo Mercado listing segment of the São Paulo Securities, Commodities and Futures Exchange (BM&FBovespa) under the code SBSP3 and on the New York Stock Exchange (NYSE), as American Depositary Receipts (Level III ADR), under the code SBS. The Company is still part of the main BM&FBovespa indices.

On December 31, 2015, the Company had 4,185 shareholders registered on the BM&FBovespa and its capital stock was composed as follows:

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Companhia de Saneamento Básico do Estado de São Paulo - SABESP

INDICATORS

Indicators	Unit	2015	2014	2013	2012	2011
		Services				
		Close to universal access(1)				
Water coverage ratio						
Sewage collection coverage ratio	%	86	85	84	83	82
Collected sewage treatment coverage ratio(2)	%	78	77	78	77	76
Resident population served by water supply	thousand inhabitants	25,537	25,264	24,560	24,249	23,911
Resident population served by sewage collection	thousand inhabitants	22,793	22,353	21,483	20,992	20,498
Positive customer satisfaction perception(3)	%	75	80	89	89	92
		Operational				
Water connections	thousand	8,420	8,210	7,888	7,679	7,481
Sewage connections	thousand	6,861	6,660	6,340	6,128	5,921
Water network(4)	km	71,705	70,800	69,619	67,647	66,389
Sewage network(4)	km	48,774	47,992	47,103	45,778	45,073
WTP – Water Treatment Plants	un	235	235	232	214	212
Wells	un	1,085	1,055	1,083	1,079	1,102
STP – Sewage Treatment Plants	un	539	524	509	502	490
Water Billed Loss Index (5)	%	16.4	21.3	24.4	25.7	25.6
Water Metered Loss Index (6)	%	28.5	29.8	31.2	32.1	32.0
Water Loss per Connection (7)	liters per connection per day	258	319	372	392	395
Water Meter Index (8)	%	99.97	99.97	99.97	99.97	99.97
Water produced volume	million m ³	2,466	2,840	3,053	3,059	2,992
Water micro-measured volume at retail	million m ³	1,397	1,573	1,624	1,601	1,557
	million m ³	216	247	299	298	297

Water billed volume at wholesale						
Water billed volume at retail	million m ³	1,698	1,812	1,835	1,796	1,747
Sewage billed volume	million m ³	1,481	1,562	1,579	1,535	1,486
Number of employees (9)	un	14,223	14,753	15,015	15,019	14,896
Operational productivity	Connections/ employee	1,074	1,008	948	919	900
		Financial				
Gross revenue	R\$ million	12,283.5	11,823.4	11,984.8	11,391.2	10,529.7
Net revenue	R\$ million	11,711.6	11,213.2	11,315.6	10,737.6	9,927.4
Adjusted EBITDA (10)	R\$ million	3,974.3	2,918.7	4,006.6	3,605.0	3,371.0
Adjusted EBITDA margin	% of net revenue	33.9	26.0	35.4	33.6	34.0
Adjusted EBITDA margin excluding construction revenue and cost	% of net revenue	46.6	34.4	44.6	43.0	43.2
Operating result (11)	R\$ million	3,044.0	1,910.7	3,138.8	2,843.3	2,512.0
Operating margin (11)	% of net revenue	26.0	17.0	27.7	26.5	25.3
Result (net income/loss)	R\$ million	536.3	903.0	1,923.6	1,911.9	1,380.9
Net margin	% of net revenue	4.6	8.1	17.0	17.8	13.9
Net debt/adjusted EBITDA	multiple	2.9	3.1	1.9	1.9	1.9
Net debt/equity (12)	%	83.7	68.1	59.3	61.8	59.6
Investment (13)	R\$ million	3,481.8	3,210.6	2,716.0	2,535.6	2,440.2

(1) 99% and above.

(2) For methodological reasons, it includes a margin variation of 2 percentage points up and down

(3) Survey conducted by gMR-Inteligência & Pesquisa in 2015. (5,850 interviews in the entire operating basis, with a 1% margin of error and a confidence interval of 95%).

(4) Includes water mains, branch collectors, interceptors and outfalls.

(5) Includes real (or physical) loss and apparent (or nonphysical) loss. The percentage of water loss represents the resulting ratio between the (i) Billed Volume Lost and the (ii) Volume of Water Produced. The Billed Volume Lost corresponds to: Volume of Water Produced MINUS Billed Volume MINUS Volume of uses. The Volume of Uses corresponds to: water used in regular maintenance of pipelines and water reservoirs; water used in municipalities, for example in firefighting; and water supplied to irregular settlements.

(6) Includes real (or physical) loss and apparent (or nonphysical) loss. The percentage of water loss represents the resulting ratio between the (i) Measured Volume Lost and the (ii) Volume of Water Produced. The Measured Volume Lost corresponds to: Volume of Water Produced MINUS Measured Volume MINUS Volume of Uses. The Volume of Uses corresponds

to: water used in regular maintenance of pipelines and water reservoirs; water used in municipalities, for example in firefighting; and water supplied to irregular settlements.

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Companhia de Saneamento Básico do Estado de São Paulo - SABESP

- (7) Calculated by dividing the Measured Volume Lost a year by the average amount of active water connections, divided by the number of days in the year.
- (8) Connections with Water Meter / Total Connections
- (9) Number of own employees. Excludes employees assigned to other entities.
- (10) Adjusted EBITDA corresponds to earnings before: (i) depreciation and amortization expenses; (ii) income tax and social contribution (federal income taxes); (iii) the financial result; and (iv) other operating expenses, net.
- (11) Excludes finance income and expenses.
- (12) Net debt includes debt less cash and cash equivalents.
- (13) Excludes financial commitments assumed in the program contracts (R\$139 million, R\$155 million, R\$65 million, R\$116 million and R\$177 million, in 2011, 2012, 2013, 2014 and 2015, respectively).

Companhia de Saneamento Básico do Estado de São Paulo - SABESP

CORPORATE GOVERNANCE

The ethical values that underpin Sabesp's actions in its relationships with its stakeholders are set forth in its Code of Ethics, reformulated in 2014 with the objective of giving a better breakdown and clarifying the values and ethical conduct adopted by the Company, as well as to address issues brought up in new legislation and business practices, as for example, anticorruption laws and conflicts of interest. In order to comply with the dispositions of the Code and ensure ethical commitment of employees, the Committee of Ethical Conduct was created in 2005, acting preemptively to disseminate and update the Code, as well as correctively in cases of noncompliance and eventual infractions.

Sabesp has tools, guidelines and internal areas which support the preservation of its ethical conduct: A Whistle-Blowing channel (which also receives anonymous complaints), the Business Procedure for Determination of Liability, Audit Superintendence, Ombudsman, Citizen Information Service (SIC) and Compliance.

In 2015 more than 210 thousand records were processed in the Company, amongst which were: requests for information, complaints, compliments, criticisms, suggestions and complaints. Specifically regarding complaints, 108 were recorded, of which 58% were cleared and 42% are being analyzed. Out of the total, 13% relates to improper behavior, such as harassment, discrimination, persecution and unfair treatment. For the total amount of complaints considered justifiable, 20 direct or outsourced employees were punished, (3 warnings, 4 suspensions and 13 dismissals).

The Ombudsman is a qualified channel for relating to our clients, in order to deal with complaints, suggestions, criticisms and information, working through two fronts:

- As a final Instance of defense, and attending in a second instance those who, for some reason, were not satisfied or attended to within the correct stipulated period during initial contact with Sabesp;
- Last instance of defense of the Company's image, working together with consumer protection bodies and non-governmental organizations, as well as taking on complaints passed along from other public entities and ombudsman.

The content analysis of this information via reports allows the ombudsman to counsel Senior Management as well as other departments in the Company regarding the immediate adoption of measures to face emerging demands as well as implanting improvements in processes and

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Companhia de Saneamento Básico do Estado de São Paulo - SABESP

In 2015, after five years off the PROCON list, Sabesp showed up on the state ranking, in 43rd place. The water crises along with the adoption of necessary confrontation measures, such as the Bonus and Contingency Tariff, resulted in 86 complaints recorded and ranked by the organism of consumer protection (PROCON). It is worth highlighting that, as always, each complaint was individually addressed to ensure the best solution for the parties involved.

In compliance with the principle of transparency in business and the Law of Access to Information (LAI) (Federal Law No. 12,527/2011 and State Decree No 58,052/2012), Sabesp made available the Citizen Information Service – SIC, that consists of a channel for citizens attendance that establishes the right of access to information from public administration.

The Company's minimum information, required by said legislation, is available on www.sabesp.com.br, under the SIC link, in the top menu, and there is a channel for citizens to request other information. In addition to the website, citizens can also obtain information in person at Rua Costa Carvalho, 300.

Through SIC, the Company helps spread transparency and its goal is to migrate from a passive attitude that waits to be sought out to provide information to a more active attitude of identifying society's needs even before being asked.

Throughout 2015, 610 requests for information were attended to, all registered online or by phone calls. Of this total, 93% were fully settled on initial request.

Combat of corruption

In January 2014, Federal Law No. 12,846/2013, known as Anti-corruption Law, came into effect in