

CONSOLIDATED BALANCE SHEET - TCP
R\$ million

ASSETS	Mar-31-05	Dec-31-04
Current Assets	4,270.7	4,355.1
Cash and cash equivalents	978.1	1,180.9
Net accounts receivable	1,518.2	1,483.8
Inventory	384.0	456.5
Advances to Suppliers	41.1	44.9
Deferred and recoverable taxes	901.0	871.3
Derivatives transactions	0.0	7.8
Prepaid Expenses	325.0	157.2
Debentures	0.1	0.0
Other current assets	123.2	152.7
Long Term Assets	1,717.7	1,892.7
Derivatives transactions	385.6	385.3
Deferred and recoverable taxes	1,230.2	1,396.8
Prepaid Expenses	27.1	36.1
Other long term assets	74.8	74.5
Permanent Assets	7,923.3	7,883.3
Investment	1,960.2	2,056.4
Plant, property and equipment	5,750.7	5,603.0
Deferred assets	212.4	223.9
Total Assets	13,911.7	14,131.1
LIABILITIES		
Current Liabilities	5,441.7	5,636.6
Suppliers and Consignment	1,337.3	1,704.5
Personnel, tax and benefits	74.0	84.1
Taxes, fees and contributions	302.2	343.4
Interest on own capital	82.3	82.3
Loans and financing	3,140.1	2,897.0
Contingencies provision	130.1	124.3
Derivatives transactions	272.6	266.2
Other current liabilities	103.1	134.8
Long Term Liabilities	2,657.9	2,644.0
Loans and financing	2,075.0	2,066.2
Contingencies provision	202.6	195.4
Impostos, taxas e contribuições	185.1	189.3
Derivatives transactions	155.9	153.8
Other long term liabilities	39.3	39.3
Minority interest	1,002.3	942.9
Shareholder's Equity	0.0	1,999.9
Shareholder's Equity	4,809.5	2,907.4
Funds for capitalization	0.3	0.3
Total Liabilities	13,911.7	14,131.1



CONSOLIDATED INCOME STATEMENTS - TCP

According to Corporate Law

<i>R\$ million</i>	1 Q 05	4 Q 04	Δ%	1 Q 04	Δ%
Gross Revenues	2,272.6	2,636.0	-13.8%	2,263.9	0.4%
Gross service revenues	1,936.4	2,028.7	-4.5%	1,866.4	3.8%
Deductions – Taxes and others	(432.5)	(431.8)	0.2%	(393.9)	9.8%
Gross handset revenues	336.2	607.3	-44.6%	397.5	-15.4%
Deductions – Taxes and others	(156.0)	(251.0)	-37.8%	(151.4)	3.0%
Net Revenues	1,684.1	1,953.2	-13.8%	1,718.6	-2.0%
Net service revenues	1,503.9	1,596.9	-5.8%	1,472.5	2.1%
Subscription and Usage	675.6	733.2	-7.9%	632.8	6.8%
Network usage	711.0	778.5	-8.7%	737.0	-3.5%
Other services	117.3	85.2	37.7%	102.7	14.2%
Net handset revenues	180.2	356.3	-49.4%	246.1	-26.8%
Operating Costs	(1,009.1)	(1,340.9)	-24.7%	(1,019.8)	-1.0%
Personnel	(100.5)	(104.3)	-3.6%	(90.4)	11.2%
Cost of services rendered	(229.3)	(215.1)	6.6%	(200.4)	14.4%
Leased lines	(36.3)	(30.5)	19.0%	(32.9)	10.3%
Interconnection	(37.1)	(66.5)	-44.2%	(52.0)	-28.7%
Rent/Insurance/Condominium fees	(23.2)	(20.7)	12.1%	(24.5)	-5.3%
Fistel and other taxes and contributions	(82.1)	(50.7)	61.9%	(45.0)	82.4%
Third-party services	(47.9)	(42.7)	12.2%	(42.1)	13.8%
Others	(2.7)	(4.0)	-32.5%	(3.9)	-30.8%
Cost of handsets	(264.9)	(553.0)	-52.1%	(339.8)	-22.0%
Selling expenses	(358.1)	(493.8)	-27.5%	(312.1)	14.7%
Provision for bad debt	(52.9)	(66.2)	-20.1%	(33.6)	57.4%
Third-party services	(275.4)	(351.8)	-21.7%	(251.7)	9.4%
Others	(29.8)	(75.8)	-60.7%	(26.8)	11.2%
General & administrative expenses	(73.6)	(33.4)	120.4%	(81.2)	-9.4%
Other operating revenue (expenses)	17.3	58.7	-70.5%	4.1	322.0%
EBITDA	675.0	612.3	10.2%	698.8	-3.4%
Margin %	40.1%	31.3%	8.7 p.p.	40.7%	-0.6 p.p.
Depreciation and Amortization	(360.4)	(355.0)	1.5%	(295.5)	22.0%
EBIT	314.6	257.3	22.3%	403.3	-22.0%
Net Financial Income	(222.5)	(344.0)	-35.3%	(218.9)	1.6%
Financial Revenues	76.4	(90.2)	n.d.	178.1	-57.1%
Exchange rate variation / Monetary variation	20.0	(169.2)	n.d.	97.2	-79.4%
Other financial revenues	57.0	42.0	35.7%	89.0	-36.0%
(-) Pis/Cofins taxes on financial revenues	(0.6)	37.0	n.d.	(8.1)	-92.6%
Financial Expenses	(298.9)	(253.9)	17.7%	(397.0)	-24.7%
Exchange rate variation / Monetary variation	(38.1)	410.1	n.d.	(98.4)	-61.3%
Other financial expenses	(142.3)	(226.8)	-37.3%	(191.4)	-25.7%
Gains (Losses) with derivatives transactions	(118.5)	(437.2)	-72.9%	(107.2)	10.5%
Non-operating revenue/expenses	2.9	(52.6)	n.d.	0.7	314.3%
Taxes	(133.7)	(33.1)	303.9%	(148.4)	-9.9%
Minority Interest	(59.2)	(62.2)	-4.8%	(72.0)	-17.8%
Net Income	(97.9)	(234.6)	-58.3%	(35.3)	177.3%



OPERATING PERFORMANCE - TELESP CELULAR S.A

	1 Q 05	4 Q 04	Δ%	1 Q 04	Δ%
Total number of customers (thousand)	9,255	9,232	0.2%	7,970	16.1%
Contract	1,618	1,603	0.9%	1,495	8.2%
Prepaid	7,637	7,629	0.1%	6,475	17.9%
Market Share (*)	53.5%	55.2%	-1.7 p.p.	61.5%	-8.0 p.p.
Net additions (thousand)	24	475	-94.9%	475	-94.9%
Contract	8	41	-80.5%	20.0	-60.0%
Prepaid	16	434	-96.3%	455	-96.5%
Market Share of net additions (*)	4.3%	30.7%	-26.4 p.p.	53.1%	-48.8 p.p.
Market penetration (*)	43.0%	42.7%	0.3 p.p.	33.0%	10.0 p.p.
SAC (R\$)	143	166	-13.9%	144	-0.7%
Monthly Churn	1.7%	1.7%	0.0 p.p.	1.2%	0.5 p.p.
ARPU (in R\$/month)	31.4	34.8	-9.7%	39.6	-20.7%
Contract	88.0	94.0	-6.4%	102.8	-14.4%
Prepaid	18.7	21.1	-11.5%	23.9	-21.8%
Total MOU (minutes)	84	88	-4.5%	99	-15.2%
Contract	227	236	-3.8%	232	-2.2%
Prepaid	53	55	-3.6%	66	-19.7%
Employees	2,458	2,431	1.1%	2,150	14.3%
Productivity (customer / employee)	3,765	3,798	-0.9%	3,707	1.6%

(*) source: Anatel

Operating Highlights of Telesp Celular (TC)

- Continued market leadership as a result of the increase in the **customer base** by 16.1% over 1Q04, reaching 9,255 thousand customers. Aggregate net additions in the quarter decreased in relation to 4Q04, due to the seasonal differences between the periods and the increase of the entry barriers after the Christmas campaign, as well as, the focus on the retention of high value clients during the quarter.
- **SAC** decreased by 13.9% in relation to 4Q04, as a result of period seasonality and increase in the prices of low cost handsets after the end of Christmas promotions.
- The **churn** remained stabled, having recorded 1.7% in the third consecutive quarter, despite intense competition, confirming the success of the commercial practices adopted for ensuring customer loyalty.
- The **blended ARPU** of R\$ 31.4 recorded a 9.7% reduction in relation to 4Q04, basically due to seasonal differences between the periods. Year-to-year variation is due to the customer mix effect, drop in incoming ARPU due to incoming traffic migration from fixed to mobile towards mobile to mobile, in addition to the Bill & Keep effect and right planning programs (customer profile adequacy plans) effected in the post-paid service users base. It must be highlighted that VU-M was not updated in the quarter.
- **Total MOU** decreased by 4.5% in the comparison between 1Q05 and 4Q04, reflecting a four-minute decrease, due to the reduction in minutes bonus and drop in the incoming traffic. Post-paid MOU remained stable in relation to the 1Q04 and 4Q04.
- Improvement in operation **productivity** can be measured by the increase in 1Q05 of 14.3% and 1.1% in relation to 1Q04 and 4Q04, respectively, showing the efficiency gains earned by the operator.



INCOME STATEMENTS - TELESP CELULAR S.A.
According to Corporate Law

<i>R\$ million</i>	1 Q 05	4 Q 04	Δ%	1 Q 04	Δ%
Gross Revenues	1,319.7	1,544.5		1,412.5	
Gross service revenues	1,102.9	1,167.1	-5.5%	1,151.3	-4.2%
Deductions – Taxes and others	(233.2)	(236.6)	-1.4%	(233.2)	0.0%
Gross handset revenues	216.8	377.4	-42.6%	261.2	-17.0%
Deductions – Taxes and others	(114.1)	(174.7)	-34.7%	(112.7)	1.2%
Net Revenues	972.4	1,133.2	-14.2%	1,066.6	-8.8%
Net service revenues	869.7	930.5	-6.5%	918.1	-5.3%
Subscription and Usage	370.5	415.5	-10.8%	390.3	-5.1%
Network usage	435.4	471.5	-7.7%	463.1	-6.0%
Other services	63.8	43.5	46.7%	64.7	-1.4%
Net handset revenues	102.7	202.7	-49.3%	148.5	-30.8%
Operating Costs	(569.5)	(785.1)	-27.5%	(599.8)	-5.1%
Personnel	(50.9)	(53.8)	-5.4%	(45.9)	10.9%
Cost of services rendered	(132.2)	(145.7)	-9.3%	(127.0)	4.1%
Leased lines	(23.0)	(19.2)	19.8%	(18.6)	23.7%
Interconnection	(19.5)	(47.1)	-58.6%	(27.3)	-28.6%
Rent/Insurance/Condominium fees	(16.2)	(14.6)	11.0%	(17.9)	-9.5%
Fistel and other taxes and contributions	(42.2)	(35.5)	18.9%	(35.0)	20.6%
Third-party services	(30.8)	(28.5)	8.1%	(27.5)	12.0%
Others	(0.5)	(0.8)	-37.5%	(0.7)	-28.6%
Cost of handsets	(142.5)	(279.2)	-49.0%	(188.3)	-24.3%
Selling expenses	(211.8)	(328.3)	-35.5%	(180.0)	17.7%
Provision for bad debt	(28.0)	(50.5)	-44.6%	(18.2)	53.8%
Third-party services	(161.5)	(211.7)	-23.7%	(144.3)	11.9%
Others	(22.3)	(66.1)	-66.3%	(17.5)	27.4%
General & administrative expenses	(46.7)	(3.0)	1456.7%	(60.8)	-23.2%
Other operating revenue (expenses)	14.6	24.9	-41.4%	2.2	563.6%
EBITDA	402.9	348.1	15.7%	466.8	-13.7%
Margin %	41.4%	30.7%	10.7 p.p.	43.8%	-2.3 p.p.
Depreciation and Amortization	(149.6)	(158.6)	-5.7%	(138.7)	7.9%
EBIT	253.3	189.5	33.7%	328.1	-22.8%
Net Financial Income	(80.7)	(116.6)	-30.8%	(48.5)	66.4%
Financial Revenues	18.0	(8.8)	n.d.	41.1	-56.2%
Exchange rate variation / Monetary variation	13.0	3.5	271.4%	25.2	-48.4%
Other financial revenues	5.3	(18.8)	n.d.	18.0	-70.6%
(-) Pis/Cofins taxes on financial revenues	(0.3)	6.5	n.d.	(2.1)	-85.7%
Financial Expenses	(98.7)	(107.8)	-8.4%	(89.6)	10.2%
Exchange rate variation / Monetary variation	(10.9)	68.9	n.d.	(23.4)	-53.4%
Other financial expenses	(37.8)	(45.7)	-17.3%	(44.8)	-15.6%
Gains (Losses) with derivatives transactions	(50.0)	(131.0)	-61.8%	(21.4)	133.6%
Non-operating revenue/expenses	1.9	(39.9)	n.d.	0.3	533.3%
Taxes	(60.4)	(11.3)	434.5%	(95.2)	-36.6%
Net Income	114.1	21.7	425.8%	184.7	-38.2%



OPERATING PERFORMANCE - GLOBAL TELECOM S.A

	1 Q 05	4 Q 04	Δ%	1 Q 04	Δ%
Total number of customers (thousand)	2,646	2,579	2.6%	1,873	41.3%
Contract	307	298	3.0%	269	14.1%
Prepaid	2,339	2,281	2.5%	1,604	45.8%
Market Share (*)	39.5%	41.3%	-1.8 p.p.	44.4%	-4.9 p.p.
Net additions (thousand)	68	279	-75.6%	183	-62.8%
Contract	10	12	-16.7%	(12.0)	-183.3%
Prepaid	58	267	-78.3%	195	-70.3%
Market Share of net additions (*)	14.7%	27.6%	-12.9 p.p.	48.9%	-34.2 p.p.
Market penetration (*)	41.8%	39.8%	2.0 p.p.	26.9%	14.9 p.p.
SAC (R\$)	130	120	8.3%	137	-5.1%
Monthly Churn	1.3%	1.1%	0.2 p.p.	1.4%	-0.1 p.p.
ARPU (in R\$/month)	21.6	22.4	-3.6%	28.3	-23.7%
Contract	79.3	71.0	11.7%	71.1	11.5%
Prepaid	13.0	14.8	-12.3%	19.4	-33.0%
Total MOU (minutes)	64	66	-3.0%	86	-25.6%
Contract	151	147	2.7%	153	-1.3%
Prepaid	50	53	-5.7%	71	-29.6%
Employees	409	429	-4.7%	438	-6.6%
Productivity (customer / employee)	6,469	6,012	7.6%	4,276	51.3%

(*) source: Anatel

Operating Highlights of Global Telecom (GT)

- Increase in the **customer base** by 41.3% over 1Q04 and by 2.6% over 4Q04, reaching 2,646 thousand customers. Share of net additions in 1Q05 was 14.7%, in an intensive competition environment, which recorded a drop in prices of medium and high range handsets offered by the competitors, as a result of the commercial aggressiveness.
- **SAC** decreased by 5.1% in relation to 1Q04, despite increased pressures with subsidies, commissions and advertising caused by an aggressive competition and entry of a new competitor.
- **Churn** reduced in 0.1 p.p. in relation to 1Q04, reflecting the Company's successful initiatives to ensure customer loyalty and customer retention, in a market which, as from September, has 4 operators.
- The **blended ARPU** of R\$ 21.6 recorded a 3.6% reduction in relation to 4Q04, basically due to seasonal differences between the periods. Year-to-year variation is due to the customer mix effect, drop in incoming ARPU due to incoming traffic migration from fixed to mobile towards mobile to mobile, in addition to the Bill & Keep effect and right planning programs (customer profile adequacy plans) effected in the post-paid service users base. It must be highlighted that VU-M was not updated in the quarter. Year over year, an increase of 11.5% was registered in the post-paid ARPU.
- The **post-paid MOU** increased by 2.7%, representing a 4-minute increase in 1Q05, in relation to 4Q04. Total MOU recorded a 3.0% drop in relation to the previous quarter, caused by the reduction in the prepaid customer base MOU, which represent 88.4% of the total.
- Synergy and efficiency gains obtained by the operator have fostered the upward **productivity** trend, with productivity having grown 51.3% and 7.6% in relation to 1Q04 and 4Q04, respectively.



INCOME STATEMENTS - GLOBAL TELECOM S.A.

According to Corporate Law

<i>R\$ million</i>	1 Q 05	4 Q 04	Δ%	1 Q 04	Δ%
Gross Revenues	251.6	271.5	-7.3%	231.8	8.5%
Gross service revenues	216.0	197.9	9.1%	179.8	20.1%
Deductions – Taxes and others	(46.8)	(36.4)	28.6%	(29.8)	57.0%
Gross handset revenues	35.6	73.6	-51.6%	52.0	-31.5%
Deductions – Taxes and others	(16.1)	(24.0)	-32.9%	(12.6)	27.8%
Net Revenues	188.7	211.1	-10.6%	189.4	-0.4%
Net service revenues	169.2	161.5	4.8%	150.0	12.8%
Subscription and Usage	72.6	64.3	12.9%	58.7	23.7%
Network usage	78.8	86.3	-8.7%	79.7	-1.1%
Other services	17.8	10.9	63.3%	11.6	53.4%
Net handset revenues	19.5	49.6	-60.7%	39.4	-50.5%
Operating Costs	(134.8)	(153.9)	-12.4%	(147.8)	-8.8%
Personnel	(11.4)	(11.9)	-4.2%	(10.0)	14.0%
Cost of services rendered	(35.7)	(30.2)	18.2%	(27.9)	28.0%
Leased lines	(6.3)	(5.1)	23.5%	(5.9)	6.8%
Interconnection	(5.2)	(5.6)	-7.1%	(4.3)	20.9%
Rent/Insurance/Condominium fees	(3.8)	(2.9)	31.0%	(2.3)	65.2%
Fistel and other taxes and contributions	(13.7)	(10.1)	35.6%	(9.0)	52.2%
Third-party services	(6.4)	(6.0)	6.7%	(6.4)	0.0%
Others	(0.3)	(0.5)	-40.0%	0.0	n.d.
Cost of handsets	(30.0)	(77.8)	-61.4%	(59.7)	-49.7%
Selling expenses	(53.7)	(50.9)	5.5%	(44.8)	19.9%
Provision for bad debt	(6.9)	3.5	n.d.	1.3	n.d.
Third-party services	(42.5)	(49.2)	-13.6%	(40.9)	3.9%
Others	(4.3)	(5.2)	-17.3%	(5.2)	-17.3%
General & administrative expenses	(5.6)	(10.0)	-44.0%	(4.2)	33.3%
Other operating revenue (expenses)	1.6	26.9	-94.1%	(1.2)	n.d.
EBITDA	53.9	57.2	-5.8%	41.60	29.6%
Margin %	28.6%	27.1%	1.5 p.p.	22.0%	6.6 p.p.
Depreciation and Amortization	(61.6)	(64.3)	-4.2%	(61.2)	0.7%
EBIT	(7.7)	(7.1)	8.5%	(19.6)	-60.7%
Net Financial Income	(26.3)	(16.7)	57.5%	(33.8)	-22.2%
Financial Revenues	4.0	13.6	-70.6%	3.4	17.6%
Exchange rate variation / Monetary variation	0.2	6.6	-97.0%	0.0	n.d.
Other financial revenues	3.8	7.0	-45.7%	3.6	5.6%
(-) Pis/Cofins taxes on financial revenues	-	-	n.d.	(0.2)	n.d.
Financial Expenses	(30.3)	(30.3)	0.0%	(37.2)	-18.5%
Exchange rate variation / Monetary variation	(15.5)	0.2	n.d.	0.0	n.d.
Other financial expenses	(9.0)	(13.2)	-31.8%	(35.8)	-74.9%
Gains (Losses) with derivatives transactions	(5.8)	(17.3)	-66.5%	(1.4)	314.3%
Non-operating revenue/expenses	0.3	(5.7)	n.d.	0.0	n.d.
Taxes	(9.6)	0.0	n.d.	0.0	n.d.
Net Income	(43.3)	(29.5)	46.8%	(53.4)	-18.9%



CONSOLIDATED OPERATING PERFORMANCE - TELE CENTRO OESTE PARTICIPAÇÃO

	1 Q 05	4 Q 04	Δ%	1 Q 04	Δ%
Total number of customers (thousand)	6,047	5,820	3.9%	4,452	35.8%
Contract	949	945	0.4%	954	-0.5%
Prepaid	5,098	4,875	4.6%	3,498	45.7%
Market Share (*)	50.2%	51.3%	-1.1 p.p.	55.7%	-5.5 p.p.
Net additions (thousand)	227	513	-55.8%	340	-33.2%
Contract	4	5	-18.9%	4.0	0.0%
Prepaid	223	508	-56.1%	336	-33.6%
Market Share of net additions (*)	32.0%	34.8%	-2.8 p.p.	59.8%	-27.8 p.p.
Market penetration (*)	35.9%	34.8%	1.1 p.p.	24.5%	11.4 p.p.
SAC (R\$)	114	124	-8.5%	84	35.1%
Monthly Churn	1.3%	2.3%	-1.0 p.p.	1.7%	-0.4 p.p.
ARPU (in R\$/month)	26.2	30.5	-14.1%	31.6	-17.1%
Contract	76.6	82.4	-7.1%	74.8	2.3%
Prepaid	14.6	16.3	-10.5%	18.0	-19.0%
Total MOU (minutes)	79	86	-8.1%	86	-8.1%
Contract	205	213	-3.9%	184	11.2%
Prepaid	52	55	-5.5%	57	-8.8%
Employees	1,330	1,357	-2.0%	1,470	-9.5%
Productivity (customer / employee)	4,547	4,290	6.0%	3,029	50.1%

(*) source: Anatel

**Consolidated
TCO's
Operating
Highlights**

- Continued market leadership as a result of the increase in the **customer base** by 35.8% in the last 12 months, despite strong competition in the cellular telephone market. It is important to emphasize also the company's accounting practices, being extremely severe with frauds, disconnections and subscriptions, thus aggregating reliability and transparency to its figures.
- **Net additions** totaled 227 thousand customers in 1Q05, in a market which, as from September, has 4 operators in all the regions. TCO has continued to keep its leadership, with a 50.2% **market share**, despite the strong competition in the period.
- **SAC** decreased by 8.5% in 1Q05 over 4Q04, as a result of period seasonality and increase in the prices of low cost handsets after the end of Christmas promotions.
- The **churn** at 1.3% recorded a drop of 1.0 p.p. in relation to 4Q04, thus confirming the success of the commercial practices adopted for the purpose of ensuring customer loyalty, even though operating in a strongly competitive market.
- The **blended ARPU** of R\$ 26.2 recorded a 14.1% reduction in relation to 4Q04, basically due to seasonal differences between the periods. Year-to-year variation is due to the customer mix effect, drop in incoming ARPU due to incoming traffic migration from fixed to mobile towards mobile to mobile, in addition to the Bill & Keep effect and right planning programs (customer profile adequacy plans) effected in the post-paid service users base. It must be highlighted that VU-M was not updated in the quarter. The 1Q05 pos-paid ARPU increased by 2.3% in relation to the 1Q04, due to the increase of the outgoing ARPU.
- The **post-paid MOU** increased by 11.2% in relation to 1Q04, representing a 19-minute increase. Total MOU was impacted by the changes in the customer mix.
- The efficiency gains in the operations can be measured by the **productivity** increase of 50.1% and 6.0% in relation to 1Q04 and 4Q04, respectively, due to the Company's continuous search for organizational and process synergies, integration and rationalization.



INCOME STATEMENTS - Tele Centro Oeste Part. S.A.
According to Corporate Law

<i>R\$ million</i>	1 Q 05	4 Q 04	Δ%	1 Q 04	Δ%
Gross Revenues	701.3	820.0	-14.5%	619.6	13.2%
Gross service revenues	617.5	663.7	-7.0%	535.3	15.4%
Deductions – Taxes and others	(152.5)	(158.7)	-3.9%	(130.9)	16.5%
Gross handset revenues	83.8	156.3	-46.4%	84.3	-0.6%
Deductions – Taxes and others	(25.8)	(52.4)	-50.8%	(26.1)	-1.1%
Net Revenues	523.0	608.9	-14.1%	462.6	13.1%
Net service revenues	465.0	505.0	-7.9%	404.4	15.0%
Subscription and Usage	232.5	253.4	-8.2%	183.8	26.5%
Network usage	196.8	220.7	-10.8%	194.2	1.3%
Other services	35.7	30.9	15.5%	26.4	35.2%
Net handset revenues	58.0	103.9	-44.2%	58.2	-0.3%
Operating Costs	(301.7)	(403.8)	-25.3%	(268.4)	12.4%
Personnel	(37.3)	(37.6)	-0.8%	(33.6)	11.0%
Cost of services rendered	(61.4)	(39.3)	56.2%	(45.5)	34.9%
Leased lines	(7.0)	(6.2)	12.9%	(8.4)	-16.7%
Interconnection	(12.4)	(13.8)	-10.1%	(20.4)	-39.2%
Rent/Insurance/Condominium fees	(3.2)	(3.2)	0.0%	(4.3)	-25.6%
Fistel and other taxes and contributions	(26.2)	(5.1)	413.7%	(1.0)	2520.0%
Third-party services	(10.7)	(8.2)	30.5%	(8.2)	30.5%
Others	(1.9)	(2.8)	-32.1%	(3.2)	-40.6%
Cost of handsets	(92.4)	(195.9)	-52.8%	(91.8)	0.7%
Selling expenses	(92.6)	(114.6)	-19.2%	(87.3)	6.1%
Provision for bad debt	(18.0)	(19.2)	-6.3%	(16.7)	7.8%
Third-party services	(71.4)	(90.9)	-21.5%	(66.5)	7.4%
Others	(3.2)	(4.5)	-28.9%	(4.1)	-22.0%
General & administrative expenses	(19.6)	(19.2)	2.1%	(15.4)	27.3%
Other operating revenue (expenses)	1.6	2.9	-44.8%	5.2	-69.2%
EBITDA	221.3	205.1	7.9%	194.2	14.0%
Margin %	42.3%	33.7%	8.6 p.p.	42.0%	0.3 p.p.
Depreciation and Amortization	(60.3)	(58.2)	3.6%	(51.8)	16.4%
EBIT	161.0	146.9	9.6%	142.4	13.1%
Net Financial Income	23.9	11.4	109.6%	14.4	66.0%
Financial Revenues	40.6	43.5	-6.7%	34.4	18.0%
Exchange rate variation / Monetary variation	0.0	5.0	n.d.	0.0	n.d.
Other financial revenues	40.7	47.0	-13.4%	39.2	3.8%
(-) Pis/Cofins taxes on financial revenues	(0.1)	(8.5)	-98.8%	(4.8)	-97.9%
Financial Expenses	(16.7)	(32.1)	-48.0%	(20.0)	-16.5%
Exchange rate variation / Monetary variation	(4.8)	(3.2)	50.0%	(7.1)	-32.4%
Other financial expenses	(9.8)	(14.8)	-33.8%	(10.9)	-10.1%
Gains (Losses) with derivatives transactions	(2.1)	(14.1)	-85.1%	(2.0)	5.0%
Non-operating revenue/expenses	0.7	(7.0)	n.d.	(2.2)	n.d.
Taxes	(63.7)	(21.7)	193.5%	(53.2)	19.7%
Net Income	121.9	129.6	-5.9%	99.7	22.3%

