OFFERING MEMORANDUM

Pontis Ltd.

(incorporated with limited liability in the Cayman Islands)

US$325,000,000 Senior Secured Exchangeable Notes of Pontis Ltd.
mandatorily exchangeable for
US$325,000,000 6.25%/9.375% Step-Up Perpetual Notes of Globo Comunicação e Participações S.A.

GLOBO
COMUNICAÇÃO E PARTICIPAÇÕES S.A.

(incorporated in the Federative Republic of Brazil)

This offering memorandum relates to the issue of US$325,000,000 aggregate principal amount of Senior Secured Exchangeable Notes (the "SENs") of Pontis Ltd., an exempted company incorporated with limited liability in the Cayman Islands (the "SENs Issuer"). The SENs will be mandatorily exchanged for 6.25%/9.375% Step-Up Perpetual Notes (the "Amended Perpetual Notes" and, together with the SENs, the "notes") of Globo Comunicação e Participações S.A. ("Globo") on July 20, 2010 or as soon as practicable thereafter and, in any event, on or prior to July 27, 2010 (the "Mandatory Exchange"). The SENs will be secured by a pledge of the Escrow Account (as defined herein) in which the gross proceeds from the sale of the SENs will be deposited pending the purchase by the SENs Issuer of Globo's outstanding 9.375% Perpetual Notes, as described in this offering memorandum.

The SENs will not bear interest. Holders of the Amended Perpetual Notes, which will be exchanged for the SENs in the Mandatory Exchange, will be entitled to an exchange fee (the "Exchange Fee") payable by Globo upon consummation of the Mandatory Exchange. The Exchange Fee will be equal to US$15.625 per US$1,000 principal amount of Amended Perpetual Notes, plus an additional fee for each day from and including July 20, 2010 that the Mandatory Exchange is not consummated, as described in this offering memorandum. Interest on the Amended Perpetual Notes will accrue from and including July 20, 2010 at the rate of 6.25% per annum to but excluding July 20, 2015. Thereafter, interest on the Amended Perpetual Notes will accrue at the rate of 9.375% per annum. Interest on the Amended Perpetual Notes will be payable quarterly in arrears in cash on January 20, April 20, July 20 and October 20 of each year, commencing on October 20, 2010. The Amended Perpetual Notes may, at Globo's option, be redeemed at 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, (i) in whole or in part on any date on or after July 20, 2015 or (ii) in whole at any time upon the occurrence of specified events relating to Brazilian tax law, as described in this offering memorandum.

The SENs will be unsubordinated obligations of the SENs Issuer. The Amended Perpetual Notes will be unsubordinated and unsecured obligations of Globo and will rank equally in right of payment with Globo's existing and future unsubordinated debt. The Amended Perpetual Notes will be effectively subordinated to any secured debt of Globo to the extent of the value of the assets securing such debt and structurally subordinated to all debt and other liabilities of Globo's subsidiaries. Notes will be issued only in minimum denominations of US$100,000 and integral multiples of US$1,000 in excess thereof.

For a more detailed description of the SENs and the Amended Perpetual Notes, see "Description of the SENs" and "Description of the Amended Perpetual Notes."

The SENs Issuer has applied to list the SENs on the Official List of the Luxembourg Stock Exchange and to admit the SENs for trading on the Euro MTF Market of that exchange (the "Euro MTF Market"). Application has been made to list the Amended Perpetual Notes on the Official List of the Luxembourg Stock Exchange and to admit the Amended Perpetual Notes for trading on the Euro MTF Market. This offering memorandum constitutes a prospectus for the purpose of the Luxembourg law dated July 10, 2005 on Prospectuses for Securities.

See "Risk Factors" beginning on page 20 to read about important factors you should consider before investing in the notes.

Issue Price: 100%

Neither the SENs nor the Amended Perpetual Notes have been registered or will be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under any state securities laws. The SENs and the Amended Perpetual Notes may not be offered or sold within the United States to, or for the account or benefit of, any U.S. person unless the offer or sale would qualify for a registration exemption from the Securities Act and applicable state securities laws. The SENs are only being offered and sold (1) in the United States to qualified institutional buyers ("QIBs") as defined in Rule 144A under the Securities Act that are also qualified purchasers ("QPs") as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") as further described herein or (2) outside the United States to persons other than U.S. persons in compliance with Regulation S under the Securities Act. See "Notice to Investors."

The joint bookrunners and lead managers delivered the SENs to purchasers in book-entry form through The Depository Trust Company ("DTC") on April 20, 2010 (the "Issue Date"). The Amended Perpetual Notes are expected to be delivered through the Mandatory Exchange to holders of the SENs in book-entry form through DTC on July 20, 2010 or as soon as practicable thereafter and, in any event, on or prior to July 27, 2010.

Joint Bookrunners and Lead Managers

HSBC **Itaú**

The date of this offering memorandum is May 31, 2010.

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Unless otherwise indicated or the context otherwise requires, references in this offering memorandum to (i) "Globo," the "Company," "we," "our" and "us" are to Globo Comunicação e Participações S.A. and its subsidiaries, (ii) the "SENs Issuer" are to Pontis Ltd., (iii) the "SENs" are to the Senior Secured Exchangeable Notes offered by the SENs Issuer hereunder, (iv) the "Perpetual Notes" are to the outstanding US$325,000,000 9.375% Perpetual Notes issued by Globo on April 20, 2006 and (v) the "Amended Perpetual Notes" are to the 6.25%/9.375% Step-Up Perpetual Notes of Globo to be issued pursuant to the amended and restated indenture (the "Amended and Restated Indenture") described herein.

This offering memorandum has been prepared by Globo and the SENs Issuer solely for use in connection with the offering of the SENs and the Amended Perpetual Notes. Banco Itaú Europa, S.A.—London Branch and HSBC (USA) Securities Inc. (the "Initial Purchasers") will act as initial purchasers with respect to the offering of the SENs. This offering memorandum may only be used for the purposes for which it has been published. The SENs Issuer and the Initial Purchasers reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the SENs offered by this offering memorandum.

This offering memorandum does not constitute an offer to any person other than the offeree or to the public generally to subscribe for or otherwise acquire securities. Distribution of this offering memorandum to any person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorized, and any disclosure of any of its contents, without Globo's prior written consent, is prohibited. Each prospective investor, by accepting delivery of this offering memorandum, agrees to the foregoing.

This offering memorandum is intended solely for the purpose of soliciting expressions of interest in the SENs and the Amended Perpetual Notes from qualified investors and does not purport to summarize all of the terms, conditions, covenants and other provisions contained in the indenture governing the SENs (the "SENs Indenture"), the Amended and Restated Indenture, the notes and other transaction documents. The information provided is not all-inclusive and may not contain all the information that may be relevant to you.

This offering memorandum contains summaries intended to be accurate with respect to certain terms of certain documents, but reference is made to the actual documents, all of which will be made available to you upon request when available, for complete information with respect thereto, and all such summaries are qualified in their entirety by such reference.

You should rely only on the information contained in this offering memorandum. None of the SENs Issuer, Globo and the Initial Purchasers has authorized anyone to provide you with different information. The information contained in this offering memorandum is accurate only as of the date of this offering memorandum, regardless of the time of delivery of this offering memorandum or of any sale of the notes. Neither the delivery of this offering memorandum nor any sale made hereunder shall under any circumstances imply that there has been no change in the affairs of the SENs Issuer or Globo, or that the information set forth herein is correct as of any date subsequent to the date hereof.

You hereby acknowledge that (i) you have been afforded an opportunity to request from the SENs Issuer and Globo and to review, and have received, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained herein, (ii) you have had the opportunity to review all of the documents described herein, (iii) you have not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with any investigation of the accuracy of such information or the investment decision and (iv) no person has been authorized to give any information or to make any representation concerning the SENs Issuer, Globo or the notes (other than as contained herein and information given by the duly authorized officers and employees of the SENs Issuer or Globo in connection with your examination of the SENs Issuer and Globo and the terms of this offering) and, if given or made, you should not rely upon any such other information or representation as having been authorized by the SENs Issuer, Globo or the Initial Purchasers.

In making an investment decision, you must rely on your own examination of the business of the SENs Issuer and Globo and the terms of this offering, including the merits and risks involved. The SENs and the Amended Perpetual Notes have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

This offering memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any SENs and the Amended Perpetual Notes offered hereby by any person in any jurisdiction in which it is unlawful for such person to make an offer or solicitation. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering by any Initial Purchaser shall be deemed to be made by such Initial Purchasers or its relevant affiliate on behalf of the SENs Issuer or Globo in such jurisdiction.

The SENs and the Amended Perpetual Notes have not been and will not be registered under the Securities Act. The notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and this offering memorandum and in accordance with applicable state securities laws. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. Please refer to the sections in this offering memorandum entitled "Plan of Distribution" and "Notice to Investors."

The SENs and the Amended Perpetual Notes have not been, and will not be, registered with the *Comissão de Valores Mobiliários* (the Securities and Exchange Commission of Brazil or "CVM"). The notes may not be offered or sold in Brazil, except in circumstances that do not constitute a public offering or unauthorized distribution under Brazilian laws and regulations. Documents relating to the offering of the notes, as well as information contained therein, may not be supplied to the public in Brazil, nor used in connection with any offer for subscription or sale of the notes to the public in Brazil.

None of the SENs and the Amended Perpetual Notes, this offering memorandum and any other material relating to the notes will be offered, sold, distributed or otherwise made available in the Grand Duchy of Luxembourg other than in compliance with the law of 10 July 2005 on Prospectuses for Securities.

This offering memorandum is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) persons falling within Article 49(2)(a) to (d) of the Order or (iv) persons to whom this offering memorandum may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). The notes are only offered to, and no invitation, offer or agreement to subscribe, purchase or otherwise acquire the notes may be proposed or made other than with relevant persons. Any person who is not a relevant person should not act or rely on this offering memorandum or any of its contents. For a description of certain restrictions on offers and sales of the notes and the distribution of this offering memorandum in the United Kingdom, see "Plan of Distribution."

This offering memorandum is not a prospectus which has been approved by the Financial Services Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000 (the "FSMA").

No invitation may be made to the public in the Cayman Islands to subscribe for the SENs unless at the time of invitation the SENs Issuer is listed on the Cayman Islands Stock Exchange.

In connection with the issue of the SENs, Itau USA Securities Inc., as stabilization manager, or the persons acting on its behalf, may over-allot SENs or effect transactions with a view to supporting the market price of the SENs at a level higher than that which might otherwise prevail. However, the SENs Issuer cannot assure you that the stabilization manager or the persons acting on its behalf will undertake any stabilization. Any stabilization may begin on or after the date on which adequate public disclosure of the final terms of the offer of the SENs is made and, if begun, may be ended at any time, but must end no later than the earlier of 30 days after the the Issue Date of the SENs and 60 days after the date of the allotment of the SENs. Any stabilization or over-allotment must be conducted by the relevant stabilization manager in accordance with applicable laws and rules.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1955, AS AMENDED, WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE

SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

See "Risk Factors" in this offering memorandum for a description of certain factors relating to an investment in the notes, including information about the business of Globo and the SENs Issuer. None of the SENs Issuer, Globo, the Initial Purchasers or any of their respective representatives is making any representation to you regarding the legality of an investment by you under applicable legal investment or similar laws. You should consult with your own advisors as to legal, tax, business, financial and related aspects of a purchase of the notes.

THE SENS ISSUER AND GLOBO HEREBY INFORM YOU THAT THE DESCRIPTION SET FORTH HEREIN WITH RESPECT TO U.S. FEDERAL TAX ISSUES WAS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE U.S. INTERNAL REVENUE CODE. SUCH DESCRIPTION WAS WRITTEN TO SUPPORT THE MARKETING OF THE NOTES. THIS DESCRIPTION IS LIMITED TO THE U.S. FEDERAL TAX ISSUES DESCRIBED HEREIN. IT IS POSSIBLE THAT ADDITIONAL ISSUES MAY EXIST THAT COULD AFFECT THE U.S. FEDERAL TAX TREATMENT OF THE NOTES, OR THE MATTER THAT IS THE SUBJECT OF THE DESCRIPTION NOTED HEREIN, AND THIS DESCRIPTION DOES NOT CONSIDER OR PROVIDE ANY CONCLUSIONS WITH RESPECT TO ANY SUCH ADDITIONAL ISSUES. TAXPAYERS SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The SENs and the Amended Perpetual Notes will be available only in registered book-entry form. The notes will be issued in the form of one or more registered Global Notes (as defined herein). The Global Notes will be deposited with, or on behalf of, DTC, and registered in its name or in the name of Cede & Co., its nominee. Beneficial interests in the Global Notes will be shown on, and transfers of beneficial interests in the Global Notes will be effected through, records maintained by DTC and its participants, including Euroclear Bank S.A./N.V., as the operator of the Euroclear System ("Euroclear") and Clearstream Luxembourg, société anonyme ("Clearstream"). See "Form of Notes."

The Amended Perpetual Notes will not constitute new debt under Brazilian law and therefore no novation has or will have occurred.

The SENs were delivered against payment for the SENs on April 20, 2010. The Amended Perpetual Notes are expected to be delivered through the Mandatory Exchange to holders of the SENs in book-entry form through DTC on July 20, 2010 or as soon as practicable thereafter and, in any event, on or prior to July 27, 2010.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This offering memorandum contains statements that constitute forward-looking statements, many of which can be identified by the use of forward-looking words such as "anticipate," "believe," "could," "expect," "should," "plan," "intend," "estimate" and "potential," among others. These statements appear in a number of places in this offering memorandum and include, but are not limited to, statements regarding Globo's intent, belief or current expectations with respect to:

- Globo's direction and future operations;
- the implementation of Globo's operating strategies;
- Globo's plans with respect to acquisitions, joint ventures, strategic alliances or divestitures;
- the implementation of Globo's financing strategy and capital expenditure plans;
- the competitive nature of the industries in which Globo operates;
- the cost and availability of financing;
- the performance of the Brazilian economy generally;
- the exchange rates between Brazilian and foreign currencies;
- developments in, or changes to, the laws, regulations and governmental policies governing Globo's business, including environmental liabilities;
- other factors or trends affecting Globo's financial condition or results of operations; and
- other statements contained in this offering memorandum regarding matters that are not historical facts.

Forward-looking statements are only Globo's current expectations and are based on Globo's beliefs and assumptions and on information currently available to Globo's management. Forward-looking statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements as a result of various factors, including, but not limited to, those identified under the section entitled "Risk Factors" in this offering memorandum. These risks and uncertainties include:

- the cyclical nature of the advertising market;
- competition from cable, satellite television and other broadcasting providers and media companies;
- vulnerability to general adverse economic and media industry conditions and to the depreciation of the real because a substantial portion of our revenues are booked in reais whereas a significant portion of our debt payment obligations are denominated in U.S. dollars;
- our ability to maintain government licenses;
- regulatory changes that could negatively impact our business;
- competition between our subsidiaries involved in competing media businesses and overlap of services;
- non-renewal of or adverse developments with respect to our agreements with affiliated television stations;
- our dependence on our agreements with affiliated stations;
- disruption or failure of network or information systems or other technology;
- threats from new technologies leading to increased competition, costs and higher than expected capital expenditures;
- unfavorable outcomes in existing or future legal proceedings against us;

- our ability to negotiate on favorable terms talent, programming and joint venture agreements;
- terms of related-party transactions that may be unfavorable to Globo or its subsidiaries;
- decisions by our controlling shareholders that may conflict with the interests of holders of the notes;
- payment of dividends by us when our financial condition would not otherwise allow such a payment;
- our ability to generate sufficient cash flows from business operations to fund our debt and fund our other liquidity requirements;
- legal requirements to fund obligations of our subsidiaries;
- the loss of key members of Globo's management team;
- challenges to our intellectual property rights;
- our ability to integrate new acquisitions to our existing business, and liabilities arising from these acquisitions; and
- changes in Brazilian tax laws or laws or regulations affecting our industry.

Forward-looking statements speak only as of the date they are made, and Globo does not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

MARKET DATA

Unless otherwise specified, information regarding "television households" in a specified area are projections based on *Pesquisa Nacional de Amostra em Domicilios (PNAD 2008)* figures compiled by the *Instituto Brasileiro de Geografia e Estatística* ("IBGE"), a Brazilian government-owned research organization. There can be no assurance that the number of "television households" in a specified area has not increased (or decreased) by a higher (or lower) rate than that estimated by IBGE in the PNAD 2008. Information regarding Brazil's GDP is based on the method of calculating GDP published by IBGE, which includes data from annual economic and household research and tax information regarding individuals, among other things, in calculating GDP.

Information regarding market share, which is expressed as a percentage of total television advertising revenues in a specified geographic area earned by a specified television broadcaster, is based on information provided by *Projeto Intermeios*, a project set up by Brazilian media companies pursuant to which those media groups provide information to PricewaterhouseCoopers International for compilation and analysis. Information regarding advertising expenditures is also provided by *Projeto Intermeios*.

Information regarding (i) audience share, which is expressed as a percentage of Brazilian "television households" in a specified area whose televisions are turned on and who are watching a particular station during the time of a broadcast divided by the total number of households with a television set turned on, and (ii) audience ratings, which represent the number of households with a television set turned on a specific channel during the time of broadcast divided by the total households with at least one television set, regardless of whether it is turned on or off, are each based on information provided daily by the *Instituto Brasileiro de Opinião Pública e Estatística* ("IBOPE"), an independent research organization.

Data concerning pay-television subscribers per operator and market share in Brazil as of December 31, 2009 are based on Pay-TV Survey No. 157 ("PTS 157") published in March 2010 and also on information Globo receives due to Globo's holdings in Net Serviços de Comunicação S.A. ("Net Serviços") and Sky Brasil Serviços Ltda. ("Sky Brasil"). While the management of Globo believes that these estimates are reasonable, no assurance can be given as to the accuracy of these estimates.

Data concerning pay-television subscribers per channel are based on Pay-TV Survey No. 155 ("PTS 155") published in January 2010.

ENFORCEMENT OF CIVIL LIABILITIES

SENs Issuer

The SENs Issuer is a company with limited liability incorporated under the laws of the Cayman Islands. As a result, it may not be possible for investors to effect service of process upon the SENs Issuer within the United States or to enforce against the SENs Issuer in United States courts judgments predicated upon the civil liability provisions of the securities laws of the United States. The SENs Issuer has been informed by Walkers, its legal advisor in the Cayman Islands, that the United States and the Cayman Islands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters and that a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon United States securities laws, would, therefore, not be automatically enforceable in the Cayman Islands and there is doubt as to the enforceability in the Cayman Islands, in original actions or in actions for the enforcement of judgments of the United States courts, of liabilities predicated solely upon United States securities laws. The SENs Issuer will appoint Corporation Service Company, 1180 Avenue of the Americas, Suite 210, New York, New York 10036-8401, as its agent for service of process.

Globo

Globo is incorporated under the laws of Brazil. All of Globo's executive officers named in this offering memorandum reside in Brazil. Substantially all of Globo's assets and those of its executive officers are located in Brazil. As a result, it may not be possible for you to effect service of process upon Globo or its executive officers in jurisdictions outside Brazil or to enforce against Globo or its executive officers judgments obtained in jurisdictions outside Brazil.

Globo has been advised by its Brazilian counsel, Pinheiro Guimarães Advogados, that, subject to specific requirements described below, a final conclusive judgment for payment of a determined sum of money rendered by any court sitting in a jurisdiction outside Brazil in respect of the notes would be recognized in the courts of Brazil (to the extent that Brazilian courts may have jurisdiction) and such courts would enforce such judgment without any retrial or reexamination of the merits of the original action only if such judgment has been previously ratified by the Superior Court of Justice of Brazil (*Superior Tribunal de Justiça* or, the "Superior Tribunal of Justice"), such ratification being available only if the judgment:

- fulfills all formalities required for its enforceability under the laws of the jurisdiction where the judgment was entered;
- is issued by a competent court after proper service of process on the parties, which service must comply with Brazilian law if made in Brazil;
- is not subject to appeal (res judicata);
- is authenticated by the Brazilian consulate with jurisdiction over the location of the court which issued the judgment;
- is translated into Portuguese by a sworn translator; and
- is not against Brazilian public policy, good morals or national sovereignty.

Notwithstanding the foregoing, no assurance can be given that such ratification would be obtained, that the process described above could be conducted in a timely manner or that a Brazilian court would enforce a monetary judgment for violation of the securities laws or other laws of any jurisdiction outside Brazil with respect to the notes.

Globo has also been advised that:

- civil actions may be brought before Brazilian courts based on the substantive laws of other countries other than Brazil provided that Globo has expressly agreed to be subject to such foreign laws and that, subject to applicable law, Brazilian courts may enforce such liabilities in such actions against Globo (provided that the provisions of the law in question do not contravene Brazilian public policy, good morals or national sovereignty and provided further that Brazilian courts can assert jurisdiction over the particular action); and
- the ability of a judgment creditor to satisfy a judgment by attaching certain assets of the defendant is limited by provisions of Brazilian law.

In addition, a plaintiff, whether Brazilian or non-Brazilian, who resides outside Brazil or is outside Brazil during the course of litigation in Brazil and who does not own real property in Brazil, must grant a bond to guarantee the payment of the defendant's legal fees and court expenses in connection with court procedures for the collection of payments under the notes, except in the case of certain enforcement actions or counterclaims as established under Article 836 of the Brazilian Code of Civil Procedure.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Currency

All references in this offering memorandum to the "*real*," "*reais*" or "R$" are to the Brazilian *real*, the legal currency of the Federative Republic of Brazil. All references to "U.S. dollars," "dollars" or "US$" are to the legal currency of the United States of America (the "U.S.").

On May 31, 2010, the exchange rate of *reais* into U.S. dollars was R$1.8167 to US$1.00, based on the selling rate as reported by the Central Bank of Brazil (the "Central Bank"). The selling rate was R$1.7412 to US$1.00 as of December 31, 2009; R$2.3370 to US$1.00 as of December 31, 2008; R$1.7713 to US$1.00 as of December 31, 2007; and R$2.1380 to US$1.00 as of December 31, 2006. Due to fluctuations in the *real*-dollar exchange rate, the exchange rate as of March 31, 2010 may not be indicative of current or future exchange rates. See "Exchange Rates" for information regarding recent exchange rates for Brazilian currency.

Solely for the convenience of the reader, Globo has translated some amounts included in "Summary," "Consolidated Capitalization of Globo," "Business of Globo" and elsewhere in this offering memorandum from *reais* into U.S. dollars using the selling rate as reported by the Central Bank as of December 31, 2009 of R$1.7412 to US$1.00. These translations should not be considered representations that any such amounts have been, could have been or could be converted into U.S. dollars at that or at any other exchange rate or as of that or any other date.

Financial Statements

Globo maintains its books and records in *reais*.

Globo prepares its consolidated financial statements in accordance with accounting practices adopted in Brazil ("Brazilian GAAP"). Brazilian GAAP varies in significant respects from accounting principles generally accepted in the United States ("U.S. GAAP"). For a discussion of the significant differences as they relate to Globo's financial statements, see "Annex A—Principal Differences Between Brazilian GAAP and U.S. GAAP."

This offering memorandum contains audited consolidated financial statements of Globo as of and for the years ended December 31, 2009, 2008 and 2007.

The audited consolidated financial statements of Globo as of and for the years ended December 31, 2009, 2008 and 2007 contained in this offering memorandum have been audited by Ernst & Young Auditores Independentes S.S. ("Ernst & Young"), as stated in their reports to these financial statements included in this offering memorandum.

On January 1, 2008, certain changes were introduced to the accounting practices adopted in Brazil. Globo's financial statements as of and for the year ended December 31, 2007, presented in conjunction with Globo's financial statements as of and for the year ended December 31, 2008, were prepared in accordance with the accounting practices adopted in Brazil effective on December 31, 2007 and, as allowed by Technical Pronouncement—CPC 13—First Time Adoption of Law 11638/07 and Law 11941/09, were not restated for comparative purposes, except for certain balance sheet and income statement reclassifications described below. As a result, our financial statements as of and for the year ended December 31, 2007 may not be directly comparable to our financial statements as of and for the years ended December 31, 2009 and 2008.

Law 11638/07 and Law 11941/09 eliminated deferred assets accounts but CPC 13 permitted companies to maintain these balances until their full amortization (subject to annual impairment analysis). Globo did not make use of this exemption and wrote off its outstanding deferred assets balance of R$2.4 million against retained earnings on January 1, 2008. In addition, on a consolidated basis, R$18.3 million of deferred assets were reclassified as fixed assets on Globo's consolidated balance sheet as of December 31, 2008. Moreover, other accounting changes were adopted throughout 2008, including the elimination of non-operating income (expense) and its reclassification as operating income (expense) under "gain (loss) on sale of property, plant and equipment and intangible" and "investment results." For comparative purposes, these reclassifications were also made on Globo's consolidated balance sheet and income statement as of and for the year ended December 31, 2007 included with Globo's audited consolidated financial statements as of and for the years ended December 31, 2008 and 2007. See note 2 to Globo's financial statements as of and for the years ended December 31, 2008 and 2007 for other exemptions provided by CPC 13 and other changes to the accounting practices adopted in Brazil applicable to Globo's financial statements as of and for the year ended December 31, 2008.

Recent Accounting Changes

Since January 2008, the Brazilian Accounting Pronouncements Committee (the "CPC") has issued accounting standards that modify Brazilian GAAP in order to align it more closely with International Financial Reporting Standards ("IFRS"). Globo has applied all new standards in effect prior to December, 31, 2009 in its financial statements as of and for the years ended December 31, 2009 and 2008. Additionally, during 2009 the CPC issued several technical pronouncements and interpretations that took effect as of January 1, 2010.

Globo's management continues to assess all new CPC standards. Based on its preliminary analysis, Globo's management believes that such standards will not have a significant impact on its financial statements as of and for the year ended December 31, 2010, including the information as of and for the year ended December 31, 2009 that will be presented therein for comparative purposes. Regarding the new standards that will be issued by CPC, there can be no assurance, however, that, when Globo presents its financial statements as of and for the year ending December 31, 2010, such financial statements will not include significant changes from Globo's financial statements as of and for prior periods.

Fiscal Year

Globo's fiscal year ends on December 31. References in this offering memorandum to a fiscal year, such as "fiscal year 2009," relate to the fiscal year ended on December 31 of that calendar year.

Rounding

Globo has made rounding adjustments to reach some of the figures included in this offering memorandum. Accordingly, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that precede them.

EXCHANGE RATES

All foreign exchange transactions in Brazil are carried out on a single foreign exchange market through authorized financial institutions. Foreign exchange rates are freely negotiated, but may be influenced from time to time by intervention in the market by the Central Bank. Globo cannot predict the impact of Central Bank intervention and new regulations on the foreign exchange market.

From its introduction on July 1, 1994 through March 1995, the *real* appreciated against the U.S. dollar. From March 1995 through January 1999, the Central Bank allowed the gradual depreciation of the *real* against the U.S. dollar. In January 1999, the Central Bank allowed the *real*/U.S. dollar exchange rate to float freely. Since then, the *real*/U.S. dollar exchange rate has been established mainly by the Brazilian interbank market and has fluctuated considerably.

From December 31, 2000 through December 31, 2002, the *real* depreciated by 80.6% against the U.S. dollar. Since taking office in January 2003, President Luis Inácio Lula da Silva's economic measures have caused a reduction in volatility and an improvement in market conditions. From December 31, 2002 through December 31, 2007, the *real* appreciated by 49.9% against the U.S. dollar and in 2008, the *real* depreciated by 31.9% against the U.S. dollar. In 2009 the *real* appreciated 25.5% against the U.S. dollar.

In the past, the Central Bank has intervened occasionally to control unstable movements in foreign exchange rates. Globo cannot predict whether the Central Bank or the Brazilian government will continue to allow the *real* to float freely or will intervene in the exchange rate market through a currency band system or otherwise, or that the exchange market will not be volatile as a result of political or economic instability or other factors. Globo also cannot predict whether the *real* will depreciate or appreciate in value in relation to the U.S. dollar in the future or evaluate what impact the Brazilian government's exchange rate policies may have on Globo.

The following tables show the selling rate for dollars as disclosed by the Central Bank for the periods and dates indicated. On May 31, 2010, the selling rate published by the Central Bank was R$1.8167 0 to US$1.00.

Period	**Low**	**High**	**Average**	**Period End**
	(*reais* per US$1.00)			
Year ended December 31				
2005	2.1633	2.7621	2.4125	2.3407
2006	2.0586	2.3711	2.1762	2.1380
2007	1.7325	2.1556	1.9300	1.7713
2008	1.5593	2.5004	1.8335	2.3370
2009	1.7024	2.4218	1.9906	1.7412
2010 (through May 31, 2010)	1.7227	1.8811	1.8028	1.8167

* "Average" represents the average of the exchange rates on the last day of each month in the period.
Source: Central Bank.

Month Ended	**Low**	**High**	**Month-End**
	(*reais* per US$1.00)		
December 2009	1.7096	1.7879	1.7412
January 2010	1.7227	1.8748	1.8748
February 2010	1.8046	1.8773	1.8110
March 2010	1.7637	1.8231	1.7810
April 2010	1.7306	1.7701	1.7306
May 2010	1.7315	1.8811	1.8167

Source: Central Bank.

SUMMARY

This summary highlights information contained elsewhere in this offering memorandum. This summary may not contain all the information that may be important to you. You should read this entire offering memorandum carefully, including "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations of Globo" and the consolidated financial statements of Globo and the notes to those financial statements, included elsewhere in this offering memorandum, before deciding to invest in the notes.

Globo

Globo is the leading media group in Brazil. Globo controls, among other businesses, the leading broadcast television network in Brazil, the leading pay-television programmer in Brazil, as well as internet content and service provider, sound recording and magazine publishing companies. Globo also controls the leading Brazilian cable television operator and holds an interest in the leading Brazilian satellite direct-to-home ("DTH") television distributor. Globo is indirectly owned by and is under the leadership of Roberto Irineu Marinho, João Roberto Marinho and José Roberto Marinho (the "Marinho family"), whose interests in Brazilian broadcast television date back to 1965 when TV Globo Ltda. ("TV Globo") began broadcasting from Rio de Janeiro under the leadership of Mr. Roberto Marinho.

For the years ended December 31, 2009 and 2008, Globo had net operating revenues of R$8,385.8 million and R$7,601.5 million, respectively, gross profit of R$3,447.2 million and R$3,499.0 million, respectively, net income of R$1,904.2 million and R496.7 million, respectively, and Adjusted EBITDA of R$1,527.3 million and R$1,702.6 million, respectively. See footnote (3) under "Summary Historical Consolidated Financial Information of Globo" for a definition of Adjusted EBITDA as well as a reconciliation of Adjusted EBITDA to net income.

Organizações Globo

Globo is part of Organizações Globo, a diversified media group that also includes a portfolio of newspapers and a radio network in Brazil. Organizações Globo is also controlled by the Marinho family, which traces its holdings in these companies to the establishment in 1925 of "O Globo," one of Brazil's leading daily newspapers, by Mr. Irineu Marinho, Mr. Roberto Marinho's father.

Globo's Business

Globo's principal lines of business are:

- **Television**. Total television revenues represented 91.4% of Globo's net operating revenues on a consolidated basis in 2009. Advertising revenues comprised 73.0% of Globo's net operating revenues on a consolidated basis in 2009, with a substantial majority of Globo's advertising revenues derived from television advertising revenues.

    - **Broadcast television**. The Globo Network (Rede Globo, or the "Globo Network") comprises five television stations owned by Globo in Rio de Janeiro, São Paulo, Recife, Brasília and Belo Horizonte, as well as 117 independent affiliated television stations that broadcast the Globo channel throughout Brazil. As of December 31, 2009, the Globo Network covered more than 99% of the estimated 54.8 million television households in Brazil. The Globo Network's broadcast programming includes news and sports programs, *telenovelas* (soap operas), mini-series, children's programs, films licensed by Globo from international distributors, variety shows, and educational and public service programs. Globo produced approximately 83% of the prime-time programming and approximately 77% of all programming it broadcasted as of December 31, 2009. The majority of Globo's entertainment production occurs at Projac in Rio de Janeiro, one of the most modern entertainment content production centers in the world, covering approximately 1.65 million square meters. News programs are produced in other facilities in Rio de Janeiro and São Paulo.

- **Pay-television programming**. Globo's content and programming revenues represented 17.2% of Globo's net operating revenues on a consolidated basis as of December 31, 2009. Globosat Programadora Ltda. ("Globosat"), a subsidiary of Globo, is the leading provider of pay-television programming for cable multiple system operators ("MSOs") and satellite television distributors in Brazil. Globosat is the most important source of Globo's content and programming revenues. Globosat's portfolio of channels is the most diverse of any television programmer operating in Brazil and includes more than twenty 24-hour pay-television channels for the Brazilian market, including eight of the top twenty channels in Brazil based on prime time audience share in 2009. Globosat's portfolio of channels covers all major television content categories from news and sports to movies, documentaries and entertainment. Globosat's programming offering includes popular television content (including pay-per-view programs) produced by Globo as well as content licensed from third parties. Globo also owns 50% of Telecine Programação de Filmes Ltda. ("Telecine"), a joint-venture with Paramount, Metro Goldwyn Mayer, Universal and Twentieth Century Fox studios, which produces eight movie channels that are part of Globosat's portfolio. Globosat provides, pursuant to long-term agreements, programming to Net Serviços, the leading cable television distributor in Brazil, and to Sky Brasil, the leading satellite DTH television distributor. Globosat also owns 50% of USA Brasil Programadora Ltda. ("USA Brasil"), a joint-venture with Universal Studios, Networks Brazil and Canal Brazil S.A. ("Canal Brazil"), a joint-venture with several Brazilian movie producers. Globosat owns 60% of PB Brasil Entretenimento S.A. ("PB Brasil"), a joint venture with Claxson Interactive Group Inc. and Playboy Entertainment Group Inc. to develop and distribute adult content in Brazil.

- **Pay-television distribution and operation**. Globo controls Net Serviços, Brazil's largest cable MSO providing pay-television services based on the number of subscribers and homes covered, and holds an interest in Sky Brasil, the leading satellite distributor of DTH pay-television services in Brazil.[1] Net Serviços is also a leading provider of high-speed cable modem internet access in Brazil through its Vírtua service. Net Serviços also provides voice services in conjunction with Empresa Brasileira de Telecomunicações S.A. ("Embratel"). Sky Brasil provides more than 131 channels of digital television programming, 20 channels in high-definition and 46 channels of CD-quality audio programming. Globo has Telmex Internacional, S.A.B. de C.V. ("Telmex Internacional") as a partner in Net Serviços and several DirecTV entities as partners in Sky Brasil.

- **Internet**. Each of Globo's business uses the internet to enhance its users' experience. Globo's internet strategy is focused on three areas of content: news, sports and entertainment. Globo.com, a division of Globo, is responsible for uniting and organizing the content produced by the different businesses on the portal's homepage, and also for providing web-related technology services to the different businesses and affiliates of Globo. In addition, Globo.com is a provider of broadband and narrowband internet access to end-users.

- **Publishing**. Editora Globo S.A. ("Editora Globo"), the publishing arm of Globo, is one of the largest magazine publishers in Brazil in terms of circulation and advertising revenues. Editora Globo's titles include Época, the second largest newsweekly in Brazil with an average weekly circulation of 413,395 in 2009, as well as Quem, a weekly celebrity title in Brazil, and Marie Claire, a premier women's interest title.

- **Sound recording**. Globo's music subsidiaries produce, promote and sell soundtracks connected to Globo's *telenovelas* and other programs.

[1] According to PTS 157, the market share of Net Serviços and Sky Brasil are 50% and 25%, respectively.

Globo's consolidated net operating revenues by business nature are as follows, in millions of *reais*:

	Year ended December 31,		
	2009	2008	2007
Advertising	R $6,120.0	R $5,755.2	R $5,088.5
Content/Programming	1,442.6	1,122.0	863.8
Other	504.9	471.1	540.7
Net Serviços (1)	318.3	253.2	173.6
Total	**R $8,385.8**	**R $7,601.5**	**R$6,666.6**

(1) Net Serviços is proportionally consolidated based on Globo's ownership interest.

As set out above, "Advertising" includes all advertising revenues, such as broadcast television, pay television, internet, publishing and other. "Content/Programming" includes all revenues related to content and programming, such as pay-television programming, sales of television programming abroad, internet (content and internet service provider), sports rights for broadcast television and other. "Other" includes all revenues not classified above, such as services, subscriptions from the publishing business and others. Until the disposition of Globo's printing business in March 2008, "Other" included revenues from such printing business.

Market Overview

Brazil is one of the largest advertising markets in the world. In 2009, Brazilian media advertising expenditures were R$22.3 billion, which represents an increase of 4.0% compared to 2008. In 2008, media advertising expenditures in Brazil were approximately R$21.4 billion. Advertising expenditures in Brazil as a percentage of Brazilian GDP were 0.7% for each of December 31, 2009 and 2008.

Television (including broadcast and pay-TV) is the largest advertising medium in Brazil, generating more advertising revenue than all other types of media combined. In 2009, the total television advertising share was R$14.4 billion, or 64% of total media advertising revenues. In 2008, total television advertising revenues accounted for R$13.4 billion, or 63% of total media advertising revenues in Brazil.

Brazil is the largest television market in Latin America, with approximately 54.8 million television households and 180 million individuals in these households as of December 31, 2009. Broadcast television reaches 99% of Brazil's 5,565 cities. Television viewing is an important leisure activity in Brazil. The average Brazilian television household spent approximately five hours per day watching television in 2009.

Globo relies heavily upon advertising revenues, and therefore seeks to maximize its audience share and ratings. Globo has been the audience share leader for most programming segments and for most periods of the day since the early 1970s.

With respect to the Brazilian pay-television market, as of September 2009, there were approximately 7.0 million pay-television (cable, satellite and DTH) subscribers, of which approximately 5.6 million or 80% were reached by Globosat's channels.

Globo's Strengths

The following strengths distinguish Globo from its competitors:

- **Premier media brand with Brazilian audiences and advertisers**. The Globo brand has been one of the most powerful brands in Brazil and in Latin America among both consumers and advertisers for over four decades since the first TV Globo station began broadcasting in Rio de Janeiro in 1965.

- **Unparalleled reach to target Brazilian audiences**. Globo's programs are among the leading television programs in Brazil in terms of ratings and audience share. For the year ended December 31, 2009, TV Globo had a national average prime time audience share of 51% and an overall average national audience share of 46%, in each case more than double that of its closest competitor. Globo's leadership across periods of time during the day (morning, prime time) and programming segments (sports, news, telenovelas) provides advertisers with an unparalleled opportunity to reach a large number of target audiences. Globo's distribution capabilities, through its 117 independent affiliated stations throughout Brazil that broadcast the Globo channel and through the portfolio of channels it produces and distributes to pay-telvision and other platforms, allows Globo to reach diverse Brazilian audiences.

- **Content that is deeply attuned to Brazilian culture and values**. Globo creates audiovisual content that values Brazilian culture and is tailored to the interests and tastes of the Brazilian public, based on intensive use of surveys and expert studies. Globo continuously innovates with respect to its audiovisual content and program formats to remain in step with changing viewer media consumption habits and preferences in Brazil.

- **Largest and most diversified program offering and media content library in Brazil**. Globo maintains the most complete and leading programming schedule in Brazil, both for the Globo Network and, through Globosat, for pay-television distributors. Globo consistently provides high-quality coverage of the most important live sports and entertainment events in Brazil and of interest to Brazilian viewers outside of Brazil. In addition, Globo has one of the most extensive portfolios of film rights in Brazil.

- **Highest creative quality and production values**. Globo has been able to attract and retain many of the most talented and innovative authors, directors and artists in Brazil. In addition, Globo is able to maintain high standards for content quality and production value on the Globo Network by producing most of its content in-house. Globo's production facilities in Rio de Janeiro and São Paulo are the largest in Brazil and among the largest in the world and they leverage proprietary audiovisual production systems and cutting-edge technology to create premier quality audiovisual content.

- **Market leadership in news and sports coverage**. Globo operates a powerful news gathering organization in Brazil, with more than 4,870 news gathering and production professionals. Globo broadcasts "*Jornal Nacional*", the top-rated news program in Brazil with an average audience share of 55% in 2009. The smallest audience for any of Globo's news programs is greater than that of any competitor's highest rated news program. In addition, Globo provides coverage of all major sporting events of interest to Brazilian audiences, including the FIFA World Cup, the 2016 Olympic Games and the Brazilian Soccer Championship.

Globo's Strategy

The Globo brand is one of the most recognized brands in Brazil and Latin America. To maintain its strong brand and leadership in its markets, the principal components of Globo's strategy include:

- **Maintain Globo's position as the leading producer of audiovisual content in Brazil**. Globo's intention is to continue to produce award-winning and highly rated audiovisual content that responds to the values, preferences and media consumption habits of Brazilian audiences. Globo plans to continue to build strong relationships with emerging and established artistic and creative talents and to continue to incorporate emerging production technologies into Globo's production processes to sustain quality and to drive further innovation in Globo's content and program formats.

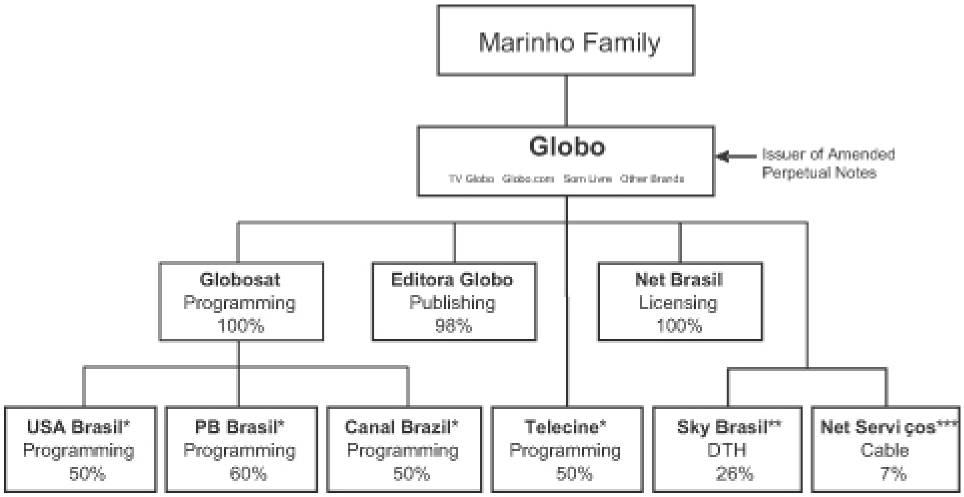
- **Continue to develop the most complete and efficient programming schedule in the Brazilian market**. Globo intends to build on the success of its programs across premium genres, including drama, news, sports and films. Globo also intends to leverage its horizontal programming strategy that provides top quality content at the same time of day on most days. Globo believes that its horizontal programming strategy will continue to drive high viewer loyalty and consistently strong ratings.

- **Deepen strong relationships with advertisers**. Globo intends to strengthen its relationship with advertisers as a leading provider of access to Brazilian consumers through innovative advertising formats and a diversified portfolio of high quality audiovisual content backed by the strong Globo brand. For example, in recent years, Globo was able to increase its up-front sales of advertising on the Globo Network, creating a relationship with these advertising partners that extends over the course of the year.

- **Increase cross-platform integration and interactivity to leverage Globo's content on existing and emerging platforms**. Globo intends to leverage its existing content and to create new content and formats tailored to the internet, wireless telephones, mobile devices and other emerging platforms by focusing on increasing audience interactivity and developing an array of digital products to respond to evolving consumer media consumption habits and preferences.

Globo's Organization

The following chart is a simplified overview of the direct and indirect ownership structure of Globo and its principal subsidiaries as of December 31, 2009. Ownership percentages have been rounded.



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* Globo's partners in these joint ventures are as follows:
USA Brasil—NBC Universal (50%);
PB Brasil—Playboy TV Latin America (40%)
Canal Brazil—GCB Empreendimentos Participações (50%);
Telecine—Paramount (12.5%), Metro Goldwyn Mayer (12.5%), NBC Universal (12.5%) and Twentieth Century Fox (12.5%).

** Sky Brasil—Globo indirectly owns 16% of Sky Brasil through its subsidiary Distel Holding S.A.

*** Globo directly or indirectly controls 51% of the voting shares of Net Serviços through its subsidiaries GB Empreendimentos e Participações S.A. and Distel Holding S.A.

Globo is headquartered in Rio de Janeiro, Brazil, and its registered office is located in Rio de Janeiro, at Rua Lopes Quintas 303. The address of its corporate offices is Avenida Afrânio de Melo Franco 135, postal code 22430-060, Rio de Janeiro, Brazil. The main telephone number for Globo's Investor Relations department is (55) (21) 2540 4444. Globo is a closely held corporation (*sociedade anônima*) and was incorporated on May 6, 1982 in accordance with Brazilian law.

The SENs Issuer

The SENs Issuer was incorporated as an exempted company with limited liability on March 26, 2010 under the laws of the Cayman Islands for an indefinite period. The SENs Issuer's authorized share capital is US$250, divided into 250 ordinary shares of US$1.00 each, 250 of which have been issued. The issued shares (the "Shares") are fully paid and are held by Walkers SPV Limited as share trustee (the "Share Trustee") under the terms of a declaration of trust (the "Declaration of Trust"), dated April 6, 2010, under which the Share Trustee holds the Shares on trust ultimately for charitable purposes and, until the Termination Date (as defined herein), may only dispose or otherwise deal with the Shares with the approval of the SENs Trustee (as defined herein) for so long as there are SENs outstanding. Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has power with the consent of the SENs Trustee to confer benefit upon the holders of the SENs or qualified charities (as defined in the Declaration of Trust). No distribution will be made while any SENs is outstanding. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares.

According to the Memorandum and Articles of Association of the SENs Issuer, the purposes for which the SENs Issuer has been established are unrestricted. However, as long as the SENs remain outstanding, the SENs Indenture will limit the SENs Issuer's business activities. See "Description of the SENs—Covenants." The SENs Issuer has no independent operations and will have no material assets other than the gross proceeds from the sale of the SENs in this offering. Globo has transferred to the SENs Issuer the option to purchase all of the outstanding Perpetual Notes on July 20, 2010 at a price equal to 100% of their principal amount, and the SENs Issuer has agreed to purchase the outstanding Perpetual Notes on July 20, 2010, all in accordance with the provisions of the indenture governing the Perpetual Notes (the "Perpetual Notes Indenture"). Pending the purchase of the Perpetual Notes as described herein, the SENs Issuer will deposit the gross proceeds from the sale of the SENs in an escrow account (the "Escrow Account") pursuant to an escrow agreement (the "Escrow Agreement") between the SENs Issuer and The Bank of New York Mellon, as SENs escrow agent (the "SENs Escrow Agent"). The SENs Escrow Agent will invest the gross proceeds in Eligible Investments (see "Use of Proceeds"). The SENs will be secured by a pledge of the Escrow Account in which the gross proceeds from the sale of the SENs will be deposited pending the purchase by the SENs Issuer of Globo's outstanding Perpetual Notes, as described in this offering memorandum. For additional information on the SENs Issuer, see "Description of the SENs Issuer."

SUMMARY OF THE SENS

The summary below describes the principal terms of the SENs. See "Description of the SENs" in this offering memorandum for a more detailed description of the terms and conditions of the SENs.

SENs Issuer	Pontis Ltd. (the "SENs Issuer").
Notes offered	US$325,000,000 aggregate principal amount of Senior Secured Exchangeable Notes of the SENs Issuer to be mandatorily exchanged for the Amended Perpetual Notes on July 20, 2010 or as soon as practicable thereafter and, in any event, on or prior to July 27, 2010 (the "Mandatory Exchange").
Issue price	100%.
Issue date	The SENs were issued on April 20, 2010.
Maturity	The SENs have no fixed final maturity date. If the Mandatory Exchange is not consummated on or prior to July 27, 2010 for any reason, this will constitute an event of default under the SENs Indenture, and the sole remedy available to the holders of the SENs will be an action to cause the delivery of the Amended Perpetual Notes as described under "—Events of Default." If the Perpetual Notes are not purchased by the SENs Issuer on July 20, 2010, the SENs Issuer will be required to repay the SENs on the immediately following business day for their aggregate principal amount plus interest earned on the investment of the gross proceeds of the SENs through and including such date. See "Description of the SENs—Mandatory Exchange."
Interest	The SENs will not bear interest. Holders of the Amended Perpetual Notes will be entitled to an Exchange Fee (as defined below) payable by Globo upon consummation of the Mandatory Exchange. See "Description of the Amended Perpetual Notes—Exchange Fee."
Use of proceeds and purchase and amendment of Perpetual Notes	Globo has transferred to the SENs Issuer the option to purchase all of the outstanding Perpetual Notes on July 20, 2010 at a price equal to 100% of their principal amount, and the SENs Issuer has agreed to purchase the outstanding Perpetual Notes on July 20, 2010, all in accordance with the terms of the indenture governing the Perpetual Notes (the "Perpetual Notes Indenture"). Pending the purchase of the Perpetual Notes, the SENs Issuer will deposit the gross proceeds from the sale of the SENs in the Escrow Account pursuant to an escrow agreement (the "Escrow Agreement") between the SENs Issuer and The Bank of New York Mellon, as SENs escrow agent (the "SENs Escrow Agent"). The SENs Escrow Agent will invest the gross proceeds in "Eligible Investments," which will consist of short-term U.S. Treasury securities that will mature on or prior to July 15, 2010. The proceeds from these investments will be used by the SENs Issuer to pay for expenses related to its organization and this offering. After the Perpetual Notes are purchased by the SENs Issuer and prior to the Mandatory Exchange, the indenture governing the SENs (the "SENs Indenture") will require the SENs Issuer, as the holder at such time of all of the Perpetual Notes, to consent to the amendment and restatement of the Perpetual Notes Indenture (the "Amended and

	Restated Indenture"), whereby the terms of the Perpetual Notes will be amended and restated as described in "Description of the Amended Perpetual Notes."
Mandatory exchange	The SENs Indenture will require that the SENs be mandatorily exchanged for the Amended Perpetual Notes on July 20, 2010 or as soon as practicable thereafter and, in any event, on or prior to July 27, 2010, after the Amended and Restated Indenture is executed. If the Mandatory Exchange is not consummated on or prior to July 27, 2010 for any reason, this will constitute an event of default under the SENs Indenture, and the sole remedy available to the holders of the SENs will be an action to cause the delivery of the Amended Perpetual Notes as described under "—Events of Default." In addition, if the Perpetual Notes are not purchased by the SENs Issuer on July 20, 2010, the SENs Issuer will be required to repay the SENs on the immediately following business day for their aggregate principal amount plus interest earned on the investment of the gross proceeds of the SENs through and including such date. See "Description of the SENs—Mandatory Exchange."
Pledge of Escrow Account	The Escrow Account will be pledged on behalf of The Bank of New York Mellon for the benefit of the holders of the SENs. Pursuant to the terms of the pledge, the pledge over the Escrow Account will be released automatically on July 19, 2010 at the time the funds in the Escrow Account are released to the paying agent for the Perpetual Notes to purchase the Perpetual Notes.
Ranking	The SENs will be unsubordinated obligations of the SENs Issuer.
Covenants	The SENs Indenture will provide that the SENs Issuer will, among other things: • use the gross proceeds of the issuance and sale of the SENs to purchase the Perpetual Notes on July 20, 2010 in accordance with the terms of the Perpetual Notes Indenture; • consent to the Amended and Restated Indenture on July 20, 2010; and • exchange the SENs for the Amended Perpetual Notes in accordance with the terms of the SENs Indenture on July 20, 2010 or as soon as practicable thereafter and, in any event, on or before July 27, 2010. The SENs Indenture will prevent the SENs Issuer, as long as any SENs are outstanding, from, among other things: • incurring any indebtedness other than (a) the SENs Indenture and the SENs, (b) any debt or obligations representing fees, expenses and indemnities payable in connection with any transaction contemplated by the SENs Indenture, the SENs, the Escrow Agreement, the Pledge Agreement (as defined herein) or the Purchase Agreement (as defined herein) or (c) as required by applicable law;

- incurring or permitting to exist any lien on any of the SENs Issuer's properties or assets, except for the pledge of the Escrow Account for the benefit of the holders of the SENs or as imposed by law;

- creating or permitting to exist any creditors, other than creditors of the SENs or as otherwise permitted by the SENs Indenture;

- engaging in any business activity, other than the issuance of the SENs, the amendment of the Perpetual Notes, entering into the Escrow Agreement and the Pledge Agreement, entering into the Purchase Agreement of the SENs with the Initial Purchasers and the mandatory exchange of the SENs for Amended Perpetual Notes, and any activities that are ancillary or related to these transactions;

- making any investments, other than the deposit of the gross proceeds from the sale of the SENs in the Escrow Account pursuant to the Escrow Agreement, investing such gross proceeds in Eligible Investments and the purchase of the Perpetual Notes with such gross proceeds;

- merging into or consolidating with any other person or permitting other person to merge into or consolidate with it, or selling, transferring, leasing or otherwise disposing of any of its assets, or purchasing, leasing or otherwise acquiring any of the assets of any other person, except in connection with the Escrow Agreement, Eligible Investments and the purchase of the Perpetual Notes and as described in this offering memorandum;

- incurring, creating, assuming or permitting to exist any leases;

- declaring or paying, directly or indirectly, any dividend or making any other distribution with respect to any shares in issue or redeeming, purchasing, retiring or otherwise acquiring for value any of its issued shares;

- issuing any shares to any entity or person, permitting any of its shares to be transferred to any person or otherwise changing its equity structure in any manner;

- to the extent such matter is within its power or control, amending its certificate of incorporation or other organizational documents; or

- filing for, or consenting to the filing of, any bankruptcy, liquidation, or similar proceeding.

See "Description of the SENs—Covenants."

Events of Default	The SENs Indenture will contain certain events of default, including, among others:

- failure by the SENs Issuer to comply with any of its restrictive covenants under the SENs Indenture and such failure is incapable of remedy or remains unremedied for 15 days, in either case, only after the SENs Trustee has given written notice to the SENs Issuer of any such failure; provided that any such failure is remedied, if applicable, prior to the date of the Mandatory Exchange;

- failure by the SENs Issuer to purchase the Perpetual Notes on July 20, 2010;

- an event of default occurs under the Perpetual Notes Indenture at any time prior to July 20, 2010, and the trustee under the Perpetual Notes Indenture has given notice to Globo that the Perpetual Notes are due and payable in accordance with the terms of the Perpetual Notes Indenture; and

- failure by the SENs Issuer to consent to the Amended and Restated Indenture on July 20, 2010 or to cause the Mandatory Exchange of the Amended Perpetual Notes for the SENs on or prior to July 27, 2010 in accordance with the terms of the SENs Indenture.

If an event of default under the SENs Indenture occurs prior to the purchase by the SENs Issuer of the Perpetual Notes or the SENs Issuer fails to purchase the Perpetual Notes, the holders of the SENs will be entitled to receive, and the SENs Trustee will instruct the Escrow Agent to release to the SENs Paying Agent for payment to the holders of the SENs on the business day immediately following the date of the event of default, the amount of the gross proceeds from the sale of the SENs held in the Escrow Account in accordance with the Escrow Agreement plus interest earned on the investment of the gross proceeds through and including the date of the event of default, after deduction of expenses and applicable taxes. Amounts payable upon an event of default will be payable to the holders of record at the close of business on the date of the event of default. If an event of default under the SENs Indenture occurs at any time after the purchase by the SENs Issuer of the Perpetual Notes, the sole remedy of the holders of the SENs under the SENs Indenture will be an action to cause the delivery by the SENs Issuer of the Amended Perpetual Notes.

Form and denomination; settlement	The SENs will be issued in registered form without coupons in minimum denominations of US$100,000 and integral multiples of US$1,000 in excess thereof. The SENs will be issued only in book-entry form through the facilities of DTC for the accounts of its participants, including Euroclear and Clearstream. Beneficial interests in SENs held in book-entry form will not be entitled to receive physical delivery of certificated notes, except in certain limited circumstances.
Transfer restrictions	The SENs have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in the United States in accordance with Rule 144A to a QIB that is also a QP as further described herein, or (b) outside the United States to persons other than U.S. persons in compliance with

	Regulation S of the Securities Act. See "Notice to Investors."
Listing	The SENs Issuer has applied to list the SENs on the Official List of the Luxembourg Stock Exchange and to admit the SENs for trading on the Euro MTF Market. A notice announcing the Mandatory Exchange of the SENs for the Amended Perpetual Notes, which are expected to be issued on July 20, 2010, will be published on the website of the Luxembourg Stock Exchange.
Governing law	The SENs will be governed by the laws of the State of New York.
SENs trustee, paying agent, transfer agent and registrar	The Bank of New York Mellon (the "SENs Trustee").
SENs principal paying agent	The Bank of New York Mellon Trust (Japan) Ltd. (the "SENs Paying Agent").
SENs Luxembourg paying and transfer agent	The Bank of New York Mellon (Luxembourg) S.A.
SENs escrow agent	The Bank of New York Mellon, or the SENs Escrow Agent.
Selling restrictions	There are restrictions on persons to whom SENs can be sold, and on the distribution of this offering memorandum, as described in "Plan of Distribution" and "Notice to Investors."
Approval..	The offering of the SENs has been approved in accordance with the memorandum articles of association of the SENs Issuer.
CUSIP..	DTC Rule 144A Global SENs Note: 732650 AA4 DTC Regulation S Global SENs Note: G7170K AA5
ISIN	DTC Rule 144A Global SENs Note: US732650AA41 DTC Regulation S Global SENs Note: USG7170KAA54
Common Code.......................................	DTC Rule 144A Global SENs Note: 050394271 DTC Regulation S Global SENs Note: 050394107

SUMMARY OF THE AMENDED PERPETUAL NOTES

The summary below describes the principal terms of the Amended Perpetual Notes. See "Description of the Amended Perpetual Notes" in this offering memorandum for a more detailed description of the terms and conditions of the Amended Perpetual Notes.

Issuer	Globo Comunicação e Participações S.A. ("Globo").
Notes delivered upon the Exchange	US$325,000,000 aggregate principal amount of 6.25%/9.375% Step-Up Perpetual Notes of Globo for which the SENs are mandatorily exchanged.
Issue Date	The Amended Perpetual Notes are expected to be issued on July 20, 2010.
Maturity	The Amended Perpetual Notes will have no fixed final maturity date and will be repaid only in the event that Globo redeems them, they are purchased by another person at Globo's option or upon acceleration due to an event of default.
Interest	Interest on the Amended Perpetual Notes will accrue at the rate of 6.25% per annum from (and including) July 20, 2010 to (but excluding) July 20, 2015. Thereafter, interest on the Amended Perpetual Notes will accrue at the rate of 9.375% per annum. Interest on the Amended Perpetual Notes will be payable in cash quarterly in arrears on January 20, April 20, July 20 and October 20 of each year, commencing on October 20, 2010.
Exchange fee	The Amended and Restated Indenture will provide that, promptly after the consummation of the Mandatory Exchange, Globo will deposit with the Principal Paying Agent (as defined below) for the Amended Perpetual Notes money sufficient to pay an exchange fee (the "Exchange Fee") in consideration of the exchange of the SENs for the Amended Perpetual Notes and that the Principal Paying Agent will pay the Exchange Fee promptly upon receipt thereof to holders who receive the Amended Perpetual Notes in the Mandatory Exchange. The Exchange Fee will be equal to US$15.625 per US$1,000 principal amount of Amended Perpetual Notes, plus an additional fee of US$0.1736 per US$1,000 principal amount of Amended Perpetual Notes from and including July 20, 2010 for each day that the Mandatory Exchange is not consummated after July 20, 2010.
Purchase and amendment of Perpetual Notes	The SENs Indenture will require the SENs Issuer to agree to use the gross proceeds from the sale of the SENs to purchase all of Globo's outstanding Perpetual Notes on July 20, 2010 in accordance with the terms of the Perpetual Notes Indenture. After the Perpetual Notes are purchased by the SENs Issuer and prior to the Mandatory Exchange, the SENs Indenture will require the SENs Issuer, as the holder of all of the Perpetual Notes, to consent to the Amended and Restated Indenture, whereby the terms of the Perpetual Notes will be amended and restated as described in "Description of the Amended Perpetual Notes." After the Amended and Restated Indenture is executed and delivered, the SENs will be exchanged for the Amended Perpetual Notes in the Mandatory Exchange in accordance with the terms of the SENs Indenture. Upon the execution of the Amended and Restated Indenture, the Amended Perpetual Notes will be issued and will remain outstanding in

	accordance with the terms of the Amended and Restated Indenture. If the Mandatory Exchange is not consummated on July 20, 2010 or as soon as practicable thereafter and, in any event, on or prior to July 27, 2010, this will constitute an event of default under the SENs Indenture, and the sole remedy available to the holders of the SENs will be an action to cause the delivery of the Amended Perpetual Notes as described under "Summary of the SENs—Events of Default." Following such an event of default and until such time as the Amended Perpetual Notes are delivered in exchange for the SENs, both the Amended Perpetual Notes and the SENs will remain outstanding.
Ranking	The Amended Perpetual Notes will be unsubordinated and unsecured obligations of Globo, ranking equally in right of payment with Globo's existing and future unsubordinated debt. The Amended Perpetual Notes will be effectively subordinated to any secured debt of Globo to the extent of the value of the assets securing such debt and structurally subordinated to all debt and other liabilities of Globo's subsidiaries.
Mandatory sinking fund	None.
Optional redemption	The Amended Perpetual Notes may be redeemed or purchased, in whole or in part, at 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, on any date on or after July 20, 2015 (provided that no less than US$150.0 million in principal amount of Amended Perpetual Notes remain outstanding following any partial redemption or purchase). See "Description of the Amended Perpetual Notes—Redemption—Optional Redemption or Purchase at Globo's Option." Upon an optional redemption or purchase, Globo may inform the Trustee for the Amended Perpetual Notes that Globo intends to refinance the debt represented by the Amended Perpetual Notes to be redeemed or purchased.
Optional tax redemption	Globo may, at its option, redeem the Amended Perpetual Notes at 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, at any time upon the occurrence of specified events relating to Brazilian tax law, as set forth in this offering memorandum. See "Description of the Amended Perpetual Notes—Redemption—Optional Tax Redemption."
Additional amounts	Payments of interest on the Amended Perpetual Notes will be made after withholding and deduction for any Brazilian taxes, as described under "Taxation." Globo will pay such additional amounts as will result in receipt by the holders of Amended Perpetual Notes of such amounts as would have been received by them had no such withholding or deduction for Brazilian taxes been required, subject to certain exceptions set forth under "Description of the Amended Perpetual Notes—Additional Amounts."
Covenants	The terms of the Amended Perpetual Notes will limit the ability of Globo and specified significant subsidiaries to create certain liens without securing the Amended Perpetual Notes and will permit Globo to consolidate or merge with, or transfer all or substantially all of its assets to, another person if Globo complies with specified requirements. However, these limitations are subject to important exceptions. See "Description of the Amended Perpetual Notes—Covenants."

Events of default	The Amended and Restated Indenture will contain certain events of default, consisting of, among others, a default in the payment of the Exchange Fee, defaults in payment of interest and principal on the Amended Perpetual Notes, covenant and payment defaults, cross-acceleration, judgment defaults, and specified bankruptcy and insolvency events. See “Description of the Amended Perpetual Notes—Events of Default.”
Form and denomination; settlement	The Amended Perpetual Notes will be in registered form, without coupons. Amended Perpetual Notes that are received pursuant to the mandatory exchange for SENs that are represented by the SENs Regulation S global note will be represented by interests in a global registered note (the “DTC Regulation S Global Amended Perpetual Note”), deposited with a custodian for and registered in the name of a nominee for DTC. Amended Perpetual Notes that are received pursuant to the mandatory exchange for SENs represented by the SENs Rule 144A global note will be represented by interests in a global registered note with respect to the Amended Perpetual Notes (the “DTC Rule 144A Global Amended Perpetual Note” and, together with the DTC Regulation S Global Amended Perpetual Note, the “DTC Global Amended Perpetual Notes”), deposited with a custodian for and registered in the name of a nominee for DTC. The Amended Perpetual Notes will be issued in minimum denominations of US$100,000 and integral multiples of US$1,000 in excess thereof. The Amended Perpetual Notes will be issued only in book-entry form through the facilities of DTC for the accounts of its participants, including Euroclear and Clearstream. Beneficial interests in Amended Perpetual Notes held in book-entry form will not be entitled to receive physical delivery of certificated notes, except in certain limited circumstances.
Transfer restrictions	The Amended Perpetual Notes will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in the United States in accordance with Rule 144A to a QIB, or (b) outside the United States to persons other than U.S. persons in compliance with Regulation S of the Securities Act. See “Notice to Investors.”
Listing	Application has been made to list the Amended Perpetual Notes on the Official List of the Luxembourg Stock Exchange and to admit the Amended Perpetual Notes for trading on the Euro MTF Market. Upon the consummation of the Mandatory Exchange, the Perpetual Notes will be cancelled and will no longer be listed on the Official List of the Luxembourg Stock Exchange. Notice of the purchase and the cancellation of the Perpetual Notes and the listing date of the Amended Perpetual Notes will be published on the website of the Luxembourg Stock Exchange.
Governing law	The Amended Perpetual Notes will be governed by the laws of the State of New York.
Trustee, paying agent, transfer agent and registrar..	The Bank of New York Mellon (the “Trustee”).

Principal paying agent	The Bank of New York Mellon Trust (Japan) Ltd. (the “Principal Paying Agent”).
Luxembourg paying and transfer agent ..	The Bank of New York Mellon (Luxembourg) S.A.
Selling restrictions	There are restrictions on persons to whom Amended Perpetual Notes can be sold, and on the distribution of this offering memorandum, as described in “Plan of Distribution” and “Notice to Investors.”
CUSIP	DTC Rule 144A Global Amended Perpetual Notes: 37957T AG6 DTC Regulation S Global Notes: P47773 AK5
ISIN	DTC Rule 144A Global Notes: US37957TAG67 DTC Regulation S Global Amended Perpetual Notes: USP47773AK54
Common Code	DTC Rule 144A Global Amended Perpetual Notes: 051306333 DTC Regulation S Global Amended Perpetual Notes: 051306473

INDICATIVE TIMETABLE

The following timetable provides an overview of the steps that have occurred and will occur in connection with the Mandatory Exchange:

- April 20, 2010
  - The SENs Issuer issued US$325,000,000 aggregate principal amount of the SENs.
- May 21, 2010
  - The Bank of New York Mellon, as trustee under the Perpetual Notes Indenture, delivered on behalf of the SENs Issuer an irrevocable notice of purchase to holders of the Perpetual Notes.
- July 20, 2010
  - The SENs Issuer will use the gross proceeds of the issuance and sale of the SENs to purchase the Perpetual Notes in accordance with the terms of the Perpetual Notes Indenture.
  - After the Perpetual Notes are purchased by the SENs Issuer and prior to the Mandatory Exchange, the SENs Issuer, as the holder at such time of all of the Perpetual Notes, will consent to the Amended and Restated Indenture, whereby the terms of the Perpetual Notes will be amended and restated as described in "Description of the Amended Perpetual Notes."
  - After the Amended and Restated Indenture is executed, the SENs will be mandatorily exchanged for the Amended Perpetual Notes on July 20, 2010 or as soon as practicable thereafter and, in any event, on or prior to July 27, 2010.
  - The SENs will be cancelled.
  - Promptly after the consummation of the Mandatory Exchange, Globo will deposit with the Principal Paying Agent for the Amended Perpetual Notes money sufficient to pay the Exchange Fee in consideration of the exchange of the SENs for the Amended Perpetual Notes and the Principal Paying Agent will pay the Exchange Fee promptly upon receipt thereof to holders who receive the Amended Perpetual Notes in the Mandatory Exchange.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION OF GLOBO

The following summary consolidated financial information as of and for the years ended December 31, 2009, 2008 and 2007 has been derived from the historical consolidated financial statements of Globo audited by independent auditors Ernst & Young and included elsewhere in this offering memorandum.

Brazilian GAAP varies in significant respects from U.S. GAAP. For a discussion of the significant differences as they relate to Globo's financial statements, see "Annex A—Principal Differences Between Brazilian GAAP and U.S. GAAP."

This financial information should be read in conjunction with "Presentation of Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations of Globo" and the financial statements, including the respective notes thereto, included elsewhere in this offering memorandum.

	For the year ended December 31,			
	2009 (1)	**2009**	**2008**	**2007 (2)**
	(in millions of US$)		**(in millions of *reais*)**	
Income Statement Data				
Net operating revenues	US$ 4,816.1	R$ 8,385.8	R$ 7,601.5	R$ 6,666.6
Cost of sales and services	(2,836.3)	(4,938.6)	(4,102.5)	(3,692.6)
Gross profit	1,979.8	3,447.2	3,499.0	2,974.0
Selling and general and administrative expenses	(1,213.4)	(2,112.7)	(1,958.5)	(1,791.6)
Depreciation and amortization	(35.8)	(62.4)	(54.9)	(55.2)
Gain (loss) on sale of property, plant and equipment and intangible	1.7	2.9	(5.5)	(6.3)
Other operating (expense) income	(1.0)	(1.8)	2.4	(0.2)
Financial income (expenses), net	205.3	357.4	(246.6)	93.8
Investment results	59.6	103.8	76.8	79.9
Amortization of goodwill	0.0	0.0	(563.0)	(594.0)
Operating income	996.1	1,734.4	749.7	700.5
Income before income tax and social contribution	996.1	1,734.4	749.7	700.5
Income tax and social contribution expense	97.2	169.2	(253.0)	(124.8)
Minority interests	0.3	0.5	(0.0)	(0.8)
Net income	US$ 1,093.6	R$ 1,904.2	R$ 496.7	R$ 574.8
Other Financial Data				
Adjusted EBITDA (3)	877.2	1,527.3	1,702.6	1,325.1
Adjusted EBITDA margin	18.2%	18.2%	22.4%	19.9%
Total debt	688.5	1,198.8	1,480.1	1,236.1
Net debt (4)	(1,209.1)	(2,105.3)	(1,157.2)	(495.5)
Net debt /Adjusted EBITDA	(1.4)x	(1.4)x	(0.7)x	(0.4)x
Capital expenditures	229.6	399.7	337.5	282.8

	As of and for the year ended December 31,			
	2009 (1)	**2009**	**2008**	**2007 (2)**
	(in millions of US$)	**(in millions of *reais*)**		
Balance Sheet Data				
Cash, cash equivalents, marketable securities and cash collateral accounts	US$ 1,897.6	R$ 3,304.1	R$ 2,637.3	R$ 1,731.6
Total current assets	3,108.9	5,413.2	4,271.1	3,312.4
Total assets	5,708.3	9,939.3	8,452.7	7,812.2
Total liabilities	3,057.5	5,323.7	5,103.7	4,298.2
Total current liabilities	1,908.8	3,323.6	2,696.7	2,339.4
Minority interests	0.9	1.5	0.0	4.2
Total shareholders' equity	2,649.9	4,614.1	3,349.0	3,509.8
Total liabilities & shareholders' equity	5,708.3	9,939.3	8,452.7	7,812.2

(1) Convenience translation of 1.7412 *reais* per U.S. dollar, the Central Bank exchange rate in effect on December 31, 2009.

(2) On January 1, 2008, certain changes were introduced to the accounting practices adopted in Brazil. The financial statements as of and for the year ended December 31, 2007, presented in conjunction with the financial statements as of and for the year ended December 31, 2008, were prepared in accordance with the accounting practices adopted in Brazil effective on December 31, 2007 and, as allowed by Technical Pronouncement – CPC 13 – First Time Adoption of Law 11638/07 and Law 11941/09, were not restated for comparative purposes, except for certain income statement and balance sheet reclassifications. See "Presentation of Financial and Other Information—Financial Statements."

(3) For the purpose of this offering memorandum, Adjusted EBITDA refers to EBITDA (earnings before financial income (expense), income tax and social contribution benefit (expense), (depreciation and amortization), excluding gain (loss) on sale of property, plant and equipment and intangibles, investment results, net, non-operating income and minority interest). The following table presents a reconciliation of net income to Adjusted EBITDA for the periods presented. Adjusted EBITDA is a non-GAAP financial measure. In determining Adjusted EBITDA, management excludes income tax and social contribution benefit (expense), gain (loss) on sale of property, plant and equipment and intangible, investment results, financial income (expense), net, non-operating income, minority interests, amortization of goodwill and depreciation and amortization related to operating expenses and costs of sales and services. Adjusted EBITDA is not a recognized measure under Brazilian GAAP, and because not all companies use identical calculations, Globo's presentation of Adjusted EBITDA may not be comparable to other similarly titled measures provided by other companies. Globo discloses Adjusted EBITDA because it is useful in evaluating its operating performance. Adjusted EBITDA should not be considered in isolation or as an alternative to consolidated operating income or net income, as a measure of operating performance, or to cash flows from operating activities, as a measure of liquidity or Globo's ability to pay its debt.

	For the year ended December 31,			
	2009 (a)	**2009**	**2008**	**2007**
	(in millions of US$)	**(in millions of *reais*)**		
Net income	US$ 1,093.6	R$ 1,904.2	R$ 496.7	R$ 574.8
Income tax and social contribution expense	(97.2)	(169.2)	253.0	124.8
Gain (loss) on sale of property, plant and equipment and intangible	(1.7)	(2.9)	5.5	6.3
Investment results	(59.6)	(103.8)	(76.8)	(79.9)
Financial income (expense), net	(205.3)	(357.4)	246.6	(93.8)
Non-operating income	0.0	0.0	0.0	0.0
Minority interests	(0.3)	(0.5)	0.0	0.8
Depreciation and amortization (b) and amortization of goodwill	147.6	257.0	777.7	792.0
Adjusted EBITDA	US $877.2	R$ 1,527.3	R$ 1,702.6	R$ 1,325.1

(a) Convenience translation of 1.7412 *reais* per U.S. dollar, the Central Bank exchange rate in effect on December 31, 2009.

(b) Includes depreciation and amortization related to operating expenses and costs of sales and services.

(4) Net debt is calculated as total debt less cash and cash equivalents and marketable securities.

RISK FACTORS

You should carefully consider the risks and uncertainties described below and the other information in this offering memorandum before investing in the notes. Globo's business, financial condition or results of operations could be materially adversely affected by any of these risks. The risks described below are not the only ones facing Globo's business or investments in Brazil in general. Additional risks not presently known to Globo or which Globo currently deems immaterial may also impair Globo's business.

This offering memorandum also contains forward-looking statements that involve risks and uncertainties. Globo's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by Globo described below and elsewhere in this offering memorandum. See "Cautionary Statement Regarding Forward-Looking Statements."

Risks Relating to Globo's Business

The cyclical nature of the advertising market may have an adverse impact on Globo's revenues and results of operations.

Globo's business is highly dependent on advertising sales, in particular broadcast TV advertising sales. Globo's broadcasting business and the business of its affiliated stations derive most of their revenues from the sale of advertising time on the respective television stations and their share of network advertising. Total television revenues represented 91.4% of Globo's net operating revenues on a consolidated basis for the year ended December 31, 2009.

The Brazilian advertising market has historically been cyclical in nature, growing during economic expansions and contracting during recessions. For example, the advertising market's annual growth, in nominal terms, has varied in the last five years as follows: R$2,051.0 million or 15% in 2005, R$1,480.1 million or 9% in 2006, R$1,565.5 or 9% in 2007, R$2,417.8 million or 13% in 2008 and R$848.5 million or 4.0% in 2009. In the past, this cyclicality has been directly correlated with TV Globo's and Globo's revenues and results of operations and is expected to continue to affect Globo in the future. There can be no assurance that the current level of advertising revenues will be maintained in the future, that the Brazilian broadcast advertising market will grow as expected, or that there will not be any regulatory restrictions on the advertising of various products.

Increased competition from cable, satellite television and other broadcasting providers and other media companies may negatively affect revenues.

Globo's broadcast television business faces increased competition in its broadcasting business from cable and satellite television programmers and other broadcast television providers. The Globo Network also faces increased competition from other audiovisual content distribution technologies such as online videos and video games. Globo's audience share has declined since its peak audience share from 56% in 2004 to 46% in 2009 during the period from 7:00 p.m. to midnight as competition among broadcast television providers increased and competition from pay-television, DVDs and video games has also increased. Competition, among other factors, increases the cost of producing programs or acquiring talent and the cost of acquiring the rights to certain programs, including sporting events.

Globo derives most of its broadcast-related revenues from the sale of advertising time on its television stations and its share of network advertising. There can be no assurance that current levels of advertising revenues will be maintained in the future. For example, distribution of news, entertainment and other information via the internet has become increasingly popular in Brazil over the past several years and viewing news, entertainment and other content on a personal computer, cellular phone and other electronic or portable devices has become increasingly popular as well. Accordingly, advertiser spending has started to shift from traditional media to online media. A shift in major advertisers' expenditures from traditional to online media may have an adverse effect on Globo's revenue growth. There can also be no assurance that competition in advertising activity from cable and satellite television programmers, other broadcasting and other audiovisual content providers will not adversely affect Globo's advertising revenues and increase costs.

In 2002, the Brazilian Federal Constitution (the "Brazilian Constitution") was amended to permit foreign investors to invest in the capital of companies involved in the newspaper, magazine, radio and broadcast television business. As a result, since May 28, 2002, foreign investors have been able to hold up to 30% of the total and voting capital of such companies. Law 10610 implemented regulations under the constitutional amendment effective December 20, 2002. While the effects of this legislation have not thus far resulted in any significant increase in competition for the business of the Globo Network, there can be no assurance that the legislation or the amendment will not affect the business of the Globo Network in the future.

Substantially all of Globo's revenues are generated in *reais* whereas a significant portion of Globo's debt and accounts payables for programming rights, among other things, is denominated in U.S. dollars.

Substantially all of Globo's revenues are generated in reais whereas a significant portion of Globo's debt is denominated in U.S. dollars. In addition, accounts payables for programming rights, including sports and films, and other accounts payable, such as filming equipment, are also denominated in U.S. dollars. This increases Globo's vulnerability to general adverse economic and media industry conditions and to the depreciation of the *real*. This was the case in 2002, when Globo Comunicações e Participações S.A. ("Globopar") restructured its debt because its U.S. dollar-denominated debt had placed an increasing burden on Globopar and TV Globo (as guarantor of Globopar's debt), given their *real*-based revenue and the significant depreciation of the *real*. Should the *real* depreciate significantly against the U.S. dollar for an extended period of time, Globo's financial condition and results of operations may be adversely affected. As of December 31, 2009 on a consolidated basis, Globo had debt in an aggregate amount of R$1,198.8 million of which R$1,013.5 million, or 84.5%, was denominated in U.S. dollars, and R$134.0 million of accounts payable in U.S. dollars.

Globo's businesses are highly dependent on their continued ability to maintain government licenses.

As is the case with regulated broadcasters in Brazil, the operation of the Globo Network is highly dependent on licenses issued by the Brazilian government. Globo renewed its television broadcast licenses in October 2007. The licenses were renewed for a period of 15 years and are set to expire in 2022. Renewal of these licenses is based upon satisfaction of objective criteria, and Globo's licenses have been renewed consistently throughout the history of the Globo Network. Nonetheless, there can be no assurance that Globo's television broadcasting licenses will continue to be renewed. Any failure to obtain or maintain licenses could have a material adverse effect on the business, results of operations and prospects of Globo and its affiliated stations.

In addition, the transferability of broadcast licenses is subject to certain regulatory restrictions. Although licenses may be transferred directly (i.e., a transfer of a license to a third party) or indirectly (i.e., a transfer of a majority of the voting capital of the entity holding the license), such transfers require the prior consent of the Brazilian government. Any amendment to the by-laws of the legal entity operating a television station that triggers a change in the control, management or purpose of the company requires the prior approval of the Brazilian Ministry of Communications (the "Ministry of Communications"). The Ministry of Communications must also be informed of any other amendment to the by-laws within 60 days after such amendment becomes effective. In addition, a broadcast license may be revoked due to supervening legal, technical, financial or economic incapacity to perform the services under the concession. We can not assure that we will be able to comply with these regulations or obtain any required prior approval. Our failure to do so could ultimately result in the cancellation of any of our licenses.

Globo's businesses are highly regulated, and regulatory changes could negatively impact the Company.

Globo's broadcasting business is highly regulated by the Ministry of Communications. Certain subsidiaries of Globo that provide cable and satellite television services are also subject to significant regulation by the Brazilian Telecommunications Agency ("ANATEL"). The regulations and rules of the Ministry of Communications and ANATEL are subject to change in response to industry developments, new technology and political policies. There can be no assurance that Globo will succeed in obtaining in the future all required regulatory approvals for its operations and in complying with applicable regulations without the imposition of restrictions on or adverse consequences to Globo.

In addition, the Brazilian Constitution governs certain aspects of television, radio, newspaper and telecommunications operations and ownership. In 1995, the provisions of the Brazilian Constitution regarding telecommunications (other than radio and television broadcasting) were revised. In 1997, Law 9472 (General Telecommunications Law) implemented regulations under the revised telecommunications provisions of the Brazilian constitution and, among other things, established ANATEL. Constitutional amendments or new laws or regulations applicable to the activities of Globo's broadcasting business, its affiliated stations, or subsidiaries that provide cable and satellite television services may be enacted in the future. For example, proposed Legislative Bill 29/2007 includes the elimination on foreign ownership limitations on cable companies, requirements regarding minimum Brazilian content and channels for pay-television and prohibitions on the common control of telecommunication companies and broadcasting television companies. There can be no assurance that any such new constitutional amendments, laws or regulations will not have a material adverse effect on the business, results of operations and prospects of Globo, its affiliated stations or subsidiaries. The business and business prospects of Globo could be adversely affected by the adoption of any constitutional amendments, laws, policies, rules or regulations, or by changes in their interpretation or application.

Certain subsidiaries of Globo compete with one another, potentially slowing overall growth or ceding market share to competitors.

Certain subsidiaries or ventures of Globo compete with other subsidiaries or ventures of Globo. For example, within the pay-television sector, Globo has an interest in Sky Brasil, which distributes DTH pay-television services via satellite, as well as Net Serviços, which is a MSO that distributes pay-television services via cable. Throughout Brazil, Globo's various businesses compete for market share, including, among others, the businesses of pay-television technologies, internet and publishing. If the products and services offered by Globo's subsidiaries overlap, this may slow Globo's growth or create opportunities for third-party competitors to increase their market share at Globo's expense.

Globo's relationship with affiliated stations is subject to affiliate agreements.

Globo provides much of the programming for its affiliated stations. Globo is also responsible for all national and regional sales while the affiliated stations are responsible for local sales. Globo provides affiliated stations with advertising sales support and receives a percentage of regional sales as a fee for sales services performed. The affiliate agreements generally provide for a five-year term with automatic renewal for the same period. Historically, these affiliate agreements have been renewed on terms satisfactory to us in all cases where we have sought renewal. However, there can be no assurance that the current affiliate agreements will be renewed or that they will be renewed on the same terms as the current agreements. Non-renewal of these agreements or any adverse change to the terms of these agreements could have a material adverse effect on the business, results of operations and prospects of Globo.

Globo's business relies heavily on network and information systems or other technology, and a disruption or failure of such networks, systems or technology could have a material impact on Globo's operations.

The broadcasting, internet and pay-television businesses are particularly dependent on engineering facilities, infrastructure and information systems. Globo may experience unanticipated delays, complications and significant expense in implementing, integrating and operating such facilities and systems. Failures with respect to such facilities and systems could result in operational disruptions and the incurrence of additional costs to correct such problems. Shutdowns of Globo's network, information systems or other technologies could result from a variety of events, including computer viruses, spam attacks, security breaches, misappropriation of data or other malfeasance, as well as power outages, disasters, accidental releases of information or similar events. Such events could result in damage or destruction of Globo's equipment and data, a degradation or disruption of service to Globo's customers, and excessive call volume to Globo's call centers. Although Globo has several back-up procedures in place, there is no assurance that broadcast interruptions will not occur. Large expenditures could be required to repair or replace systems or technology impacted by such events or to protect such systems or technology from any future disruptions or failures. As a result, significant or sustained disruptions or failures could have a material adverse impact on Globo's business and results of operations.

New technologies may threaten Globo's existing businesses and opportunities for growth through increased competition, costs and capital expenditures.

Changes in existing technology and new technologies could allow new competitors to enter the market or current competitors to obtain a competitive advantage. Some recent examples of technology driven markets that have become highly competitive over a short period of time include video over digital subscriber lines ("DSL") and mobile, cable internet, digital broadcast television, high-definition multi-media, 3-D television. Specifically, the telecommunications (especially cable and satellite) industries have been, and are likely to continue to be, subject to rapid and significant changes in technology. There is no guarantee that new technology or advances in current technology will not result in the emergence of new systems and increased competition. If Globo is unable to recognize and respond to recent and future changes in technology and changes in consumer behavior, Globo's business may be adversely affected.

In addition, the introduction of digital broadcast television in Brazil has required, and may continue to require significant investments by Globo to adapt to the new broadcast standard. Globo's capital expenditures have increased due to the ongoing conversion of its television stations into digital format and increased programming in high definition format and it does not expect that its capital expenditures will return to prior levels. Globo may not have sufficient funding available to meet future technological demands. It is possible that the technology in which Globo invests could be rendered obsolete by the advent of superior and/or cheaper technology, which may adversely affect Globo's competitive position or require Globo to increase its capital expenditures in order to maintain its competitive position. Globo will be subject to this and other changes in technology and there can be no assurance as to the impact of such technological changes on Globo.

Globo and its subsidiaries are party to legal and administrative proceedings, including tax disputes, in the regular course of its business. If Globo receives unfavorable outcomes in these proceedings, Globo's cash flows could be materially and adversely affected.

Globo and its subsidiaries are party to legal proceedings in the regular course of business. Any litigation connected with such legal proceedings could be costly, time consuming and injure Globo's reputation. Depending on the outcome of ongoing proceedings, new material tax assessments or other penalties may be imposed on Globo and Globo's cash flows could be materially and adversely affected. See "Business of Globo—Legal Proceedings" for a description of the material legal proceedings of Globo.

Globo may be unable to effectively negotiate favorable terms with its talent and third-party programming sources.

The success of Globo's broadcasting business depends significantly on its ability to hire and retain artistic talent and other professionals (including actors, writers, directors, and technicians) and to obtain and retain programming rights sourced from third parties such as sporting events. The market for these services and rights has been and will likely continue to be very competitive. There can be no assurance that Globo will be able to obtain or retain such services and rights on acceptable terms in the future.

Globo or Globo's subsidiaries may enter into related-party transactions which may adversely impact Globo.

Globo or Globo's subsidiaries may enter into related party transactions from time to time as permitted under Brazilian law. Certain related party transactions have included, and could in the future include, transactions between Globo companies and entities under common control therewith or with that of the Marinho family which has no direct or indirect obligations with respect to the notes. See "Related Party Transactions of Globo" for a description of Globo's related party transactions. There can be no assurance that the terms of the transactions with these various related parties are on terms as favorable to Globo or Globo's subsidiaries as those that could have been obtained in arm's-length transactions with third parties. There can be no assurance that any such related party transaction, or combination of transactions, will not have an adverse impact on Globo.

Globo may be unable to renew, or renew on favorable terms, existing programming agreements.

Globosat provides its content to pay-television operations through long-term contracts which are due to expire in the upcoming years. There can be no assurance that these contracts will be renewed, or that they will be renewed on the same terms and conditions as are currently in place. In either case, the impact on Globo's pay-television programming results could be significant.

Globo is indirectly owned by the Marinho family and the interests of the Marinho family may conflict with your interests.

The Marinho family and certain relatives of the Marinho family indirectly own 100% of Globo and, therefore, control Globo's operations. The Marinho family could make decisions with respect to Globo's operations, capitalization structure or overall strategy that are not exactly aligned with your interests as a holder of notes.

Globo may not be able to negotiate terms and extensions for its joint venture agreements in favorable terms.

Globo's joint venture agreements (regarding USA Brasil, PB Brasil, Canal Brazil and Telecine, which was recently renegotiated) have definite terms, which may be extended solely upon the acceptance of all partners. Globo cannot assure that such extensions will be agreed upon by the partners. In addition, the occurrence of certain events may cause the early terminations of such association agreements, which could affect Globo's pay-television production and results of operation.

Globo may be able to pay dividends during periods in which its financial condition would not otherwise allow the payment of dividends.

Brazilian corporate law requires that a minimum percentage of "adjusted net profits" for each fiscal year be distributed to stockholders, which is referred to as the "mandatory dividend." A Brazilian company is allowed to withhold payment of the mandatory dividend if management reports to stockholders at a meeting that the distribution would be inadvisable due to the financial condition of the company. To the extent that Globo's mandatory dividend for any fiscal year exceeds dividends actually declared by Globo's shareholders and paid by Globo with respect to any such year, Globo will be able to declare and pay dividends in the amount of such excess in future fiscal years, including in a fiscal year in which Globo has no net profits and thus would otherwise be unable to declare pay dividends under Brazilian law. As of December 31, 2009 and December 31, 2008, Globo had R$636.1 million and R$557.1 million of accrued and unpaid dividends payable to shareholders, respectively. Globo may pay significant dividends to its shareholders even with respect to a fiscal year in which Globo has no net profits or incurs net losses. This could have an adverse impact on Globo's cash flows and financial condition.

Globo requires cash flow to service its debt.

As of December 31, 2009, Globo had R$1,198.8 million (US$688.5 million) in total amount of debt outstanding on a consolidated basis with 84.5% of that debt denominated in U.S. dollars and 15.4% denominated in *reais*. If Globo is unable to generate sufficient cash from operations to service or repay its debt (a substantial portion of which is denominated in U.S. dollars) or Globo is unable to refinance its debt on favorable terms or at all when it becomes due, this may have an adverse impact on Globo's cost of borrowing, liquidity, financial condition and results of operations.

Globo is highly dependent on certain members of its management.

Globo's operations are dependent on certain of its executive officers, particularly with respect to business planning, strategy and operations. If any of these key members of Globo's management leaves the company, Globo may, among other things, be unable to operate its business as planned or to execute its business strategies, and its results of operations and financial condition may be adversely impacted.

Globo's business depends on certain intellectual property rights.

Globo relies on licenses and other agreements with other content distributors, content providers, and other parties to use its content and content produced by third parties. Globo derives significant revenues from licensing television programs and films it produces to cable MSOs and DTH providers. Globo also licenses content, such as broadcast rights to major sporting events, from other content producers for broadcast on the Globo Network and third parties. Unlicensed use of Globo's content, legal challenges to Globo's intellectual property rights to its own content or content licensed by Globo, and Globo's inability to obtain licenses from third parties or to license its own content in the future could have a material adverse effect on Globo's business.

Acquisitions could prove difficult to integrate or have an adverse effect on Globo's results of operations.

From time to time, Globo may seek to make opportunistic acquisitions of businesses and assets primarily in the media and entertainment industry. Globo's failure to successfully complete acquisitions could limit its growth. Any acquisition involves numerous risks, including: (1) potential loss of key employees or clients of acquired businesses; (2) difficulties integrating acquired personnel and distinct cultures into Globo's business; (3) difficulties integrating acquired businesses into Globo's operating, financial planning and financial reporting systems; (4) diversion of management attention from Globo's existing operations; and (5) assumption of liabilities and exposure to unforeseen liabilities of acquired companies, including liabilities for their failure to comply with applicable regulations and tax and labor contingencies.

Acquisitions may also involve significant anticipated and unexpected cash expenditures, debt incurrence and integration expenses that could have a material adverse effect on Globo's financial condition, results of operations and cash flows. Any acquisition may ultimately have a negative impact on Globo's business and financial condition.

Globo's results of operations and financial condition are presented under Brazilian GAAP, but might be materially different if reconciled to U.S. GAAP.

Globo prepares its financial statements in accordance with Brazilian GAAP, which differs in certain significant respects from U.S. GAAP. No reconciliation to U.S. GAAP of the financial statements related to Globo or any other financial information contained herein has been undertaken. There can be no assurance that a quantitative reconciliation, if prepared, would not reveal significant differences between net income, shareholders' equity and other financial data prepared in accordance with Brazilian GAAP, on the one hand, and U.S. GAAP, on the other. This offering memorandum does not contain all of the financial statements and other financial information that would be required to be disclosed in connection with a registration of the notes under the Securities Act. For a discussion of certain of such required disclosures, see "Annex A—Principal Differences Between Brazilian GAAP and U.S. GAAP."

Risks Relating to Brazil

Globo's business, almost all of which is located in Brazil, may be adversely affected by Brazilian political and economic conditions and actions of the Brazilian government.

Brazilian political and economic conditions have a direct impact on the business of Globo and the market price of the notes. There can be no assurance that any economic weakness will not be prolonged or become more severe in the future. Most of Globo's revenue comes from advertising revenues that may be affected by prevailing economic conditions in Brazil. In addition, economic conditions in Brazil may impact the demand for the products of Globo's subsidiaries. Continued or more severe economic weakness could lead to reductions in advertising revenues and consumer demand for services. In addition, recent consolidation among Brazilian financial institutions limits Globo's ability to diversify cash under management and could affect Globo's liquidity. Weakening economic conditions may negatively impact the growth of Globo's business, financial condition and results of operations.

The Brazilian government has exercised, and continues to exercise, significant influence over the Brazilian economy. Frequent and significant intervention by the Brazilian government has often changed monetary, tax, credit, tariff and other policies to influence the course of Brazil's economy. The Brazilian government's actions to control inflation and implement other policies have at times involved wage and price controls, devaluation of the *real* in relation to the U.S. dollar, changes in tax policies as well as other interventionist measures, such as nationalization, raising interest rates, freezing bank accounts, imposing capital controls and inhibiting international trade in Brazil. Changes in policy involving tariffs, exchange controls, regulations and taxation could have an adverse effect on Globo's business and financial results and the market price of the notes.

Any substantial negative reaction to the policies of the Brazilian government could have an adverse effect on the business, financial condition, results of operations of Globo and the market price of the notes. Any new policy or regulation adopted could result in increased fiscal deficits, increased taxation, increased interest rates, inflation, currency devaluation or volatility, energy shortages, decreased liquidity for Brazilian companies on domestic and international capital markets, social and political instability or low economic growth, any one of which could have an adverse effect on the business, operations or prospects of Globo. In addition, uncertainty over what policies the current Brazilian government may propose or adopt in the future may have an impact on Globo's business and may contribute to economic uncertainty in Brazil and to heightened volatility in the Brazilian securities market. Furthermore, uncertainty regarding President Luis Inácio Lula da Silva's successor in the October 2010 presidential elections and speculation regarding the future policies of the new president could adversely impact the Brazilian economy and therefore Globo's business, results of operations and financial condition. A negative impact on Globo's business could also be caused by government policies that increase control over the media industry.

Devaluation and fluctuation of the Brazilian currency could have a material adverse effect on Globo's results of operations and financial condition and Globo's ability to make payments on Globo's U.S. dollar-denominated indebtedness, including the Amended Perpetual Notes.

The Brazilian currency, the *real*, has historically suffered frequent devaluations. In the past, the Brazilian government has implemented various economic plans and utilized a number of exchange rate policies, including: sudden devaluations, periodic mini-devaluations (during which the frequency of adjustments has ranged from daily to monthly), floating exchange rate systems, exchange controls and dual exchange rate markets. On January 15, 1999, as a result of substantial outflows of foreign exchange reserves in late 1998 and early 1999, the Central Bank allowed the *real* to float freely against other currencies. Consequently, the real experienced high volatility and significant devaluation. On December 31, 2000, the rate was R$1.96 per US$1.00. From 2000 through 2008, the *real* fluctuated from a low of R$3.95 per US$1.00 in 2002 to a high of R$1.56 per US$1.00 in 2008. The *real* increased in value by 25.5% against the U.S. dollar in the year ended December 31, 2009 to an exchange rate of R$1.74 per US$1.00. On March 31, 2010, the exchange rate was R$1.7810 to US$1.00. Although over long periods the devaluation of the Brazilian currency generally has correlated with the rate of inflation in Brazil, devaluations over shorter periods have resulted in significant fluctuations in the exchange rate between the Brazilian currency and the U.S. dollar as well as currencies of other countries. There can be no assurance that the real will maintain its current value against the U.S. dollar or that the Brazilian government will not implement an exchange rate band or another type of currency exchange control mechanism.

Any governmental involvement in the exchange rate, or the implementation of any exchange-control mechanism, could lead to a further devaluation of the *real*, which could make foreign currency-linked obligations or expenses of Globo, including the Amended Perpetual Notes, more expensive. Any such impact could have an adverse effect on Globo as substantially all of Globo's net sales are in *reais*.

Increased inflation in Brazil could harm Globo's business and Globo's ability to make payments on Globo's U.S. dollar-denominated indebtedness, including the Amended Perpetual Notes.

Globo's principal market is Brazil, which has periodically experienced extremely high rates of inflation. Inflation, along with governmental measures to combat inflation and public speculation about possible future governmental measures, has had significant adverse effects on the Brazilian economy. The annual rates of inflation, as measured by the *Índice Geral de Preços—Mercado* (the General Market Price Index, or "IGP-M") have decreased significantly from 2,567.3% in 1993. Brazil's rate of inflation, according to the IGP-M, was 8.7% in 2003, 12.4% in 2004, 1.2% in 2005, 3.8% in 2006, 7.8% in 2007, 9.8% in 2008 and negative 1.7% in 2009. There can be no assurance that recent lower levels of inflation will continue, and Brazil may experience high levels of inflation in the future. If that should occur, Globo's operations and results may be affected, which could adversely affect the ability of Globo to satisfy payment obligations under the Amended Perpetual Notes and other indebtedness. Inflationary pressures may also lead to further governmental intervention in the economy, including the introduction of government policies that may have an adverse effect on Globo's operations and the market value of the notes. In addition, a substantial increase in inflation may weaken investor confidence in Brazil, possibly impacting the market value of the notes.

Allegations of political corruption against the Brazilian federal government could create economic and political instability.

In the past, the federal government has faced allegations of political corruption. As a result, a number of politicians, including senior federal officials, resigned. In addition, members of the Brazilian executive and legislative branches of government have been investigated as a result of allegations of unethical or illegal conduct. It is impossible to foresee the possible conclusions of such investigations and whether similar conclusions will adversely affect the Brazilian economy. As a result, similar uncertainties, allegations of unethical or illegal conduct or other future developments in Brazilian politics may adversely affect Globo and its business and results of operations. Globo cannot predict whether such allegations will lead to further instability or whether new allegations against key Brazilian government officials will arise in the future. In addition, Globo cannot predict the outcome of any such allegations and their effect on the Brazilian economy.

Changes in Brazilian tax laws, including interpretations thereof, may have an adverse impact on the taxes applicable to a disposition of the notes or may adversely impact Globo's results of operations.

According to Law 10833, enacted on December 29, 2003, the disposition of assets located in Brazil by a non-resident to either a Brazilian resident or a non-resident is subject to capital gains tax in Brazil, regardless of whether the disposition occurs outside or within Brazil. As the notes are offered, sold and listed outside Brazil, Globo does not believe that the notes fall within the definition of assets located in Brazil for purposes of Law 10833 and, accordingly, gains on the sale or the disposition of the notes made outside Brazil are not subject to Brazilian taxes. However, given that this legislation is not entirely clear and the absence of judicial guidance in respect thereof, there can be no assurance that this interpretation of the law will prevail in the courts of Brazil.

Furthermore, the Brazilian government frequently implements changes to tax regimes that affect Globo and Globo's customers. These changes include changes in prevailing tax rates and, on occasion, enactment of temporary taxes, the proceeds of which are earmarked for designated governmental purposes. Also, the Brazilian tax authorities' interpretations with respect to tax events and tax rates, as well as the computation of certain taxes, may change from time to time.

Some of these changes may result in increases in Globo's tax payments, which can adversely impact industry profitability and increase the prices of Globo's products and services, restrict Globo's ability to do business in Globo's existing and target markets and could cause Globo's financial results to suffer. There can be no assurance that Globo will be able to maintain its prices and projected cash flow and profitability following increases in Brazilian taxes applicable to Globo, Globo's subsidiaries and Globo's operations.

Negative developments in other national economies, especially those in developing countries, may negatively impact foreign investment in Brazil and the country's economic growth.

International investors generally consider Brazil to be an emerging market. Historically, adverse developments in the economies of emerging markets have resulted in investors' perception of greater risk from investments in such markets. Such perceptions regarding emerging market countries have significantly affected the Brazilian securities markets and the availability of credit in Brazil, from both domestic and international sources of capital. This may be exacerbated by the current financial crisis. Furthermore, although economic conditions are different in each country, investors' reactions to developments in one country can impact the prices of securities in other countries, including those in Brazil. Negative economic and market conditions in other emerging market countries, especially those in Latin America and Asia, have at times resulted in considerable outflows of funds from, and declines in the amount of foreign investment in, Brazil. This caused Brazilian companies to face higher financing costs and adversely affected the market price of Brazilian companies' securities. Examples of such events include the Asian economic crisis of 1997 and the Russian currency crisis of 1998. The repercussions of these events were exacerbated in Brazil by Brazil's 1999 currency depreciation and related economic developments. More recently, Argentina's instability in 2001 and 2002 increased international financial markets volatility.

In the event of adverse developments in emerging-market economies, the international capital markets may not remain open to Brazilian companies, prevailing interest rates in these markets may not be advantageous to Globo and the market price of the notes may decrease. Furthermore, decreased foreign investment in Brazil could adversely affect growth and liquidity in the Brazilian economy, which in turn could have an adverse effect on Globo's businesses. In addition, such developments in other emerging-market economies may destabilize the *real* or cause it to depreciate significantly.

Brazilian law limits Globo's ability to make certain payments on U.S. dollar remittances.

Brazilian law provides that whenever there exists, or there is a serious risk of, a material imbalance in Brazil's "balance of payments," the Brazilian government may impose restrictions for a limited period of time on the remittance to foreign investors of the proceeds of their investments in Brazil as well as on the conversion of the *real* into foreign currencies. The Brazilian government imposed such a restriction on remittances for approximately six months in 1989 and early 1990. These restrictions could hinder or prevent Globo from being able to pay interest or principal on the Amended Perpetual Notes.

The Brazilian government may in the future: (i) restrict companies from paying amounts denominated in foreign currency or (ii) require that any such payment be made in *reais*. Many factors could affect the likelihood of the Brazilian government imposing such exchange control restrictions, including: the extent of Brazil's foreign currency reserves; the availability of sufficient foreign exchange on the date a payment is due; the size of Brazil's debt service burden relative to the economy as a whole; Brazil's policy toward the International Monetary Fund; and political constraints that Brazil may be subject to. There can be no assurance that the Central Bank would not modify its policies or that the Brazilian government would not institute restrictions or delays on payments of external debt in the future.

The Brazilian government currently restricts the ability of Brazilian or foreign persons or entities to convert Brazilian currency into U.S. dollars or other currencies other than in connection with certain authorized transactions through the Central Bank, including, among others, timely payments of the Amended Perpetual Notes by Globo, once duly approved by the Central Bank. Globo will seek such approval with respect to the Amended Perpetual Notes, by means of registration with the Central Bank. Although registration is automatic, the Central Bank will review it and may present further requests for adjustments necessary for its conclusion, taking into consideration whether the economic terms of the Amended Perpetual Notes are compatible with usual conditions and market practice. There can be no assurance that the Central Bank will grant such approval or that the current mechanisms for the conversion of Brazilian currency into U.S. dollars and remittance abroad of such funds will continue to be available at the time the obligations under the Amended Perpetual Notes are to be performed or that a more restrictive exchange control policy, which could affect the ability to make payments under the Amended Perpetual Notes in U.S. dollars, will not be adopted in the future. If such financial mechanisms for the conversion of reais into U.S. dollars and remittance of such funds are not available, Globo will have to rely on a special authorization from the Central Bank to make payments under the Amended Perpetual Notes in U.S. dollars. There can be no assurance that any such special Central Bank authorization would be obtained or that if such authorization is obtained, such authorization would be obtained on a timely basis. In addition, the Central Bank authorization will need to be obtained for (i) any late payments to be made under the Amended Perpetual Notes 120 days or more after the maturity of any payment event under the Amended Perpetual Notes or (ii) any payments to be made under the Amended Perpetual Notes that are on different terms than those originally registered with the Central Bank.

Judgments won against Globo by investors may be difficult to enforce in Brazil.

All of the executive officers of Globo reside in Brazil. In addition, most of the assets of Globo are located in Brazil. As a result, it is necessary for holders of the Amended Perpetual Notes to comply with Brazilian law in order to obtain an enforceable judgment against Globo or its assets. It may not be possible for investors to effect service of process upon the executive officers of Globo in jurisdictions outside Brazil, or to realize in such jurisdictions against Globo judgments obtained in the courts of such jurisdictions based upon civil liabilities of Globo, including any judgments based upon the laws of countries other than Brazil.

Specifically, Globo believes that Brazilian courts will enforce a judgment of a court sitting in a jurisdiction outside Brazil for civil liabilities predicated on the securities laws of any such country, without reconsideration of the merits, only if such judgment satisfies certain requirements and receives confirmation from the Superior Tribunal of Justice, Brazil's highest court for the recognition of foreign judgments.

There can be no assurance that such confirmation would be obtained, that the process described above would be conducted in a timely manner or that a Brazilian court would enforce a monetary judgment for violation of the securities laws of a country other than Brazil with respect to the Amended Perpetual Notes. See "Enforcement of Civil Liabilities."

Brazilian law may limit Globo's ability to make payments in U.S. dollars with respect to court judgments.

If proceedings were brought in the courts of Brazil seeking to enforce Globo's obligations under the Amended Perpetual Notes, Globo would not be required to discharge its obligations in a currency other than *reais*. Under Brazilian exchange control limitations, an obligation to pay in Brazil amounts denominated in a currency other than the Brazilian currency may only be satisfied in Brazilian currency at the rate of exchange, as disclosed by the Central Bank, in effect on (i) the date of payment; (ii) the date on which such judgment is rendered; or (iii) the actual due date of the obligations. There can be no assurance that, in that event, the conversion of the Brazilian currency into U.S. dollars would afford full compensation of the amounts invested in the Amended Perpetual Notes plus accrued interest or that any such Central Bank approval will be obtained or that such approval will be obtained on a timely basis.

In the event of bankruptcy of Globo, only limited remedies under the Amended Perpetual Notes exist under Brazilian law. Furthermore, Brazilian law requires payment of certain statutory preferences before holders of the Amended Perpetual Notes can be paid.

If the payment of principal on the Amended Perpetual Notes is accelerated due to the bankruptcy, judicial or extrajudicial reorganization, liquidation or dissolution of Globo, the assets of Globo will only be available to pay those amounts after: (i) all statutory preferences (such as claims for salaries, wages, social security, secured credits, taxes and court fees and expenses) of Globo have been paid in full, as described in Articles 83 and 84 of Law 11101, enacted on February 9, 2005; and (ii) Globo is actually declared bankrupt, is subject to judicial or extrajudicial reorganization, is put into liquidation or is otherwise dissolved for purposes of Brazilian law. Foreign currency claims in a bankruptcy are, however, converted into *reais* at the exchange rate in effect on the date the bankruptcy is declared and this is the sole basis for the consideration of the value of such claims.

Risks Relating to the Notes

The SENs are not obligations of Globo or any of its subsidiaries.

The SENs are not obligations of Globo or any of its subsidiaries, and neither Globo nor any of its subsidiaries will guarantee any of the SENs Issuer's payments or other obligations under the SENs or the SENs Indenture. The SENs Issuer has no independent operations, and, other than the gross proceeds from the sale of the SENs in this offering which will be invested in Eligible Investments, has no material assets.

If the SENs Issuer were to fail to purchase Globo's Perpetual Notes, holders of the SENs would not receive the Amended Perpetual Notes or the Exchange Fee.

If the SENs Issuer were to fail to purchase the Perpetual Notes as required pursuant to the terms of the SENs Indenture on July 20, 2010 for any reason, holders of the SENs would be entitled to receive on the business day immediately following such default the principal amount of their SENs, plus interest earned on the Eligible Investments in the Escrow Account, but would not be otherwise entitled to receive interest in respect of the SENs from the issue date of the SENs because the SENs by their terms do not bear interest. If the SENs Issuer so failed to purchase the Perpetual Notes, SENs holders would not receive the Amended Perpetual Notes or the Exchange Fee because the Mandatory Exchange could not be consummated.

After the SENs Issuer uses the gross proceeds of the offering of the SENs to purchase Globo's Perpetual Notes, if the Mandatory Exchange is not consummated for any reason on or prior to July 27, 2010, the sole remedy available to the holders of the SENs will be an action to cause the delivery of the Amended Perpetual Notes.

The SENs Issuer has agreed to use the gross proceeds from the sale of the SENs to purchase all of the outstanding Perpetual Notes on July 20, 2010. Upon the purchase of the Perpetual Notes, the gross proceeds of the offering of the SENs will be released from the Escrow Account, be paid to the holders of the outstanding Perpetual Notes and will no longer be available to the SENs Issuer. Thereafter, if the SENs issuer were to fail to consummate the Mandatory Exchange of the Amended Perpetual Notes for the SENs on or prior to July 27, 2010 as required pursuant to the terms of the SENs Indenture, there would be an event of default under the SENs Indenture, but the sole remedy available to the holders of the SENs would be an action to cause the delivery of the Amended Perpetual Notes.

Payments on the Amended Perpetual Notes will be effectively subordinated to any secured debt of Globo and structurally subordinated to all debt and other liabilities of Globo's subsidiaries. The Amended Perpetual Notes will not be guaranteed by any of Globo's subsidiaries.

The Amended Perpetual Notes will constitute unsubordinated and unsecured obligations of Globo and will rank equally in right of payment with Globo's existing and future unsubordinated indebtedness. The Amended Perpetual Notes will be effectively subordinated to any secured debt of Globo to the extent of the value of the assets securing such debt, and will be structurally subordinated to all debt and other liabilities of Globo's subsidiaries. Globo's subsidiaries are separate and distinct legal entities. As the Amended Perpetual Notes are not guaranteed by any of Globo's subsidiaries, none of Globo's subsidiaries will be obligated to make funds available to Globo for payments with respect to the Amended Perpetual Notes. As a result, in the event of bankruptcy, liquidation, restructuring or similar proceeding of Globo, claims of creditors under Globo's secured debt (to the extent of the collateral securing such debt) and claims of creditors of Globo's subsidiaries will be paid before payments are made to holders of the Amended Perpetual Notes. In addition, there can be no assurance that the agreements governing the current and future debt of Globo's subsidiaries will permit Globo's subsidiaries to provide Globo with any dividends, distributions or loans to fund interest, principal and other payments with respect to the Amended Perpetual Notes.

The funding by Globo of obligations of its subsidiaries could adversely impact funds available to Globo for payments with respect to the Amended Perpetual Notes.

Brazilian law does not specifically provide that a controlling shareholder is required to fund the operations of a company. In accordance with the Brazilian Civil Code, however, a judge may disregard the corporate entity in the case of abuse of the corporate entity. In addition, Brazilian courts and doctrine have found that a controlling shareholder may, in certain specific circumstances, be liable for labor, social security, environmental and consumer rights obligations of its subsidiaries. There can be no assurance that Globo will not be required by a Brazilian court to honor the obligations of a subsidiary in the case of a labor, social security, environmental or consumer rights dispute. If Globo were required to fund the obligations of its subsidiaries to any material extent, this could adversely impact funds available to Globo for payments with respect to the Amended Perpetual Notes.

The Amended Perpetual Notes and the Amended and Restated Indenture will not restrict Globo from incurring additional indebtedness and liabilities.

Neither Globo nor any of Globo's subsidiaries will be restricted from incurring additional debt or liabilities, including additional unsubordinated debt, under the Amended Perpetual Notes or the Amended and Restated Indenture. If Globo or its subsidiaries incurs additional debt or liabilities, Globo's ability to pay interest, principal and other amounts due with respect to the Amended Perpetual Notes could be adversely affected. The incurrence by Globo or its subsidiaries of additional debt or liabilities may reduce the amount recoverable by holders of the Amended Perpetual Notes upon any bankruptcy or insolvency and would increase the likelihood that Globo may be unable to pay interest, principal or other amounts due with respect to the Amended Perpetual Notes. Globo expects that it or its subsidiaries will from time to time incur additional debt and other liabilities. In addition, Globo will not be restricted under the Amended Perpetual Notes or the Amended and Restated Indenture from paying dividends, redeeming or repurchasing stock or making other distributions, making investments, creating specified permitted liens, issuing securities, selling assets or entering into affiliate transactions.

Certain U.S. investors may recognize taxable gain or loss when they exchange the SENs for the Amended Perpetual Notes in the Mandatory Exchange.

The U.S. tax characterization of the SENs is not certain. It is possible that the SENs will be treated as equity of the SENs Issuer for U.S. federal income tax purposes. If the SENs are so treated, the Mandatory Exchange will be treated as an exchange of the equity of the SENs Issuer for the Amended Perpetual Notes for U.S. federal income tax purposes and certain U.S. investors will generally recognize taxable gain or loss for such purposes upon the Mandatory Exchange. Furthermore, due to the application of the "PFIC" rules, any gain recognized on the Mandatory Exchange will generally be ordinary (rather than capital). See "Taxation—U.S. Federal Income Taxation" for a discussion of the U.S. federal income tax consequences of the Mandatory Exchange and of acquiring the SENs generally.

The Amended Perpetual Notes may be redeemed upon the occurrence of specified tax events or at the option of Globo, as the case may be, on or after July 20, 2015.

The Amended Perpetual Notes may be redeemed at any time by Globo upon the occurrence of certain tax events at a redemption price equal to 100% of the principal amount of the Amended Perpetual Notes plus accrued and unpaid interest and additional amounts, if any, as described under "Description of the Amended Perpetual Notes—Redemption—Optional Tax Redemption." In addition, the Amended Perpetual Notes may be redeemed at the option of Globo on any date on or after July 20, 2015 at a redemption price equal to 100% of the principal amount of the Amended Perpetual Notes plus accrued and unpaid interest and additional amounts, if any, as described under "Description of the Amended Perpetual Notes—Redemption—Optional Redemption." There can be no assurance that investors will be able to reinvest the amounts received upon any redemption at a rate that will provide investors with the same return as their investment in the Amended Perpetual Notes.

An active trading market for the notes may not develop.

The notes are being offered in reliance upon an exemption from registration under the Securities Act and applicable state securities laws. Accordingly, the notes may be transferred or resold only in accordance with this offering memorandum in a transaction registered under or exempt from the Securities Act and applicable state securities laws, as described further in "Notice to Investors." The SENs constitute a new issue of securities for which there is no existing market, and the Amended Perpetual Notes constitute an amendment of an existing security. The SENs Issuer has applied to list the SENs on the Official List of the Luxembourg Stock Exchange and to admit the SENs for trading on the Euro MTF Market. No assurance can be provided regarding the future development of a market for either series of notes, the ability of holders of either series of notes to sell their notes or the price at which such holders may be able to sell their notes. If such a market were to develop, the notes could trade at prices that may be higher or lower than the initial offering price of the SENs in this offering depending on many factors, including prevailing interest rates, Globo's results of operations and financial condition, prospects for other companies in Globo's industry, political and economic developments in and affecting Brazil, risks associated with Brazilian issuers of such type of securities and the market for similar securities. If an active market for the notes does not develop or is interrupted, the market price and liquidity of the notes may be adversely affected.

The book-entry registration system of the notes may limit the exercise of rights by the beneficial owners of the notes.

Investors' ability to pledge interests in the notes may be limited due to the lack of a physical certificate. In addition, beneficial owners of interests in the notes may, in certain cases, experience delay in the receipt of payments of principal or interest, as applicable, since the payments will generally be forwarded by the SENs Paying Agent or Principal Paying Agent to DTC, which will then forward payment to its direct and indirect participants, which (if they are not themselves the beneficial owners) will then forward payments to the beneficial owners of the notes. A holder of beneficial interests in the notes will not have a direct right under the notes to act upon any solicitations that the SENs Issuer or Globo, as the case may be, may request. Instead, holders will be permitted to act only to the extent they receive appropriate proxies to do so from DTC, Euroclear or Clearstream. Similarly, if the SENs Issuer or Globo default on their respective obligations under the notes, holders of beneficial interests in the notes will be restricted to acting through DTC, Euroclear or Clearstream. There can be no assurance that the procedures of DTC, Euroclear or Clearstream will be adequate to allow holders to exercise their rights under the notes in a timely manner.

The SENs Issuer is subject to Cayman Islands Anti-Money Laundering Legislation.

The SENs Issuer and its administrator are subject to anti-money laundering legislation in the Cayman Islands pursuant to the Proceeds of Criminal Conduct Law (as amended) (the "PCCL"). Pursuant to the PCCL, the Cayman Islands government enacted The Money Laundering Regulations (as amended), which impose specific requirements with respect to the obligation to "know your client". Except in relation to certain categories of institutional investors, the SENs Issuer will require a detailed verification of each investor's identity and the source of the payment used by such investor for purchasing the SENs in a manner similar to the obligations imposed under the laws of other major financial centers. In addition, if any person who is resident in the Cayman Islands knows or has a suspicion that a payment to the SENs Issuer (by way of investment or otherwise) contains the proceeds of criminal conduct, that person must report such suspicion to the Cayman Islands authorities pursuant to the PCCL. If the SENs Issuer were determined by the Cayman Islands government to be in violation of the PCCL or The Money Laundering Regulations (as amended), the SENs Issuer could be subject to substantial criminal penalties. Such a violation could materially adversely affect the timing and amount of payments by the SENs Issuer to the holders of the SENs.

USE OF PROCEEDS

The SENs Issuer will use the gross proceeds from the sale of the SENs in this offering to purchase all of Globo's outstanding Perpetual Notes on July 20, 2010 in accordance with the provisions of the Perpetual Notes Indenture. Pending the purchase of the Perpetual Notes, the SENs Issuer will deposit the gross proceeds from the sale of the SENs in the Escrow Account pursuant to the Escrow Agreement. The SENs Escrow Agent will invest the gross proceeds in Eligible Investments. "Eligible Investments" will consist of short-term U.S. Treasury securities that will mature on or prior to July 15, 2010.

CONSOLIDATED CAPITALIZATION OF GLOBO

The table below sets forth Globo's consolidated capitalization as of December 31, 2009 on an actual and on an as-adjusted basis giving effect to the offering and the Mandatory Exchange. You should read this table in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations of Globo," "Description of Other Indebtedness of Globo" and the financial statements and related notes included elsewhere in this offering memorandum.

	As of December 31, 2009			
	(in millions of *reais*) (1)		(in millions of US$) (1)	
	Actual	As Adjusted	Actual	As Adjusted
Cash, cash equivalents and marketable securities	R$ 3,304.1	R$ 3,292.4(2)	US$ 1,897.6	US$1,890.9(2)
Existing debt (3):				
Perpetual Notes / Amended Perpetual Notes	R$ 565.9	R$ 565.9	US$ 325.0	US$ 325.0
Senior Notes	348.2	348.2	200.0	200.0
Bank loans	99.9	99.9	57.4	57.4
Other	166.3	166.3	95.5	95.5
Total debt	1,180.4	1,180.4	677.9	677.9
Shareholders' equity				
Total shareholders' equity (4)	4,614.1	4,614.1	2,649.9	2,649.9
Total capitalization	R$ 5,794.5	R$ 5,794.5	US$ 3,327.9	US$3,327.9

(1) Convenience translation of 1.7412 *reais* per U.S. dollar, the Central Bank exchange rate in effect on December 31, 2009.

(2) Assumes an aggregate reduction of R$11.7 million to reflect payment of estimated fees and expenses in connection with this offering. Does not reflect payment of R$52.4 million, which represents the aggregate amount of the Exchange Fee payable in connection with the Mandatory Exchange and interest on the Perpetual Notes payable on April 20,2010 and July 20, 2010.

(3) For a description of Globo's existing debt, see "Description of Other Indebtedness of Globo." For purposes of this presentation, the amounts presented for the Perpetual Notes, the Amended Perpetual Notes, the Senior Notes, the Bank Loans and Other exclude accrued but unpaid interest as of December 31, 2009.

(4) Globo's authorized and outstanding share capital consists of 333,335 ordinary shares and 666,665 preferred shares. All outstanding ordinary shares and preferred shares of Globo are fully paid and non-assessable.

There has been no material change in Globo's consolidated indebtedness or capitalization since December 31, 2009.

DESCRIPTION OF THE SENS ISSUER

General

The SENs Issuer was incorporated as an exempted company with limited liability on March 26, 2010 under the laws of the Cayman Islands, with registration number 238770. The SENs Issuer has been incorporated for an indefinite period. The SENs Issuer's registered office is located at Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9002, Cayman Islands. The SENs Issuer's authorized share capital is US$250, divided into 250 ordinary shares of US$1.00 each, 250 of which have been issued. The Shares are fully paid and are held by the Share Trustee under the terms of the Declaration of Trust under which the Share Trustee holds the Shares on trust ultimately for charitable purposes and, until the Termination Date, may only dispose or otherwise deal with the Shares with the approval of the SENs Trustee for so long as there are SENs outstanding. The Termination Date shall be the earlier of (i) 149 years from the date of the Declaration of Trust, (ii) the day immediately following the Mandatory Exchange or (iii) such earlier date as the Share Trustee may determine provided there are no SENs then outstanding. Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has power with the consent of the SENs Trustee to confer benefit upon the holders of the SENs or qualified charities. No distribution will be made while any SENs is outstanding. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares.

The SENs Issuer will not be registered under the U.S. Investment Company Act of 1940, as amended.

Business

According to the Memorandum and Articles of Association of the SENs Issuer, the purposes for which the SENs Issuer has been established are unrestricted. However, as long as the SENs remain outstanding, the SENs Indenture will limit the SENs Issuer's business activities. See "Description of the SENs—Covenants." The SENs Issuer has no independent operations and will have no assets, other than the gross proceeds from the sale of the SENs in this offering and amounts from time to time remaining from the proceeds of issuance of the Shares and any fee payable to it in connection with the issuance of the SENs. Globo has transferred to the SENs Issuer the option to purchase all of the outstanding Perpetual Notes on July 20, 2010 at a price equal to 100% of their principal amount, and the SENs Issuer has agreed to purchase the outstanding Perpetual Notes on July 20, 2010, all in accordance with the provisions of the Perpetual Notes Indenture. Pending the purchase of the Perpetual Notes as described herein, the SENs Issuer will deposit the gross proceeds from the sale of the SENs in the Escrow Account pursuant to the Escrow Agreement. The SENs Escrow Agent will invest the gross proceeds in Eligible Investments.

The SENs are the obligations of the SENs Issuer alone and not of the Share Trustee or the SENs Trustee. Furthermore, they are not obligations of, or guaranteed in any way by, the Initial Purchasers, Globo or any of its subsidiaries, or any other party.

Save in respect of the fee generated in connection with the SENs (being US$250), any related profits and the proceeds of any deposits and investments made from such fee or from amounts representing its issued and paid-up share capital, the SENs Issuer does not expect to accumulate any surpluses. Fees payable by the SENs Issuer to the administrator of the SENs Issuer, the SENs Trustee, the SENs Escrow Agent and the SENs Paying Agent (the "Agents") will be paid out in advance of the issue of the SENs. Additionally, the Agents have agreed that the payments of outstanding fees or expenses (if any) not paid up front (of which there are currently not expected to be any) shall be limited to amounts available, following application in accordance with the terms of the SENs Indenture, to discharge such liabilities.

Limited Recourse

The SENs Issuer is a special purpose company established for the specific purpose of issuing the SENs, purchasing the Perpetual Notes and exchanging the SENs for the Amended Perpetual Notes. The obligations of the SENs Issuer to its creditors, including the SENs Trustee and holders of the SENs and under the SENs and the SENs Indenture, are limited to the lesser of (a) the nominal amount of the claim of the relevant creditor determined in accordance with the SENs and the SENs Indenture (the "Claim"); and (b) the product of (i) the Net Proceeds (as defined below) divided by the aggregate gross amount of the Claim and all obligations of the SENs Issuer ranking pari passu with the Claim and (ii) the nominal amount of the Claim. "Net Proceeds" means the net proceeds of realization of all the assets of the SENs Issuer (other than the amounts remaining from the proceeds of issuance of the SENs Issuer's ordinary share capital and the transaction fee charged by the SENs Issuer and any interest earned thereon) after payment of, or provision for, all debts, costs, expenses and other obligations of the SENs Issuer as determined by the directors of the SENs Issuer in their absolute discretion other than the Claim and any obligations ranking pari passu with or behind the Claim. For the avoidance of doubt, if there are no Net Proceeds available for distribution, (i) the SENs Issuer shall have no further obligations to the relevant creditor, (ii) no other assets will be available for payment of the deficiency and (iii) the obligations of the SENs Issuer to pay such deficiency shall be extinguished and shall not thereafter revive.

In addition, the SENs Issuer's obligations under the SENs and the SENs Indenture are solely the corporate obligations of the SENs Issuer, and creditors shall not have any recourse against any of the directors, officers or employees of the SENs Issuer for any claims, losses, damages, liabilities, indemnities or other obligations whatsoever in connection with any transactions contemplated by the SENs and the SENs Indenture.

Non-Petition

The SENs Indenture provides that creditors of the SENs Issuer shall not be entitled to take any action or commence any proceedings against the SENs Issuer to recover any amounts due and payable by the SENs Issuer thereunder except as expressly permitted by the provisions of the SENs Indenture. In addition, creditors are not entitled to take any action or commence any proceedings or petition a court for the winding up or liquidation of the SENs Issuer, nor enter into any arrangement, reorganization or insolvency proceedings in relation to the SENs Issuer whether under the laws of the Cayman Islands or other applicable bankruptcy laws until one year and one day after the later to occur of the payment in respect of the Claim or the extinction of such creditor's rights in respect of the Claim.

Capitalization

The following table sets out the SENs Issuer's capitalization on the date of this offering memorandum:

Share Capital	*As at April 6, 2010*
Total authorized share capital (ordinary shares of US$1.00 each)	US$250
Total issued and paid up share capital (250 ordinary shares of US$1.00, fully paid)	US$250

As at the date of this offering memorandum, the SENs Issuer has no borrowings or indebtedness in the nature of borrowings, term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

The SENs Issuer's directors are Rachael Rankin and Otelia Scott. The address of the SENs Issuer's directors is Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9002, Cayman Islands.

Walkers SPV Limited ("Walkers SPV") is the SENs Issuer's administrator. Its duties include the provision of certain management, administrative and related services. The appointment of the Walkers SPV may be terminated and Walkers SPV may retire upon 120 days' written notice.

Since the date of the SENs Issuer's incorporation, the SENs Issuer has not prepared financial statements. The SENs Issuer is not required by Cayman Islands law, and does not intend, to publish audited financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF GLOBO

The following discussion of the financial condition and results of operations of Globo is based on, and should be read in conjunction with:

- *Globo's audited financial statements as of and for the years ended December 31, 2009, 2008 and 2007 and the related notes thereto included elsewhere in this offering memorandum; and*

- *the information presented under "Presentation of Financial and Other Information."*

The financial statements of Globo were prepared in accordance with the accounting practices adopted in Brazil, which differ in certain significant respects from U.S. GAAP, and with the requirements of Brazilian corporate law. See "Annex A—Principal Differences Between Brazilian GAAP and U.S. GAAP." All figures are stated in Brazilian reais.

The following discussion contains forward-looking statements that involve risks and uncertainties. Globo's actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including those set forth in "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors."

Overview

Globo is the leading media group in Brazil. Globo controls, among other businesses, the leading broadcast television network in Brazil, the leading pay-television programmer in Brazil, as well as internet content and service provider, sound recording and magazine publishing companies. Globo also controls the leading Brazilian cable television operator and holds an interest in the leading Brazilian satellite DTH television distributor. Globo is indirectly owned by and is under the leadership of the Marinho family, whose interests in Brazilian broadcast television date back to 1965 when TV Globo began broadcasting from Rio de Janeiro under the leadership of Mr. Roberto Marinho.

Globo's principal lines of business are:

- Television-Broadcast and Pay-television programming;

- Pay-television distribution and operation services;

- Internet

- Publishing; and

- Sound recording.

Globo's consolidated net operating revenues by business nature are as follows, in millions of *reais*:

	Year ended December 31,		
	2009	**2008**	**2007**
Advertising	R$6,120.0	R$5,755.2	R$5,088.5
Content/Programming	1,442.6	1,122.0	863.8
Other	504.9	471.1	540.7
Net Serviços (1)	318.3	253.2	173.6
Total	**R$8,385.8**	**R$7,601.5**	**R$6,666.6**

(1) Net Serviços is proportionally consolidated based on Globo's ownership interest.

As set out above, "Advertising" includes all advertising revenues, such as broadcast television, pay television, internet, publishing and other. "Content/Programming" includes all revenues related to content and programming, such as pay-television programming, sales of television programming abroad, internet (content and internet service provider), sports rights for broadcast television and other. "Other" includes all revenues not classified above, such as services, subscriptions from the publishing business and others. Until the disposition of Globo's printing business in March 2008, "Other" included revenues from such printing business.

Factors Affecting Operating Results

Brazilian Advertising Market

Globo's results of operations have been influenced and will continue to be influenced by the performance of not only the overall advertising market in Brazil but also the broadcast and pay TV advertising markets in Brazil, as a significant portion of Globo's revenue comes from broadcast and pay-TV advertising. Total advertising expenditures in Brazil in 2008 were approximately R$21.4 billion, representing a 13% increase over 2007. In 2009, Brazilian advertising expenditures reached R$22.3 billion, representing a 4.0% increase compared to the same period in 2008. Historically, television, including broadcast and pay television, has been the largest advertising medium in Brazil, accounting for 63% of total advertising expenditure in 2008 and 64% in 2009.

The table below presents advertising expenditures in Brazil by medium, as reported by www.projetointermeios.com.br.

	Year ended December 31,					
	2009		**2008**		**2007**	
		Growth vs. prior period		**Growth vs. prior year**		**Growth vs. prior year**
Broadcast TV	R$13,569.3	7.6%	R$12,605.2	12.0%	R$11,252.8	8.7%
Newspaper	3,134.9	(8.1)%	3,411.7	9.8%	3,106.3	15.2%
Magazines	1,712.0	(6.2)%	1,824.6	13.3%	1,609.9	7.2%
Radio	986.9	9.4%	902.5	17.6%	767.2	5.6%
Pay TV	822.9	2.5%	802.7	25.5%	639.4	20.6%
Internet	950.4	25.2%	759.3	44.2%	526.7	45.8%
Other (1)	1,096.3	(2.0)%	1,138.1	3.1%	1,104.0	(13.1)%
Total	**R$22,272.7**	**4.0%**	**R$21,444.1**	**12.8%**	**R$19,006.4**	**9.0%**

(1) Outdoor, yellow pages and cinema

TV Globo Audience Performance

Globo's results of operations are also driven by Globo's ability to attract and retain viewers on the Globo Network. As shown in the table below, in the year ended December 31, 2009, Globo's audience ratings continued at high levels, at 20% and 30% for the time slots from 7:00 a.m. to midnight and from 6:00 p.m. to midnight, respectively, compared to 19% and 29% for the same time slots in the year ended December 31, 2008.

	TV Globo		**Total**	
7 a.m. to midnight	**Rating (%)**	**Share (%)**	**Rating (%)**	**Share (%)**
2009	20	46	43	100
2008	19	45	43	100
2007	20	48	42	100
2006	23	53	43	100

6 p.m. to midnight	TV Globo Rating (%)	TV Globo Share (%)	Total Rating (%)	Total Share (%)
2009	30	51	58	100
2008	29	50	58	100
2007	31	54	58	100
2006	36	59	60	100

In the table above, audience “ratings” are expressed as the result of the number of households with a TV set turned on a specific channel during the time of broadcast divided by the total households with at least one TV set, regardless of whether it is turned on or off. Audience “share” is expressed as the result of the number of households with a TV set turned on a specific channel during the time of a broadcast divided by the total households with a TV set turned on.

Recent Developments

In August 2009, Globo acquired the transmission rights to the 2016 Olympic Games to be held in Rio de Janeiro, Brazil. Globo also acquired the transmission rights to the 2014 Winter Olympic Games. Globo and Grupo Bandeirantes de Comunicação, one of Globo’s competitors, purchased non-exclusive transmission rights for broadcast television. Globo also purchased exclusive rights for internet, pay-television, radio and mobile device coverage.

On March 4, 2010, Globo and Grupo RBS entered into a joint venture to create a company to promote and organize events and fairs. The new company is expected to receive investments of R$240 million. This new company and its management will be independent from Globo and Grupo RBS. Globo and Grupo RBS will each have the right to appoint representatives to the Board of Directors of the new company.

Grupo RBS is a multimedia communications group, incorporated in Rio Grande do Sul and Santa Catarina. Grupo RBS operates a platform of 18 open network channels affiliated with Rede Globo, two community channels, one pay-TV channel, 25 radio stations, eight newspapers and four internet portals, among other businesses.

Dispositions and Acquisitions

A summary description of certain recent material dispositions and acquisitions of Globo follows. For a more extensive description of Globo’s dispositions and acquisitions since January 1, 2007, and for a more detailed discussion of the dispositions described below, see the notes to the financial statements of Globo included in this offering memorandum.

Disposition of Globo Cochrane

On March 25, 2008, Globo sold its ownership interest in Globo Cochrane Gráfica e Editora Ltda. (“Globo Cochrane”), a printing company and joint venture between Globo and R.R. Donnelley Latin America L.L.C., for approximately R$111 million. Globo recorded a gain of approximately R$70.8 million under “Investment results.”

Increase of Ownership Interest in Net Serviços

In 2001, as part of a reorganization of the equity ownership structure of Net Serviços, Net Serviços succeeded Globo and its subsidiaries in the right of amortizing for tax purposes certain goodwill of Globo related to acquisitions. Amortization of goodwill over an estimated period results in tax benefits for Net Serviços and its subsidiaries. Net Serviços issues shares to Globo (pro-rata, both common and preferred) up to the amount of the tax benefits realized. At the issuance of shares, all shareholders of Net Serviços are given the right to purchase from Globo a pro rata amount of shares in order to prevent dilution.

In March 2007, Net Serviços issued shares in an amount of R$70.4 million. Globo sold shares in an amount of R$65.3 million to other shareholders of Net Serviços (which was used to prepay outstanding debt) and maintained its ownership interest. In March 2008 and March 2009, Net Serviços issued new shares in an amount of R$73.4 million and R$59.0 million to Globo, respectively, and Globo sold shares in an amount of R$33.6 million and R$53.3 million, respectively, to the other shareholders of Net Serviços. As a result, Globo's direct ownership interest in Net Serviços increased from 0.6% as of December 31, 2007 to 1.14% as of December 31, 2008 and 1.25% as of March 31, 2009 and Globo's ownership on a consolidated basis increased from 6.35% as of December 31, 2007 to 6.86% as of December 31, 2008 and 6.90% as of March 31, 2009. As of December 31, 2009, Globo's direct ownership remained at 1.25% and its consolidated interest remained at 6.90%.

Acquisition of Minority Interest in Vivax Ltda. by Net Serviços

On November 30, 2006, Net Serviços acquired a 36.7% minority interest in Vivax Ltda. (formerly known as Vivax S.A.) ("Vivax"), the second largest cable television service provider in Brazil. Net Serviços funded this acquisition by issuing approximately 1.3 million new common and 23.0 million new preferred shares. Globo waived its subscription rights with respect to the issuance of new shares by Net Serviços. As a result of this transaction, Globo's total interest in Net Serviços was diluted from 7.9% to 7.2%.

In June 2007, following ANATEL's approval of the Vivax acquisition, Net Serviços increased its capital by issuing 39,674,028 preferred shares in the amount of R$1.3 million and exchanging 0.6 Net Serviços preferred shares for one common or preferred share of Vivax. As a result, Vivax became a wholly-owned subsidiary of Net Serviços. In connection with this capitalization, Globo's total interest in Net Serviços was diluted from 7.20% to 6.35% and, on a consolidated basis, Globo recorded a non-operating equity gain of approximately R$75.0 million.

Merger of Sky Brasil and DirecTV Brasil

On October 11, 2004, Globopar, News Corp. and the DirecTV Group Inc. ("DirecTV") announced that they had agreed to transfer DirecTV Brasil from DirecTV to Sky Brasil in exchange for an approximately 29.5% equity interest in Sky Brasil (the "Sky Brasil Merger"). In May 2006, the *Conselho Administrativo de Defesa Econômica* ("CADE") approved the Sky Brasil Merger and the transfer was completed on August 23, 2006. Following the transfer, Globo's ownership interest in Sky Brasil was reduced from 40.3% to 25.9%. The migration of DirecTV Brasil subscribers to the Sky Brasil platform was completed in August 2008.

Sales of Net Serviços Preferred Shares and Subscription Rights

In March 2006, Roma Participações Ltda. ("Romapar"), a subsidiary of Globo, sold preferred shares of Net Serviços representing 0.8% of the share capital of Net Serviços and recorded a gain of R$4.5 million under "non-operating income." Also, as part of a corporate restructuring at Romapar, on March 30, 2006, Romapar was spun off and its net assets were distributed to Globo and Globosat, its sole shareholders, in the amount of R$394.4 million and R$80.5 million, respectively. Romapar's assets were comprised of an ownership interest in Net Serviços with a value of R$90.5 million and Net Serviços subscription rights with a value of R$320.4 million.

On May 18, 2006, Globosat sold Embratel a 5.1% ownership interest in Net Serviços for R$240.0 million. On the same date, Globo also sold Embratel a portion of the subscription rights granted by Net Serviços to Globo (as the successor of Romapar), representing 1.7% of Net Serviços' common shares and 1.7% of its preferred shares, for approximately R$69.0 million. As a result of these transactions, Globo and its subsidiaries recorded a net gain of approximately R$155.0 million as "non-operating income." The funds generated by these transactions were used mainly for the partial prepayment of the Distel Holding S.A. loan and bonds issued by Globo in connection with its restructuring in 2005.

Financial Presentation and Accounting Policies

Consolidated Financial Statements

The consolidated financial statements of Globo included in this offering memorandum have been prepared in accordance with Brazilian GAAP, which differs in significant aspects from U.S. GAAP. See "Annex A—Principal Differences Between Brazilian GAAP and U.S. GAAP." All of the financial information contained in this offering memorandum has been prepared in accordance with Brazilian GAAP.

On January 1, 2008, certain changes were introduced to the accounting practices adopted in Brazil. Globo's financial statements as of and for the year ended December 31, 2007, presented in conjunction with Globo's financial statements as of and for the year ended December 31, 2008, were prepared in accordance with the accounting practices adopted in Brazil effective on December 31, 2007 and, as allowed by Technical Pronouncement – CPC 13 – First Time Adoption of Law 11638/07 and Law 11941/09 were not restated for comparative purposes, except for certain balance sheet and income statement reclassifications. Law 11638/07 and Law 11941/09 eliminated deferred assets accounts but CPC 13 permitted companies to maintain these balances until their full amortization (subject to annual impairment analysis). Globo did not make use of this exemption and wrote off its outstanding deferred assets balance of R$2.4 million against retained earnings on January 1, 2008. In addition, on a consolidated basis, R$18.3 million of deferred assets were reclassified as fixed assets on Globo's consolidated balance sheet as of December 31, 2008. Moreover, other accounting changes were adopted throughout 2008, including the elimination of non-operating income (expense) and its reclassification as operating income (expense) under "gain (loss) on sale of property, plant and equipment and intangible" and "investment results." For comparative purposes, these reclassifications were also made on Globo's consolidated balance sheet and income statement as of and for the year ended December 31, 2007 included with Globo's audited consolidated financial statements as of and for the years ended December 31, 2008 and 2007. See note 2 to Globo's financial statements as of and for the years ended December 31, 2008 and 2007 for other exemptions provided by CPC 13 and other changes to the accounting practices adopted in Brazil applicable to Globo's financial statements as of and for the year ended December 31, 2008.

On December 28, 2007, Law 11638 was enacted, amending, revoking and introducing new provisions to Law 6385. The main purpose of these changes was to update Brazilian Corporate Law in order to allow the convergence of accounting practices adopted in Brazil with international accounting standards.

Large companies, regardless of type of entity, must observe Law 6,404 for the preparation of financial statements. These financial statements must be audited by an independent auditor registered by the Brazilian Securities and Exchange Commission. For the purpose of this law, a large company is defined as a company or group of companies under common control with total assets greater than R$240.0 million or gross revenues greater than R$300.0 million in the prior fiscal year. Globo is considered a large company.

Globo's condensed consolidated financial statements as of the year ended December 31, 2009 include proportional consolidation for certain subsidiaries according to Globo's ownership interest at the end of each period. Subsidiaries that are proportionately consolidated include Net Serviços (6.90% as of December 31, 2009 and 6.86% as of December 31, 2008), the programming companies Endemol Globo S.A. ("Endemol Globo") (50%), Telecine (50%), Canal Brazil (50%) and USA Brasil (50%), a subsidiary of Globo that holds a controlling interest in Net Serviços, GB Empreendimentos e Participações S.A. ("GB") (17%) and PB Brasil (60%). Sky Brasil and TT2 Telecomunicações Ltda. have been recognized by Globo under the equity method.

Critical Accounting Policies

The presentation of Globo's financial condition and results of operation in conformity with Brazilian GAAP requires Globo to make certain judgments and estimates regarding the effects of matters that are inherently uncertain and that impact the carrying value of Globo's assets and liabilities. Actual results could differ from those estimates. In order to provide an understanding about how Globo forms its judgments and estimates about certain future events, including the variables and assumptions underlying the estimates, and the sensitivity of those judgments to different variables and conditions, Globo has summarized the critical accounting policies set forth below under Brazilian GAAP.

Transmission and exhibition rights

Transmission and exhibition rights are comprised of film, live events and other exhibition rights and are recorded at the acquisition cost when such rights become available or when advances are made, whichever occurs first. Film costs include the unamortized cost of film and television series rights acquired from third parties pursuant to acquisition agreements. A film's amortization is determined based upon the estimated revenues for each exhibition throughout its contractual life cycle. Live events include mainly soccer championships transmission rights and are amortized as aired.

The recovery of live events and film rights are revised on a title-by-title basis, and losses, if any, are recognized when it becomes known that a film or event will not be aired until the end of the contract term. Casting rights are represented by the total amount of contracts with artists and are allocated to programming production costs using the straight-line method over the contract term.

The production costs of completed and in-process telenovelas, mini-series, series and other television programming are also recorded as exhibition rights. These rights are expensed as the programs are aired. Programs are written-off when it is determined they will not be aired.

Goodwill

Goodwill comprises all goodwill recorded on the acquisition of investments and from corporate restructuring attributed to future profitability, net of accumulated amortization. Until December 31, 2008, goodwill had been amortized on a straight-line basis. In accordance with CPC 04, beginning January 1, 2009, Globo ceased amortization of goodwill and it is now subject only to impairment analysis based on discounted cash flow projections in accordance with CPC 01.

Provisions for contingencies

Provisions for contingencies are recorded at amounts considered sufficient to cover probable losses based on the opinions of internal and external legal counsel.

Income tax and social contribution

Income tax and social contribution are calculated based on income, adjusted for additions and deductions as determined by the current tax legislation. The deferred income tax and social contribution benefit reflect the effect of tax loss carry forwards, negative basis of social contribution and the net effects of temporary differences between the carrying amount of assets and liabilities for financial statement and income tax purposes, net of allowances. These temporary differences can be used to offset future taxable income. Globo evaluates annually the carrying value of deferred income tax and social contribution assets in relation to its operating performance and projected future taxable income and, when necessary, reduces its amount to the expected realization value.

Results of Operations

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

Until December 31, 2008, Globo amortized goodwill on a straight-line basis over a period of no longer than ten years. In accordance with CPC 04, Globo, beginning January 1, 2009, ceased amortization of goodwill. Goodwill is only subject to annual impairment analysis in accordance with CPC 01. For the year ended December 31, 2008, Globo amortized goodwill of R$563 million. As a result of this accounting change, Globo's net income for the year ended December 31, 2009 is not directly comparable to its net income for the year ended December 31, 2008.

Law 9718/98 increased the amounts on which PIS and COFINS taxes were to be calculated. Globo and certain subsidiaries filed legal challenges to the effects of Law 9718/98. On November 9, 2005, the Brazilian Supreme Court ruled that the provision of Law 9718/98 increasing the amounts on which PIS and COFINS taxes were to be calculated was unconstitutional. In addition, on May 27, 2009, Law 11941 was enacted, revoking the above-referenced provision of Law 9718/98. As a result, Globo's internal and external lawyers estimate that a favorable outcome for this case is practically certain and, therefore, the approximately R$295.0 million provision Globo had previously taken was reversed in the second quarter of 2009.

The Brazilian government enacted Law 11941/09 in May 2009, relating to certain federal tax debits due through November 30, 2008. Law 11941/09 established a refinancing tax program (the "Refinancing Tax Program") and granted certain benefits, such as a reduction in penalties and interest depending on the form of payment made. Globo's management evaluated the benefits established by Law 11941/09 to assess the benefits of the Refinancing Tax Program.

In the fourth quarter of 2009, upon recognition of the Refinancing Tax Program, Globo recorded a tax liability of approximately R$430.7 million, of which R$228.9 million was recorded against operating expenses, R$196.2 million was recorded against financial results, and R$5.5 million was recorded against social contribution expenses. Globo also recognized an income tax and social contribution benefit of R$202.0 million, related to deferred income tax assets used to partially offset tax liabilities. The negative net effect on the Company's income statements was a decrease of approximately R$228.7 million recorded in the fourth quarter of 2009.

	Year Ended December 31,	
	2009	**2008**
	(in millions of *reais*)	
Financial Information:		
Net operating revenues	R$ 8,385.8	R$ 7,601.5
Cost of sales and services	(4,938.6)	(4,102.6)
Selling expenses	(1,046.0)	(969.5)
General and administrative expenses	(1,066.7)	(989.0)
Depreciation and amortization	(62.4)	(54.9)
Gain (loss) on sale of property, plant and equipment and intangible	2.9	(5.5)
Other operating (expense) income	(1.8)	2.4
Investments Results	103.8	76.8
Financial (expense) income, net	357.4	(246.6)
Amortization of goodwill	—	(563.0)
Income tax and social contribution (expense) benefit	169.2	(253.0)
Minority interests (1)	0.6	(0.1)
Net income	R$ 1,904.2	R$ 496.7
Other Data:		
Adjusted EBITDA (2)	R$ 1,527.3	R$ 1,702.6
Adjusted EBITDA margin	18%	22%

(1) Minority interests were R$519.000 and R$(4.000) for the year ended December 31, 2009 and 2008.
(2) See Note 3 under "Summary—Summary Historical Consolidated Financial Information of Globo" for a discussion of Globo's use of Adjusted EBITDA.

Net operating revenues

Globo's net operating revenue increased by R$784.3 million, or 10.3%, from R$7,601.5 million in 2008 to R$8,385.8 million in 2009, mainly due to: (i) a R$364.8 million increase in advertising revenues as a result of 4.0% growth in the Brazilian advertising market; (ii) a R$320.6 million increase in content/programming revenues, primarily in connection with pay-TV programming subscriber base growth in 2009 as Globo is paid based on the number of subscribers under its programming contracts; (iii) a R$33.8 million increase in other revenues, primarily from subscriber base growth in Globo's international business and higher number of tickets sold to sporting events;

and (iv) a R$65.1 million increase resulting primarily from growth in Net Serviços net revenues (proportionally consolidated based on Globo's ownership interest).

Cost of sales and services

Globo's cost of sales and services, excluding depreciation, increased R$801.1 million, or 20.3%, from R$3,942.9 million in 2008 to R$4,744.0 million in 2009. Depreciation related to assets used in production included in cost of sales and services was R$159.7 million in 2008 and R$194.6 in 2009. Excluding depreciation, the increase was principally a result of: (i) a R$228.9 million increase due to the recognition of the Refinancing Tax Program; (ii) a R$262.7 million increase due to higher transmission and exhibition rights; (ii) a R$212.6 million increase in personnel expenses as a result of an increase in number of employees and annual labor union wage adjustments under collective bargaining agreements; (iii) a R$60.4 million increase in programming, marketing and production costs; and (iv) a R$37.0 million increase primarily from increased Net Serviços cost of sales and services.

Selling expenses

Globo's selling expenses increased R$76.5 million, or 7.9%, from R$969.5 million in 2008 to R$1,046.0 million in 2009, primarily as a result of: (i) a R$11.6 million increase as a result of increased marketing and promotion costs and personnel expenses due to growth in total number of employees; (ii) a R$62.9 million increase in expenses as a result of increased commissions in 2009 relating to advertising sales growth and (iii) a R$5.4 million increase related to an increase in Net Serviços selling expenses.

General and administrative expenses

Globo's general and administrative expenses increased R$77.7 million, or 7.9%, from R$989.0 in 2008 to R$1,066.7 million in 2009, primarily due to: (i) a R$76.3 million increase related to an increase in personnel expenses as a result of growth in Globo's number of employees and annual labor union wage adjustments under collective bargaining agreements and higher spending for consulting and other services associated with business infrastructure in the 2009 period; and (ii) a R$1.2 million increase related to an increase in Net Serviços general and administrative expenses.

Depreciation and amortization

Depreciation and amortization increased R$7.5 million, or 13.7%, from R$54.9 million in 2008 to R$62.4 million in 2009.

Other operating income (expenses)

Globo had other operating expenses of R$1.8 million in 2009, representing a decrease of R$4.2 million from other operating income of R$2.4 million in 2008 principally as a result of a R$3.2 million increase in Net Serviços other operating expenses.

Adjusted EBITDA

Globo's Adjusted EBITDA decreased R$175.3 million, or 10.3%, from R$1,702.6 million in 2008 to R$1,527.3 in 2009, mainly due to higher cost of sales where Globo recognized most of the Refinancing Tax Program.

Investment results

Globo's results on investments increased R$27.0 million, from a gain of R$76.8 million in 2008 to a gain of R$103.8 million in 2009, principally due to the positive shareholders' equity of Sky Brasil, partially offset by the March 2008 disposition of the Globo Cochrane printing business.

Financial (expense) income, net

Globo's financial result increased R$604.1 million from a financial expense of R$246.6 million in 2008 to financial income of R$357.4 million in 2009, as shown in the table below. This positive change was principally due to: (i) a R$731.6 million favorable impact on monetary and exchange rate variation as a result of the 25.5% appreciation of the real against the U.S. dollar in 2009 compared to a 31.9% depreciation of the real against the U.S. dollar in 2008; (ii) a R$195.3 million increase in interest expense primarily due to the recognition of the Refinancing Tax Program; and (iii) a R$64.9 million increase in interest income, primarily related to a reversal of provisions for PIS and COFINS tax contingencies of R$295.0 million, partially offset by losses on currency hedge positions due to the appreciation of the real in 2009.

	Year Ended December 31, 2009			Year Ended December 31, 2008			Year Ended December 31, 2009 vs Year Ended December 31, 2008		
	Interest & Financial Income (Expenses)	Monetary Variation & Exchange Reat	Total	Interest & Financial Income (Expenses)	Monetary Variation & Exchange Reat	Total	Interest & Financial Income (Expenses)	Monetary Variation & Exchange Reat	Total
	(in millions of *reais*)								
Interest income	343.4	5.0	348.4	278.5	29.9	308.4	64.9	(24.9)	40.0
Interest expense	(368.7)	375.1	6.4	(173.4)	(378.6)	(552.0)	(195.3)	753.7	558.4
Net financial income (expenses) with related parties	1.5	1.1	2.6	(1.3)	(1.7)	(3.0)	2.8	2.9	5.7
Total Financial (expense) income, net	(23.8)	381.2	357.4	103.8	(350.4)	(246.6)	(127.6)	731.7	604.1

Amortization of goodwill

In accordance with CPC 04 and as discussed above, Globo did not amortize goodwill in the year ended December 31, 2009. Amortization of goodwill was R$563.0 million in 2008.

Income tax and social contribution (expense)

Globo's income tax and social contribution expense increased R$422.2 million to a benefit of R$169.2 million in 2009, compared to income tax and social contribution expense of R$253.0 million in 2008. In 2009 Globo recognized a benefit related to the deferred income tax and social contribution above tax loss carry forwards, negative basis of social contribution and the net effects of temporary differences between the carrying amount of assets and liabilities for financial statement and income tax purposes, net of allowances, including the recognition of the refinancing tax program.

Net income

Globo's net income increased R$1,407.5 million, or 283.4%, from R$496.7 million in 2008 to R$1,904.2 million in 2009. This growth was mainly the result of an income tax and social contribution benefit, Globo's net financial results, a reversal of provision for contingency on financial results in the second quarter of 2009 and the amortization of goodwill, partially offset by higher cost of sales and services and the net effect of the Refinancing Tax Program.

Liquidity and investments

Globo's cash and cash equivalents and marketable securities increased R$666.8 million, or 25.3%, from R$2,637.3 million as of December 31, 2008 to R$3,304.1 million as of December 31, 2009 as a result of strong cash flows from operations. During 2009, Globo primarily used cash flows from operations to pay cash dividends.

Globo's additions to property, plant and equipment were R$339.7 million in 2009 compared to R$337.5 million in 2008.

Year Ended December 31, 2008 Compared to Year Ended December 31, 2007

The following table sets forth audited consolidated financial information for the years ended December 31, 2008 and 2007:

	Year Ended December 31,	
	2008	**2007 (1)**
	(in millions of *reais*)	
Financial information:		
Net operating revenues	R$ 7,601.5	R$ 6,666.6
Cost of sales and services	(4,068.5)	(3,692.6)
Selling expenses	(1,049.8)	(882.4)
General and administrative expenses	(946.2)	(909.0)
Depreciation and amortization	(54.9)	(55.2)
Gain (loss) on sale of property, plant and equipment and intangible	(5.5)	(6.3)
Other operating income (expense)	5.8	(0.2)
Investments results	76.8	79.9
Financial (expense) income, net	(246.6)	93.8
Amortization of goodwill	(563.0)	(594.0)
Income tax and social contribution (expense) benefit	(253.0)	(124.8)
Minority interests	0.0	(0.6)
Net income	496.7	574.8
Other data:		
Adjusted EBITDA (2)	1,702.6	1,325.1
Adjusted EBITDA margin	22%	20%

(1) See "Presentation of Financial Statements—Financial Statements" for a description of certain reclassifications.
(2) See Note 3 under "Summary—Summary Historical Consolidated Financial Information of Globo" for a discussion of Globo's use of Adjusted EBITDA.

Net operating revenues

Globo's net operating revenue increased by R$934.9 million, or 14.0%, from R$6,666.6 million in 2007 to R$7,601.5 million in 2008, mainly due to: (i) a R$673.7 million increase in advertising revenues mainly due to growth of the Brazilian advertising market in 2008; (ii) a R$251.3 million increase in content/programming revenues, mainly due to the pay-TV programming subscriber base growth in 2008 as Globo is paid based on the number of subscribers under its programming contracts; and (iii) a R$79.6 million increase resulting from revenue growth at Net Serviços. These increases were offset in part by a R$69.7 million decrease in publishing and printing revenues mainly due to the disposition of the Globo Cochrane printing business in March 2008.

Cost of sales and services

Globo's cost of sales and services, excluding depreciation, increased R$358.9 million, or 10.1%, from R$3,549.9 million in 2007 to R$3,908.8 million in 2008. Depreciation related to assets used in production included in cost of sales and services was R$142.7 million in 2007 and R$159.7 million in 2008. Excluding depreciation, the increase in Globo's cost of sales and services was mainly due to: (i) a R$171.3 million increase in personnel expenses as a result of an increase in number of employees related to the growth of Globo's business and annual labor union wage adjustments under collective bargaining agreements; (ii) a R$126.1 million increase of the cost of exhibition rights; (iii) a R$37.4 million increase at Net Serviços due to an increase in subscribers; and (iv) a R$24.1 million increase in programming and production costs, offset in part by a reduction in costs as a result of the disposition of the Globo Cochrane printing business in March 2008.

Selling expenses

Globo's selling expenses increased R$167.4 million, or 19.0%, from R$882.4 million in 2007 to R$1,049.8 million in 2008, primarily as a result of (i) a R$86.5 million increase in marketing, promotion and other selling expenses and personnel expenses, including annual wage adjustments and an increase in the number of employees, (ii) a R$69.5 million increase in expenses as a result of advertising sales growth related to increased commissions in 2008; and (iii) a R$11.5 million increase from an increase in Net Serviços' selling expenses.

General and administrative expenses

Globo's general and administrative expenses increased R$37.2 million, or 4.1%, from R$909.0 million in 2007 to R$946.2 million in 2008, primarily due to: (i) a R$25.7 million increase in spending for consulting, information technology and other services associated with business infrastructure; and (ii) a R$11.4 million increase from an increase in Net Serviços' general and administrative expenses.

Depreciation and amortization

Depreciation and amortization decreased R$0.3 million, or 0.5%, from R$55.2 million in 2007 to R$54.9 million in 2008.

Other operating income (expense)

Globo had other operating income of R$5.8 million in 2008, a positive change of R$6.0 million from other operating expense of R$0.2 million in 2007, primarily as a result of a reversal of tax contingency related to Globo's publishing business in 2008 that did not occur in 2007.

Adjusted EBITDA

Globo's Adjusted EBITDA increased R$377.5 million, or 28.5% from R$1,325.1 million in 2007 to R$1,702.6 million in 2008, primarily as a result of growth in net operating revenues, offset in part by increased cost of sales and service and selling expenses.

Investment Results

Globo's results on investments decreased R$3.1 million, from a gain of R$79.9 million in 2007 to a gain of R$76.8 million in 2008, due principally to a R$70.8 million gain related to Globo Cochrane's disposition in 2008 compared to a R$74.7 million gain related to an equity gain generated by the dilution of Globo's ownership interest in Net Serviços due to its acquisition of a minority interest of Vivax in 2007.

Financial (expense) income, net

Globo's financial expense decreased R$340.4 million from financial income of R$93.8 million in 2007 to financial expense R$246.6 million in 2008, as shown in the table below. This negative change was principally due to: (i) R$541.0 in monetary and exchange rate variation expenses due to the 31.9% depreciation of the *real* against the U.S. dollar in 2008 compared to the 17.2% appreciation of the real against the U.S. dollar in 2007; (ii) a R$157.8 million increase in interest income related to higher cash and cash equivalent and marketable securities balance in 2008 and gains on derivative instruments solely for cash flow hedge protection; and (iii) a R$47.0 million decrease in interest expense due to a voluntary prepayment of debt in 2008 and the expiry of the Contribuição Provisória sobre Movimentações Financeiras ("CPMF") tax, a federal tax on financial transactions, at the end of 2007.

	Year ended December 31, 2008			Year ended December 31, 2007			Year ended December 31, 2008 vs Year ended December 31, 2007		
	Interest & Financial Income (Expenses)	Monetary Variation & Exchange Rate	Total	Interest & Financial Income (Expenses)	Monetary Variation & Exchange Rate	Total	Interest & Financial Income (Expenses)	Monetary Variation & Exchange Rate	Total
					(in millions of *reais*)				
Interest income................	R$ 278.5	R$ 29.9	R$ 308.4	R$120.6	R$ 1.5	R$122.2	R$157.9	R$ 28.4	R$ 186.3
Interest expense..............	(173.4)	(378.6)	(552.0)	(220.4)	187.7	(32.7)	47.0	(566.3)	(519.3)
Net financial income (expenses) with related parties...............	(1.3)	(1.7)	(3.0)	3.0	1.4	4.3	(4.3)	(3.1)	(7.4)
Total Financial (expense) income, net ...	103.8	(350.4)	(246.6)	(96.8)	190.6	93.8	200.6	(541.0)	(340.4)

Amortization of goodwill

Globo's amortization of goodwill decreased R$31.0 million, or 5.2%, from R$594.0 million in 2007 to R$563.0 million in 2008, as Globo fully amortized in 2007 and the first half of 2008 goodwill related to certain acquisitions.

Income tax and social contribution (expense)

Globo's income tax and social contribution expense increased R$128.2 million to R$253.0 million in 2008, compared to income tax and social contribution expense of R$124.8 million in 2007, as a consequence of the increase in Globo's taxable income in 2008.

Net income for the year

Globo's net income for the year decreased R$78.2 million, or 13.6%, from R$574.8 million in 2007 to R$496.7 million in 2008, primarily as a result of growth in net operating revenues, offset in part by the impact of the depreciation of the real on financial expense, net, and an increase in cost of sales and service and selling expenses which offset growth in net operating revenues.

Liquidity and investments

Globo's cash and cash equivalents and marketable securities, increased R$905.7, or 52.3%, from R$1,731.6 million at December 31, 2007 to R$2,637.3 million at December 31, 2008 as a result of strong cash flows from operations. During 2008, Globo primarily used cash flows from operations and divestitures to pay cash dividends and reduce indebtedness.

Globo's additions to property, plants and equipment were R$337.5 million in 2008 compared to R$282.8 million in 2007.

Liquidity and Capital Resources

Globo generally relies on operating revenues to fund its working capital needs, capital expenditures, acquisitions and investments. Globo's financial condition and liquidity is influenced by a variety of factors, including macroeconomic conditions in Brazil and in Latin America in general, the strength of the overall advertising and broadcast television markets in Brazil, the strength of pay-television market in Brazil, Globo's ability to generate cash flows from its operations, Globo's level of outstanding indebtedness and the interest it is required to pay thereon, its ability to hedge interest rate and currency fluctuations (especially of the real against the U.S. dollar), and its capital expenditure requirements.

In 2009, Globo's primary source of liquidity was R$1,833.9 million from cash from operations.

In 2009, cash flow generated was used primarily to pay dividends, for working capital and capital expenditures. As of December 31, 2009, 2008 and 2007, Globo's consolidated cash and marketable securities amounted to R$3,304.1 million, R$2,637.3 million and R$1,731.6 million, respectively.

Cash Flow

Cash flows from operating activities

	Year ended December 31,	
	2009	**2008**
	(in millions of *reais*)	
Operating activities		
Income before income tax and social contribution	1,734.5	749.7
Adjustments to reconcile income tax and social contribution for the period and net cash provided by operating activities		
Depreciation and amortization	257.0	209.7
Equity gain net of provision for losses on investments	(120.6)	(1.4)
Goodwill amortization	0.0	563.0
Interest expenses and monetary variation of asset and liabilities	(258.8)	465.7
Provision for contingencies	(214.0)	48.0
Allowance on assets	13.3	18.3
Gain on sale of property, plant and equipment and investment	(1.3)	(98.8)
Minority interests	(0.5)	0.0
Working Capital		
Increase/decrease in operating asset and liabilities	424.4	(41.1)
Net cash provided by operating activities	1,833.9	1,912.9

Globo's net cash provided by operating activities decreased R$79.0 million from R$1,912.9 million in 2008 to R$1,833.9 million in 2009. The decrease was primarily due to higher income before income tax and social contribution of R$984.8 million and an increase in working capital of R$465.5 million, partially offset by adjustments to reconcile income tax and social contribution for the period and net cash provided by operating activities such as the amortization of goodwill and interest expenses and monetary variation of asset or liabilities of R$1,529.4 million.

Cash flows used in (provided by) investing activities

	Year ended December 31,	
	2009	2008
	(in millions of *reais*)	
Investing Activities		
Marketable securities	(576.0)	(724.0)
Investments	(3.2)	49.5
Proceeds from sale of Investments	0.0	110.7
Subscription rights	51.2	32.0
Addition to property, plant and equipment	(399.7)	(337.5)
Proceeds from sale of property, plant and equipment	4.4	6.1
Intangible assets	(5.9)	(7.5)
Deferred cost	0.0	2.6
Advances for future capital increase	0.0	0.0
Net cash used in (provided by) investing activities	(929.4)	(868.1)

Globo's net cash used in investing activities increased R$61.1 million from R$868.1 million in 2008 to R$929.4 million in 2009. This increase was primarily due to the disposition of Globo Cochrane in March 2008 and investments in Marketable securities.

Cash flows used in (provided by) financing activities

	Year ended December 31,	
	2009	2008
	(in millions of *reais*)	
Financing Activities		
Proceeds from new debt	61.7	30.0
Debt amortization	(5.2)	(101.3)
Related parties transactions	(7.2)	5.9
Dividends paid	(520.9)	(529.9)
Net cash used in (provided by) financing activities	(471.6)	(595.3)

Globo's net cash used in financing activities decreased R$123.7 million from R595.3 million in 2008 to R$471.6 million in 2009. The decrease was primarily as a result of the prepayment of some local currency debt in 2008.

Operational Working Capital

Globo defines operational working capital as all line items under (Increase) decrease of assets and increase (decrease) of liabilities in its Statement of Cash Flows. Globo had consolidated operational working capital of R$424.4 million as of December 31, 2009 compared to a consolidated operational working capital of negative R$41.1 million as of December 31, 2008. The increase in Globo's working capital is primarily a result of higher advances from advertisers and deferred revenues and tax obligations, partially offset by higher accounts receivables.

Based on the current level of operations and anticipated growth, Globo anticipates that its operational working capital will be sufficient to meet its current operational working capital requirements and to finance its current capital expenditures. Globo's ability to meet its debt service obligations and other capital requirements, including capital expenditures, however, will depend upon its future performance, which in turn, will be subject to general economic, financial, business, competitive, legislative, regulatory and other conditions, many of which are beyond its control.

Indebtedness

Debt Financing

As of December 31, 2009, Globo had total assets of R$9,939.3 million compared to R$8,452.7 million as of December 31, 2008. Given its strong cash position, Globo's cash and cash equivalents and marketable securities exceeded its total debt. Globo had net debt of negative R$2,105.3 million at December 31, 2009, a decrease of R$948.0 million from negative R$1,157.2 million at December 31, 2008. Net debt is calculated as total debt less cash and cash equivalents and marketable securities.

Globo's total debt of R$1,198.8 million as of December 31, 2009 decreased by 19.0% compared to R$1,480.1 million as of December 31, 2008. Globo's short-term debt represented 3.2% of Globo's total indebtedness as of December 31, 2009 compared to 2.4% as of December 31, 2008. Globo's U.S. dollar-denominated debt as of December 31, 2009 represented 84.5% of Globo's total indebtedness, compared to 88.5% as of December 31, 2008. In addition, as of December 31, 2009, 98.7% of Globo's total indebtedness was unsecured, compared to 99.0% as of December 31, 2008.

The following tables show certain material terms, conditions and the repayment schedule of Globo's debt financing as of December 31, 2009 (in millions of *reais*).

Contractual obligation	Description	Accrued and unpaid interest	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2022	After 2022	TOTAL
Globo	Perpetual Notes	10.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	565.9	576.2
	Senior Notes	4.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	348.2	0.0	352.7
	Bank Loans	1.9	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	101.9
	Total Globo	**16.7**	**0.0**	**0.0**	**100.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**348.2**	**565.9**	**1030.8**
Net Serviços	Debentures— 6th issuance	0.3	0.0	0.0	10.0	10.0	10.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	40.3
	Perpetual Notes	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	18.0	18.2
	Global Notes 2020	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	41.7	0.0	0.0	42.2
	Bank Credit Notes	0.2	0.0	0.0	0.0	0.0	3.9	3.9	3.9	0.0	0.0	0.0	0.0	0.0	0.0	11.9
	Banco Inbursa S.A.	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.9	7.9	7.9	0.0	0.0	0.0	24.1
	Finame	0.1	4.2	4.6	3.7	1.9	0.3	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.0
	Total Net Serviços	**1.7**	**4.2**	**4.6**	**13.7**	**11.9**	**14.2**	**14.1**	**3.9**	**7.9**	**7.9**	**7.9**	**41.7**	**0.0**	**18.0**	**151.7**
Editora Globo	Leasing	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
	Working capital	0.0	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1
	Total Editora Globo	**0.0**	**1.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**1.2**
Globosat	Bank Loan	0.1	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.1
	Total Globosat	**0.1**	**15.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**15.1**
TOTAL		**18.5**	**20.4**	**4.6**	**113.7**	**11.9**	**14.2**	**14.1**	**3.9**	**7.9**	**7.9**	**7.9**	**41.7**	**348.2**	**583.9**	**1198.8**

Contractual obligation	Description	Currency	Interest rate	Maturity	Interest payments	Guarantees
Globo	Perpetual Notes	USD	9.375%	No Maturity	Quarterly	None
	Senior Notes	USD	7.25%	April 2022	Semi-Annual	None
	Bank Loans	BRL	CDI + 1%	October 2012	Semi-Annual	None
Net Serviços	Debentures—6th issuance	BRL	CDI + 1.6%	June 2015	Semi-Annual	None
	Perpetual Notes	USD	9.25%	No Maturity	Quarterly	By subsidiaries
	Bank Credit Notes	BRL	CDI + 2.55%	November 2016	Semi-Annual	None
	Finame	BRL	TJLP + 3.15%	2015	Monthly	Equipment
	Banco Inbursa S.A.	USD	7.875%	June 2019	Semi-Annual	By subsidiaries
	Global Notes 2020	USD	7.5%	January 2020	Semi-Annual	By subsidiaries
Editora Globo	Leasing	BRL	CDI + 0.31%	May 2010	Monthly	Promissory Note
	Working capital	BRL	100.3% CDI	August 2010	Monthly	Receivables
Globosat	Bank loan	BRL	CDI + 1.35%	December, 2010	Monthly	Globo Comunicação e Participações S.A.

Short-Term Indebtedness

Globo's consolidated short-term debt increased by R$3.6 million to R$38.9 million as of December 31, 2009 from R$35.3 million as of December 31, 2008, primarily as a result of the Globosat's new bank loan as described in "Related Party Transaction of Globo—Globo's Guarantee of Globosat's Bank Loans", partially offset by the appreciation of the real against the U.S. dollar.

Globo's short-term indebtedness of R$38.9 million as of December 31, 2009 consists of the following (in millions of *reais*):

Contractual obligation	Description	Accrued and unpaid interest	Principal due 2010	Total
Globo	Perpetual Notes	10.3	0.0	10.3
	Senior Notes	4.5	0.0	4.5
	Bank Loans	1.9	0.0	1.9
	Total Globo	**16.7**	**0.0**	**16.7**
Net Serviços	Debentures—6th issuance	0.3	0.0	0.3
	Perpetual Notes	0.2	0.0	0.2
	Global Notes 2020	0.5	0.0	0.5
	Bank Credit Notes	0.2	0.0	0.2
	Banco Inbursa S.A.	0.4	0.0	0.4
	Finame	0.1	4.2	4.3
	Total Net Serviços	**1.7**	**4.2**	**5.9**
Editora Globo	Leasing	0.0	0.1	0.1
	Working capital	0.0	1.1	1.1
	Total Editora Globo	**0.0**	**1.2**	**1.2**
Globosat	Bank Loan	0.1	15.0	15.1
	Total Globosat	**0.1**	**15.0**	**15.1**
TOTAL		**18.5**	**20.4**	**38.9**

Long-Term Indebtedness

Globo's consolidated long-term debt decreased by R$284.8 million to R$1,159.9 million as of December 31, 2009 from R$1,444.7 million as of December 31, 2008, primarily as a result of the appreciation of the *real* against the U.S. dollar.

Globo's long-term indebtedness of R$1,159.9 million as of December 31, 2009 consists of the following (in millions of *reais*):

Contractual obligation	Description	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2022	After 2022	TOTAL
Globo	Perpetual Notes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	565.9	565.9
	Senior Notes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	348.2	0.0	348.2
	Bank Loans	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
	Total Globo	**0.0**	**100.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**348.2**	**565.9**	**1,014.1**
Net Serviços	Debentures— 6th issuance	0.0	10.0	10.0	10.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	40.0
	Perpetual Notes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	18.0	18.0
	Global Notes 2020	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	41.7	0.0	0.0	41.7
	Bank Credit Notes	0.0	0.0	0.0	3.9	3.9	3.9	0.0	0.0	0.0	0.0	0.0	0.0	11.7
	Banco Inbursa S.A.	0.0	0.0	0.0	0.0	0.0	0.0	7.9	7.9	7.9	0.0	0.0	0.0	23.7
	Finame	4.6	3.7	1.9	0.3	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.7
	Total Net Serviços	**4.6**	**13.6**	**11.9**	**14.2**	**14.1**	**3.9**	**7.9**	**7.9**	**7.9**	**41.7**	**0.0**	**18.0**	**145.8**
Editora Globo	Leasing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Working capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total Editora Globo	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Globosat	Bank Loan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total Globosat	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
TOTAL		**4.6**	**113.7**	**11.9**	**14.2**	**14.1**	**3.9**	**7.9**	**7.9**	**7.9**	**41.7**	**348.2**	**583.9**	**1,159.9**

Off-Balance Sheet Financing Arrangements

As of December 31, 2009, Globo had no material off-balance sheet financing arrangements.

Seasonality

Globo's cash flows historically have been greater in the second six months of each year as a result of several factors, including the holiday season and up-front sales of advertising.

Quantitative and Qualitative Disclosures About Market Risk

Risk Management

Globo considers market risk to be the potential loss arising from adverse changes in market rates and prices. Globo is exposed to a number of market risks arising from its normal business activities.

Such market risks principally involve the possibility that changes in interest rates or exchange rates will adversely affect the value of Globo's financial assets and liabilities or future cash flows and earnings. Globo periodically reviews its exposure to market risks and determines at the senior management level how to manage and reduce the impact of these risks. Globo uses derivative financial instruments solely for the purpose of managing market risks, primarily fluctuations in foreign exchange. While these hedging instruments fluctuate in value, such fluctuations are generally offset by the value of the underlying hedged exposures. The counterparties to these contractual arrangements are primarily the Brazilian commodities and futures market and major financial institutions knowledgeable in foreign exchange derivative instruments and interest rate swaps. As a result, Globo does not believe that it is subject to any material credit risk arising from these contracts, and accordingly, Globo does not anticipate any material credit-related losses. Globo does not enter into derivative or other hedging instruments for speculative purposes.

Interest Rate Risk

Globo has fixed and floating rate indebtedness. As a result, Globo is exposed to market risk related to changes in interest rates. 84.5%, or R$1,013.5 million, of Globo's consolidated total debt outstanding of R$1,198.8 million as of December 31, 2009 was fixed-rate debt.

Interest rate risk is the effect on Globo's financial results resulting from an increase in interest rates on Globo's variable rate debt indexed to Brazilian Interbank Interest Rate ("CDI") and Long Term Interest Rate ("TJLP"). Based on the level and characteristics of Globo's total debt vis-à-vis Globo's operations, a hypothetical 10% increase in interest rates would have an effect of R$1.5 million on Globo's income before income tax and social contribution.

Foreign Currency Exchange Rate Risk

As a portion of Globo's debt is denominated in dollars, Globo is exposed to market risk related to exchange movements between the *real* and the U.S. dollar. Globo engages from time to time in foreign exchange rate-related financial transactions for other than trading or speculative purposes. As of December 31, 2009, 84.5%, or R$1,013,5 million, of Globo's debt was denominated in U.S. dollars. In addition, Globo purchases programming rights and incurs certain other operating costs in U.S. dollars.

Globo estimates its foreign currency exchange rate risk as the potential devaluation of the *real* on Globo's dollar-denominated debt, programming rights and certain other operating costs payable over the following twelve months. Globo hedged 25.0% of the aggregate principal amount of its US$200 million 7.25% Senior Notes due 2022. Based on the profile of Globo's dollar-denominated debt vis-à-vis Globo's operations, the results from a hypothetical appreciation of 10% of the dollar to the *real* would have an estimated negative effect of R$101.4 million on Globo's income before income tax and social contribution. At the same time, a hypothetical appreciation of 10% of the dollar to the *real* would have an estimated positive effect of R$14.5 million on Globo's cash, cash equivalents and marketable securities denominated in dollars, which totaled R$144.6 million as of December 31, 2009. A hypothetical 10% appreciation of the dollar to the *real* would have an estimated positive effect of R$51.2 million on the obligations of Globo under certain hedging arrangements. Globo's net position under these arrangements as of December 31, 2009 was R$512.2 million. As a result of each of the factors described above, a hypothetical 10% appreciation of the U.S. dollar to the *real* would result in an increase in overall net financial expenses of R$35.7 million. The results of this analysis, which may differ from actual results, are as follows:

	Debt as of December 31, 2009	**Market Risk—Impact on Financial Expense, Net**
	(in millions of *reais*)	
U.S. dollar-denominated short-term debt	15.9	1.6
U.S. dollar-denominated long-term debt	997.6	99.8
U.S. dollar-denominated cash, cash equivalents and marketable securities	(144.6)	(14.5)
Hedging arrangements (futures, U.S. dollar call option, swap contracts)	(512.2)	(51.2)
Total dollar-denominated net debt	**356.7**	**35.7**

BUSINESS OF GLOBO

Globo is the leading media group in Brazil. Globo controls, among other businesses, the leading broadcast television network in Brazil, the leading pay-television programmer in Brazil, as well as sound recording, internet content and service provider and magazine publishing companies. Globo also controls the leading Brazilian cable television operator and holds an interest in the leading Brazilian satellite DTH television distributor. Globo is indirectly owned by and is under the leadership of the Marinho family, whose interests in Brazilian broadcast television date back to 1965 when TV Globo began broadcasting from Rio de Janeiro under the leadership of Mr. Roberto Marinho.

Globo's principal lines of business are:

- Television—Broadcast and Pay-television programming;
- Pay-television distribution and operation services;
- Internet;
- Publishing; and
- Sound recording.

Globo's consolidated net operating revenues for 2009 by business nature are as follows, in millions of reais:

Advertising	R$6,120.0
Content/Programming	1,442.6
Other	504.9
Net Serviços (1)	318.3
Total	R$8,385.8

(1) Net Serviços is proportionally consolidated based on Globo's ownership interest held.

As set out above, "Advertising" includes all advertising revenues, such as broadcast television, pay television, internet, publishing and other. "Content/Programming" includes all revenues related to content and programming, such as pay-television programming, sales of television programming abroad, internet (content and internet service provider), sports rights for broadcast television and other. "Other" includes all revenues not classified above, such as services, subscriptions from the publishing business and others.

Globo's Strengths

The following strengths distinguish Globo from its competitors:

- **Premier media brand with Brazilian audiences and advertisers**. The Globo brand has been one of the most powerful brands in Brazil and in Latin America among both consumers and advertisers for over three decades since the first TV Globo station began broadcasting in Rio de Janeiro in 1965.
- **Unparalleled reach to target Brazilian audiences**. Globo's programs are among the leading television programs in Brazil in terms of ratings and audience share. For the year ended December 31, 2009, TV Globo had a national average prime time audience share of 51% and an overall average national audience share of 46%, in each case more than double that of its closest competitor. Globo's leadership across periods of time during the day (morning, prime time) and programming segments (sports, news, *telenovelas*) provides advertisers with an unparalleled opportunity to reach a large number of target audiences.

- **Content that is deeply attuned to Brazilian culture and values**. Globo creates audiovisual content that values Brazilian culture and is tailored to the interests and tastes of the Brazilian public, based on intensive use of surveys and expert studies. Globo continuously innovates with respect to its audiovisual content and program formats to remain in step with changing viewer media consumption habits and preferences in Brazil.

- **Largest and most diversified program offering and media content library in Brazil**. Globo maintains the most complete and leading programming schedule in Brazil, both for the Globo Network and, through Globosat, for pay-television distributors. Globo consistently provides high-quality coverage of the most important live sports and entertainment events in Brazil and of interest to Brazilian viewers outside of Brazil. In addition, Globo has one of the most extensive portfolios of film rights in Brazil.

- **Highest creative quality and production values**. Globo has been able to attract and retain many of the most talented and innovative authors, directors and artists in Brazil. In addition, Globo is able to maintain high standards for content quality and production value on the Globo Network by producing most of its content in-house. Globo's production facilities in Rio de Janeiro and São Paulo are the largest in Brazil and among the largest in the world and they leverage proprietary audiovisual production systems and cutting-edge technology to create premier quality audiovisual content.

- **Market leadership in news and sports coverage**. Globo operates the largest news gathering organization in Brazil, with more than 4,870 news gathering and production professionals. Globo broadcasts "*Jornal Nacional*", the top-rated news program in Brazil with an average audience share of 55% in 2009. The smallest audience for any of Globo's news programs is greater than that of any competitor's highest rated news program. In addition, Globo provides coverage of all major sporting events of interest to Brazilian audiences, including the FIFA World Cup, the 2016 Olympic Games and the Brazilian Soccer Championship.

Globo's Strategy

The Globo brand is one of the most recognized brands in Brazil and Latin America. To maintain its strong brand and leadership in its markets, the principal components of Globo's strategy include:

- **Maintain Globo's position as the leading producer of audiovisual content in Brazil**. Globo's intention is to continue to produce award-winning and highly rated audiovisual content that responds to the values, preferences and media consumption habits of Brazilian audiences. Globo plans to continue to build strong relationships with emerging and established artistic and creative talents and to continue to incorporate emerging production technologies into Globo's production processes to sustain quality and to drive further innovation in Globo's content and program formats.
- **Continue to develop the most complete programming schedule in the Brazilian market**. Globo intends to build on the success of its programs across premium genres, including drama, news, sports and films. Globo also intends to leverage its horizontal programming strategy that provides top quality content at the same time of day on most days. Globo believes that its horizontal programming strategy will continue to drive high viewer loyalty and consistently strong ratings.
- **Deepen strong relationships with advertisers**. Globo intends to strengthen its relationship with advertisers as a leading provider of access to Brazilian consumers through innovative advertising formats and a diversified portfolio of high quality audiovisual content backed by the strong Globo brand. For example, in recent years, Globo was able to increase its up-front sales of advertising on the Globo Network, creating a relationship with these advertising partners that extends over the course of the year.
- **Increase cross-platform integration and interactivity to leverage Globo's content on existing and emerging platforms**. Globo intends to leverage its existing content and to create new content and formats tailored to the internet, wireless telephones, mobile devices and other emerging platforms by focusing on increasing audience interactivity and developing an array of digital products to respond to evolving consumer media consumption habits and preferences.

Television

Advertising Market

Brazil is one of the largest advertising markets in the world. In 2009, Brazilian media advertising expenditures reached R$22.3 billion, which represents an increase of 4.0% when compared to 2008. In 2008, media expenditures in Brazil were approximately R$21.4 billion. The amount of total advertising expenditures in Brazil as a percentage of Brazilian GDP was 0.7% for the years ended 2009 and 2008. (Source*: IBGE and Projeto Intermeios, Revista Meio & Mensagem, www.projetointermeios.com.br*)

Historically, television is the largest advertising medium in Brazil, generating more advertising revenue than all other media types combined. Television advertising's share of total advertising revenues in 2009 was 64.6%, with broadcast television accounting for 61.0% and pay-television representing 3.7% of the market. In 2008, television advertising was estimated to account for R$13.3 billion, or 62.5%, of total advertising market revenues. (*Source: Projeto Intermeios, Revista Meio & Mensagem, www.projetointermeios.com.br*)

Broadcast Television

Market

Overview

TV Globo, the leading broadcast television network in Brazil, was established in 1965 by Mr. Roberto Marinho and includes television stations in some of the major Brazilian cities: Rio de Janeiro, São Paulo, Recife, Brasília and Belo Horizonte. On August 31, 2005, TV Globo was merged (the "Merger") with and into Globopar as part of the financial restructuring of Globopar and TV Globo completed in 2005 (the "Restructuring"). After the Merger, Globopar was renamed Globo.

In addition to the five television stations owned by Globo, as of December 31, 2009, the Globo Network included 117 full-time, independent affiliated television stations that broadcast throughout Brazil. As of December 31, 2009, the Globo Network covered more than 99% of the estimated 54.8 million total television households in Brazil. (*Source: Atlas de Cobertura Globo*)

The 117 independent affiliated stations mentioned above which are part of the Globo Network but not owned by Globo are independent TV broadcasters in Brazil that receive and transmit the Globo broadcasting signal. Globo provides the affiliated stations with advertising sales support and in exchange Globo receives a portion of the affiliated stations' advertising revenue. These affiliated stations have long-term agreements with Globo and are contractually obligated to observe advertising and schedule rules set by Globo.

The Globo Network's broadcast programming includes news and sports programs, *telenovelas*, mini-series, children's programs, films licensed by Globo from international distributors, variety shows, and educational and public service programs. Globo's broadcasting programming business produces approximately 77% of its programming broadcast as of December 31, 2009. Globo also produces approximately 83% of its prime time (Monday to Sunday, 6:00 PM to 12:00 AM) programming as of December 31, 2009. The majority of the production activities occurs in studios and production facilities in Rio de Janeiro and São Paulo.

For the year ended December 31, 2009, the Globo Network was the market leader with a 46% average audience share, and a 51% average audience share during prime time.

Broadcast television is the market leader in the Brazilian advertising market, accounting for 59% of the advertising market in 2008. In 2009, broadcast television increased its share of the advertising market compared to 2008 from 59% to 61%. (*Source: Projeto Intermeios, Revista Meio & Mensagem, www.projetointermeios.com.br*.) The Globo Network has accounted for a significant portion of the broadcast television advertising revenues in the Brazilian market over the last several years.

Audience Market Share

Brazil is the largest television market in Latin America, with approximately 54.8 million television households and 180 million individuals in these households as of December 31, 2009. Television viewing is an important leisure activity in Brazil. The average Brazilian television household spent approximately five hours per day watching television in 2009. Broadcast television reaches 99% of Brazil's 5,565 cities. (*Sources: Atlas de Cobertura Globo*)

The Globo Network, as the other five competing national television networks, relies heavily on advertising revenues, and therefore seeks to maximize its audience share and ratings. Audience share is the number of households with a TV set turned on a specific channel during the time of broadcast divided by the total number of households with a TV set turned on. Audience ratings represent the number of households with a TV set turned on a specific channel during the time of broadcast divided by the total households with at least one TV set, regardless of whether it is turned on or off. Accordingly, audience ratings will be directly affected by the number of television sets that are turned on and, for this reason, tend to increase during the course of the day, with peak viewing occurring between 6:00 PM and 12:00 AM.

According to estimates published by IBOPE, the Globo Network had an average nationwide broadcast television audience share of approximately 46% for the year ended December 31, 2009. For the same period, the Globo Network's primary competitors, SBT, Record, Bandeirantes and Rede TV, accounted for average nationwide broadcast television audience shares of approximately 14%, 16%, 6% and 3%, respectively. The remaining 15% is mostly attributable to audience share of independent local television stations and other uses of televisions, such as DVDs and games. The Globo Network's audience share in 2008, 2007, 2006 and 2005 was 45%, 48%, 53% and 53%, respectively.

The Globo Network's audience-share leadership is evident during prime time, where its audience share was 51%, 50%, 54%, 59%, 59%, 63% and 59% for the years ended December 31, 2009, 2008, 2007, 2006, 2005, 2004 and 2003, respectively, compared to 11%, 13%, 12%, 13%, 17%, 16% and 18% for SBT, and 17%, 18%, 15%,12%, 10%, 7% and 8% for Record, its closest competitors, for the same periods. TV Globo reaches its peak audience during prime time, reaching up to 21.4 million people. (*Source: Globo and Atlas de Cobertura Rede Globo/IBOPE Telereport 2009—PNT*)

Competition

The Globo Network primarily competes with four Brazilian national television networks: Record, SBT, Bandeirantes and Rede TV. The fifth Brazilian national network, CNT, attracts very low audience shares and ratings compared to the other national networks and has not been included in the audience and ratings table set out below. There are also a number of smaller, state-owned television stations, which broadcast in their respective states. The state-owned television stations generally attract smaller audiences than the national networks.

	Average Audience Shares			
	For the Year Ended December 31,			
	7am to 12 am		**Prime Time**	
	2009	**2008**	**2009**	**2008**
	(Expressed as a percentage)			
Network				
Globo	46	45	51	50
Record	16	17	17	18
SBT	14	15	11	13
Bandeirantes	6	5	6	5
Rede TV	3	3	4	3
Others (1)	15	15	11	11
Total	100	100	100	100

(*Source: IBOPE Telereport—PNT 2008/2009*)

(1) "Others" encompasses other uses of television such as DVD, videorecorder and other appliances connected to a television.

	Average Ratings			
	For the Year Ended December 31,			
	7am to 12 am		Prime Time	
	2009	2008	2009	2008
	(Expressed as a percentage)			
Network				
Globo	20	19	30	29
Record	7	7	10	10
SBT	6	6	6	7
Bandeirantes	2	2	3	3
Rede TV	1	1	2	2
Others (1)	7	8	7	7
Total	43	43	58	58

(*Source: IBOPE Telereport—PNT 2008/2009*)

(1) "Others" encompasses other uses of television such as DVD, videorecorder, video games and other appliances connected to a television.

In addition to other broadcast networks, Globo's broadcasting business faces competition from pay-television programmers, including affiliates of Globo. However, the Globo broadcast channel also maintains a high audience rating on the cable and DTH platforms. As of December 31, 2009, approximately 7.5 million Brazilian television households subscribed for pay-television services. (*Source: PTS 157*)

Strategy

The Globo Brand in Broadcasting

Since the 1970s, Globo's broadcasting business has invested heavily in quality programming and a stable show line-up, leading to the strengthening of the Globo brand and a leadership position in audience ratings. Building on its brand focus and leadership position, Globo seeks to continuously improve its production process, thereby significantly enhancing productivity and increasing in-house production. The integration of the whole production cycle in one site—Projac—in 1995 was a landmark of this process. In recent years, Globo has focused on extending the life cycle of its products, increasing productivity and reinforcing the strength of the Globo brand by implementing strategies for brand extensions and multi-platform product use.

Globo has adopted various strategies to maintain the strength of the Globo brand, including:

- using its expertise to produce and exploit high quality audiovisual content;
- distributing its audiovisual content as broadly as possible on several existing platforms and innovative new formats;
- maintaining a complete programming schedule addressing the specific needs of the Brazilian market, thereby creating viewer loyalty;
- combining its contents, brands and different platforms to enhance interactivity and to strengthen connections with the customer, thereby maximizing value from this relationship;
- searching for new revenues in addition to advertising, including content licensing, direct revenues from end users and international sales; and
- continuing to improve its governance and production systems.

Focus on Cash Generation

Globo's broadcasting business continues to focus on cash generation. Globo focuses on maximizing net revenue by increasing efficiency in the advertising market and maintaining the lead broadcast position while also searching for new sources of revenue through brand extension strategies.

Brand Extension and Other Sources of Revenues

The television industry has undergone and continues to undergo technological changes. To maintain Globo's broadcasting business' leading position in the market, Globo must stay abreast of these changes by adapting to the new demands of the market. To meet these new demands, Globo includes multi-platform uses for its new products in the early stages of their development.

As a leader in the television industry, Globo's goal is to lead the modernization of the Brazilian media industry by transforming traditional television programs into interactive products that can be "consumed" anytime and anyplace by end-viewers. Allowing viewers to interact with television programs improves Globo's content and ensures new sources of revenue for Globo. End-viewer consumption provides Globo with direct access to viewers and reinforces the Globo brand with those end-viewers. Globo's principal brand extension initiatives include the following: (i) the internet (broadband, narrowband and mobile); (ii) the licensing of branded products; (iii) international sales/ international channel; and (iv) Globo Filmes.

Digital Satellite Signal On The Digital C-Band

Globo, in cooperation with a technology development supplier, has created a Digital Satellite Free-To-Air Television system with GPS locator to distribute its signal to regions in Brazil not covered by the terrestrial signal (especially rural regions, with more than 20 million households). This system will replace the analogical C-Band and will allow Globo and its affiliates to distribute local content only to the households located in the areas supplied by the GPS modules.

Third parties will be responsible for the manufacturing and market distribution of digital integrated receiver decoders and GPS modules. Globo is the sole owner of the technology.

The system has been operating on a trial basis since March 1, 2010 and Globo expects to have a commercial launch on May 1, 2010.

Operations

Broadcast TV Programming Schedule

Globo's broadcasting business uses a horizontal programming concept, which consists of generally broadcasting the same type of programming at the same time each weekday. For example, during prime time on Monday through Saturday, a *telenovela* would generally be broadcast from 6:10 PM to 7:00 PM, followed by local news from 7:00 PM to 7:20 PM, another *telenovela* from 7:20 PM to 8:15 PM, national news from 8:15 PM to 8:50 PM, and a third *telenovela* from 8:55 PM to 9:45 PM. This differs from a vertical programming approach, which varies the genres broadcast during time slots across different days of the week. Horizontal programming creates the habit of watching television every day, promoting loyalty among the viewers. It is a key factor with respect to Globo's high audience share and ratings.

In order to target multiple audiences and advertising needs, Globo Network's programming is broken down in diverse genres, as follows: 43% entertainment, 20% news, 19% films and cartoons, 9% sports and 8% other. The programming schedule is based on audience feedback through surveys and audience research.

The diverse programming schedule used by Globo is suitable for a broad range of advertisers, as it appeals to many segments of the Brazilian population.

Multi-platform Integration

Globo believes that the media industry is moving towards more interactivity. In other words, viewers will be able to give feedback in real time, play games, shop and experience enhanced, targeted commercials via the integration of different platforms. It is expected that this new multi-platform approach will broaden the spectrum for consumers and extend the life cycle of products. This would generate additional advertising sales and consumer subscriptions (including new revenue streams for new platforms). Globo continues to evaluate and implement aspects of multi-platform integration to develop new products and upgrade existing ones. Although more visible in the reality show format, the concept of audience interactivity and multiple platforms is present in some form in almost all of Globo's programming as evidenced by the use of narrowband, mobile and broadband technology.

In-house Entertainment Production

Globo's entertainment programming is diverse and targeted at multiple audiences. Entertainment programming (up to 10 daily programs and up to 12 weekly programs) accounts for approximately 43% of the content broadcast from 7:00 AM to 12:00 AM, reaching 48% of average audience share during this period in 2009.

Entertainment programming formats include *telenovelas*, miniseries, weekly sitcoms, variety shows (including talk shows, investigative shows and reality shows) and children's programming. The format that generates the largest audience share on a regular basis is the *telenovela*, which is a soap-opera-like drama that is typically shown for an hour each day, six days a week, and runs for approximately 180 episodes. Globo is one of the world's largest producers of *telenovelas*. Globo's survey system allows alterations in plot lines and character development during the course of the *telenovela* based on audience input. Globo-produced *telenovelas* are also exported to a number of other countries. See "—International Sales/International Channel" for more information about TV Globo's international activities.

Globo's broadcasting business has also adapted "reality television" programming to appeal to the Brazilian market and to incorporate other Globo media platforms, including the internet, pay-television and pay-per-view. The popularity of reality television has grown rapidly. For example, through a partnership with Endemol Globo, "*Big Brother*" was adapted to the Brazilian market and has maintained very high broadcast TV audience share numbers compared to other programming and has been popular on pay-television channels, pay-per view and on the internet. Globo incorporates audience voting and interactivity into the reality television genre by allowing voting through the internet, telephone and mobile wireless technology. In 2009, the reality show "*Big Brother Brasil 9*" received a significant number of viewer votes through SMS (6.8 million), phone and cell phones (8.1 million) and the internet (424.9 million).

Exclusive Casting

Globo's artistic talent is a competitive advantage that reinforces the Globo brand. Globo's cast has approximately 672 long term exclusive contracts as of December 31, 2009. In addition, for specific additional needs, talent is contracted on a program-by-program basis. For example, in 2009, 433 contracts were entered into on this basis.

Projac

Projac is the largest entertainment content production center in the Americas and one of the largest in the world. Projac encompasses substantially all of Globo's broadcasting business' in-house entertainment production in one location by providing infrastructure, technology and production processes capable of simultaneously and continuously producing dramaturgy, shows and live broadcasts. The consolidation of these activities in one location has facilitated production, increased program quality, and reduced television production costs. The facilities combine cutting-edge technology with management production systems developed in-house.

Projac's current capacity includes: 139,000 square meters of constructed area; three scenographic cities covering more than 160,000 square meters; ten acoustically treated studios with the most advanced lighting resources in the world and an aggregate studio area of 8,000 square meters; and a stage set and scenographic city factory. Other facilities at Projac include costume design and wardrobe, rehearsal space, make-up and hairdressing and office space for directors, producers, screenwriters and other production personnel. The facilities at Projac also contain advanced equipment to permit production not only for conventional broadcast TV, but also for high definition television format ("HDTV") and digital cinema.

Projac was built with a special awareness of the environment, with one million square meters of Atlantic rainforest being preserved. The facility also provides its own sewage treatment station, intelligent water use programs and environmentally friendly cooling systems. Projac also independently produces enough power to service a city of 90,000 inhabitants.

In addition to Projac, Globo has another set of studios and news production facilities in São Paulo. Additionally, there is a news production facility in Jardim Botânico, Rio de Janeiro.

News Coverage

Globo's broadcasting business is a powerful news gathering television company in Brazil. Together with its affiliated stations, Globo is present in all Brazilian states and selected cities throughout the world and has approximately 4,870 professionals involved in the gathering and production of news programs and events. The strength of Globo's news programming and broadcasting reinforces the Globo brand.

Globo broadcasts eleven daily news programs that provide a total of over five hours of live news every day. These news programs account for 20% of the content broadcast from 7:00 AM to 12:00 AM and have an average audience share of 44% during this period in 2009.

Globo broadcasts "*Jornal Nacional*," a national news program, throughout Brazil at 8:15 PM six nights a week. This news broadcast obtained audience shares of 55%, 56%, 58%, 58%, 60%, 67% and 62% for 2009, 2008, 2007, 2006, 2005, 2004 and 2003, respectively. (*Source: IBOPE Telereport 2009—PNT*)

Globo's news operational model focuses on supporting the various news products through centralized planning and resource allocation. This model has led to a 53% increase in production hours between 1998 and 2009. The Globo Network produces over 80 hours per day of local news broadcasts in addition to the daily national broadcast news. In addition to news gathered by Globo's journalists in Brazil and abroad, Globo also retransmits international news broadcasts and uses the services of a variety of international news agencies.

Sports Coverage and Rights

Globo's broadcasting business is present at all of the major sporting events (particularly any event that includes Brazilian athletes), including: the 2010 and 2014 FIFA World Cup, the 2014 and 2016 Olympic Games, the Brazilian Soccer Championship, the 2013 FIFA's Confederation Cup, the most relevant state soccer championships (such as the Paulista and Carioca championships), the Brazil Cup, Libertadores da América Cup, Formula One races, all Volleyball World championships and many other relevant Brazilian and international championships such as basketball, gymnastics and swimming. Sports coverage accounts for 9% of the content broadcast from 7:00 AM to 12:00 AM, reaching 40% of the average audience share during this period in 2009. During the 2002 and 2006 FIFA World Cups, the transmission of Brazilian soccer matches by Globo received an audience share of 94% and 91%, respectively. (*Source: IBOPE*)

In December 2006, Globo acquired the transmission rights related to the 2010 and 2014 FIFA World Cups and all other FIFA events. These rights comprise several distribution platforms in Brazil, including television broadcast. Globo is committed to pay US$340.0 million in installments until 2014 with its own cash flows. As of December 31, 2009, Globo had paid approximately US$69.0 million related to the 2010 World Cup, which was recorded as a non-current asset under "Live events."

Globo produces the feed for worldwide broadcasting of many sporting events that take place in Brazil such as Brazilian Formula One races, the World Beach Volleyball championships, women's World Basketball championships and Beach Soccer Championships. Globo also produced the worldwide feed of the beach volleyball competition at the 2008 Beijing Olympic Games.

Globo may purchase exclusive or non-exclusive broadcasting rights. Globo's broadcasting business audience share with respect to sporting events is generally not affected by the broadcast of the same sporting event by a competitor. Therefore, in order to reduce costs, Globo usually tries to sublicense its previously acquired exclusive rights to other television stations.

Globo Filmes

Globo Filmes was created in 1998 to produce works that showcase Brazilian culture and increase synergies between the movie and the television businesses. Globo Filmes has played a fundamental role in the growth of the Brazilian film industry.

From 1998 to 2009, a number of Brazilian movies with the highest box-office sales were produced by or co-produced with Globo Filmes. The most noteworthy of these top box-office hits were "Se Eu Fosse Você 2" (a sequel to the hit comedy from 2006, which was released in January 2009 breaking audience and income records and reaching gross revenues of approximately $25 million in Brazil), "Dois Filhos de Francisco" (released in 2005 and the second highest grossing Brazilian movie of all time), "Carandiru" (2004 Brazilian submission to the foreign language Oscar® category), "Se eu fosse você" (released in 2006), "Cidade de Deus" (2003 Brazilian submission to the foreign language Oscar® category and nominated for four Academy Awards in the Best Director, Best Screenplay (Adaptation), Best Cinematography and Best Editing categories of Oscar® 2004), "Lisbela e o Prisioneiro," "Cazuza," "Olga" (2005 Brazilian submission to the foreign language Oscar® category) and "Os Normais—O Filme".

Globo Filmes released a total of 11 films in 2009 compared to 13 films in 2008, 14 films in 2007, 12 films in 2006, seven films in 2005 and nine films in 2004. In 2009, Globo Filmes reached a significant portion of the people attending movies produced in Brazil. As of December 31, 2009, Globo Filmes was co-producing 10 additional films to be released in 2010.

As of December 31, 2009, Globo Filmes had a library of 85 films, which generate revenues in the related markets of home video, pay-television and international markets. Globo has exclusive broadcast TV rights to these movies in Brazil.

Film Transmission Rights

In addition to generating a high audience share, films provide both programming convenience and commercial attractiveness by being flexible with respect to screening times and providing advertisers with a product that the advertisers are familiar with. Globo broadcasts a "blockbuster" film every Monday night (approximately 50 films per year). Overall, including late night films, TV Globo broadcasted over 1,088 films in 2009. In addition, Globo always screens a "blockbuster" film on the same day of a *telenovela's* premiere in order to capture the movie audience and transport it to the new program. Films and cartoons represent 19% of the content broadcast from 7:00 AM to 12:00 AM and have an average 42% audience share in 2009. Globo purchases films from major United States movie studios (e.g., Columbia, Twentieth Century Fox, Paramount, DreamWorks, BuenaVista International/Disney and Nickelodeon).

The recent growth in Brazilian film productions led by Globo Filmes also creates opportunities to air Brazilian "blockbuster" productions, strengthening Globo's broadcasting business and Globosat programming. See "Pay-Television Production and Programming Services—Globosat" for more information on Globosat.

Licensing

Globo is also engaged in licensing activities that permit third parties and related parties to use certain names and characters appearing in the Globo Network programs. In 2009, this business included over 2403 licensed products relating to approximately 176 brands.

International Sales/International Channel

Globo International Division ("Globo International") carries out overseas sales of Globo's broadcast business' programs.

Traditionally, the largest export market for Globo's telenovelas and mini series has been Portugal.

In addition to selling its programs abroad, TV Globo also provides an international channel that was created in 1999 and provides TV Globo programming content in Portuguese to five continents via satellite. The international channel is an a la carte pay-TV channel distributed to its subscribers via cable satellite, IPTV and other transmission means. Brazilians and other Portuguese-speaking viewers are able to receive, via satellite, 24 hours of Portuguese language programming. As of December 31, 2009, the international channel had approximately 550,000 subscribers around the world who follow newscasts, *telenovelas*, sports events, series, specials, shows and other programming. In 2009, Globo International sold its programming (including *telenovelas*) or its international channel to 177 countries. Angola is currently the largest market based on subscribers for Globo's international channel.

Commercial Operations

TV Globo's General Managing Department of Sales is responsible for TV Globo's relationship with the advertising market. It creates initiatives that encourage advertisers and agencies across sectors to leverage new commercial opportunities through television and researches and applies technology to provide efficient operations for advertisers. For example, it uses an electronic media acquisition system connected to 913 advertising agencies across Brazil that manages approximately 15.3 million advertisements per year. As of December 31, 2009, approximately 2,998 entities, including both advertising agencies and individual companies, are included in Globo's client list. Approximately 1,062 clients advertise with Globo's broadcasting business each month.

Globo's strong relationship with the advertising market allows its General Managing Department of Sales to create and value innovative commercial formats and to sell commercial plans with added value and up-front cash payments. These commercial plans are carried out pursuant to arrangements under which large advertisers are offered special advertising rates for the sponsorship of important televised events, such as the Olympic Games, the FIFA World Cup and Formula One races. Accordingly, large advertisers are encouraged to sponsor an event over a specified period of time rather than for a specific broadcast. This allows Globo to develop a relationship with the advertiser and ensure that Globo receives advertising revenue over the long term.

Technology

Throughout its history, Globo's broadcasting business has been a pioneer in Brazil in the use of new technologies. Globo currently uses new technologies, such as digital distribution to the affiliated stations across Brazil, virtual advertising, HDTV production, tapeless production for pay-TV news and broadcast sports, internet and mobile content development and digital mobile units.

Globo is also investing in the conversion of its operations into digital format. This process started with content creation and is moving towards content distribution. Globo produces 100% of its entertainment content in digital form and uses digital mobile units and transmission links to cover live sports events. Four studios at Projac and one outside broadcasting truck are set up for HDTV and 3D productions. Some programs, such as "*Os Normais*", "*A Grande Família*" and the miniseries "*Hoje é dia de Maria*", were produced in HDTV format, as well as all of the *telenovelas* airing at 9:00 PM since October 2007. Globo also transmits a variety of sporting events and concerts in HDTV format, since doing so on an experimental basis for the 1998, 2002 and 2006 FIFA World Cups.

With respect to news broadcasting, Globo has replaced its analog equipment and installations with digital technology. Globo is also pursuing the advantages of the transition from linear, tape-based operations to file-based (tapeless) operations. The 2004 Athens Olympic Games marked the beginning of the use of a digital, server-based news production system in tapeless format, and other examples include "*Big Brother Brasil*", GloboNews and sports-related content.

Globo has invested in five fully digital master controls and associated digital satellite uplinks, for national (five owned and 117 independent affiliated stations) and international distribution, all installed in Rio de Janeiro. Globo's five owned stations in Rio de Janeiro, São Paulo and Belo Horizonte, Recife and Brasilia, have regional digital distribution networks.

Brazilian digital terrestrial television transmission began in 2007 in the city of São Paulo and expanded to Rio de Janeiro and Belo Horizonte in 2008, and to Recife and Brasília in 2009. The Brazilian system is based on Japanese digital TV technology and has become one of the most modern terrestrial digital TV systems. With this technology, Globo expects to be able to: (i) broadcast its high definition content with high quality, (ii) broadcast its signal to mobile telephones equipped with TV receivers, (iii) broadcast to TV receivers installed in buses, cars and subways, and (iv) broadcast interactive content.

Globo expects that the next steps in its digital conversion will be: (i) an increase in the amount of HD content produced, with such production capable of being shown both currently and when digital TV is fully introduced in the Brazilian market; (ii) the indexing and digitalization of Globo's content library in order to create new distribution opportunities and revenues; and (iii) the conclusion of the process of conversion of certain equipment and systems to digital format.

Employees

As of December 31, 2009, Globo's broadcasting business had approximately 9,770 full-time employees belonging to various unions, including unions of journalists, radio-professionals and artists, as well as 411 independent contractors, contract talent and consultants. Each year the unions meet with 20 employee union leaders to negotiate wage increases and other employment conditions. Globo's broadcasting business has not experienced any strikes in the last 20 years.

The company compensation system has both fixed and variable components. Variable compensation is calculated on an annual basis, with employees receiving semi-annual payments, based on the achievement of budgetary targets.

Globo's broadcasting business also provides employees with a benefits plan that includes medical care, life insurance and a private pension program, among other features.

Licenses

Globo's broadcasting business renewed its licenses to broadcast from its television stations in October 2007 and has licenses until 2022, at which time Globo expects the licenses will be renewed. The first broadcasting license was originally granted to former TV Globo by the Brazilian government in 1957 and has been renewed (together with the additional four licenses obtained afterwards) ever since.

Insurance

Globo's broadcasting business has an "all risks" policy that provides protection to all significant assets owned by Globo's broadcasting business and for those assets that Globo's broadcasting business is responsible for or are assigned to third parties. This policy also provides coverage for possible losses from advertising due to exhibition interruptions.

Globo's broadcasting business also has insurance against third-party liabilities arising from damages during its activities and coverage for national and international transportation.

When purchasing insurance, Globo's broadcasting business seeks coverage in the domestic and international insurance markets at levels compatible with Globo's broadcasting business enterprise size and activities.

Pay-Television Production and Programming Services

Marketplace

Pay-television services became commercially available in Brazil in the early 1990s with the construction of several major cable systems in the south and southeast of Brazil and with the launch of multipoint multichannel distribution services ("MMDS") in São Paulo and Rio de Janeiro. As of December 31, 2009, the total number of pay-TV subscribers in Brazil reached 7.5 million. (*Source: PTS 157*) The programming provided by pay-television operators competes directly with that offered by broadcast television networks, with the six largest national broadcasting channels and their affiliates providing services to a substantial portion of Brazilian homes, free of charge and without any subscription requirements (e.g., Globo's broadcast television channel is presented in more than 93% of Brazilian homes). (*Source: IBOPE / Media Workstation*)

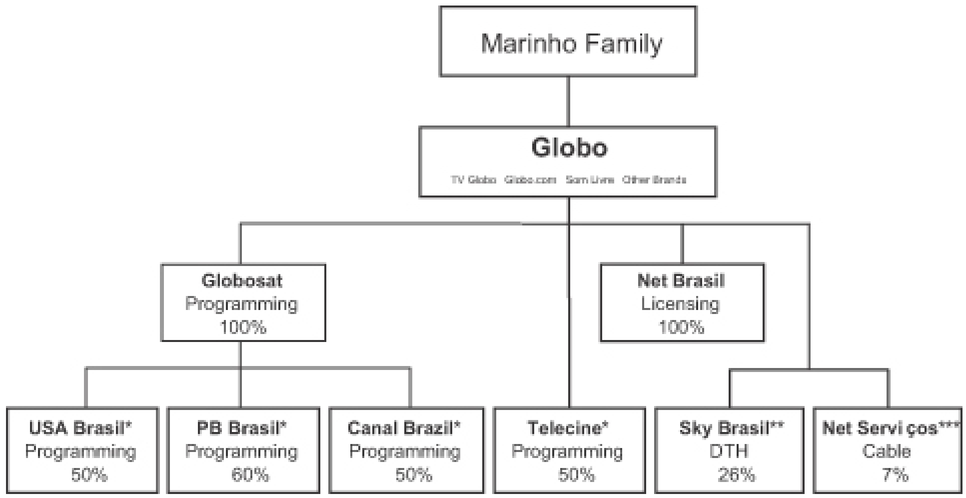
Globo's pay-television operations include production, licensing and distribution of pay-television content in Brazil. Globo is primarily focused on developing programming and ensuring the pay-television market receives high quality content.

Globo holds 100% of Globosat, the leading Brazilian pay-television producer and programmer. Globo also has a 50% interest in Telecine, a programming company that is a joint venture with certain major U.S. movie studios. Globo also owns Net Brasil, which negotiates the purchasing of Brazilian programming on behalf of Sky Brasil, Net Serviços and other affiliated systems. In addition, Globosat also owns 50% of Universal Brasil, a joint-venture with NBC Universal (which is a part of GE group) and Canal Brazil, a joint-venture with several Brazilian movie producers. Globosat also owns 60% of PB Brasil, a joint venture with Playboy TV Latin America (which is a joint venture between Claxson Interactive Group Inc. and Playboy Entertainment Group Inc.).

Globo produces Globo News, the first 24-hour news channel in Brazil which was launched in October 1996. Globo News is distributed to pay-television operators by Net Brasil. See "—Pay-Television Production and Programming Services—Net Brasil" for more information on Net Brasil. With approximately 5.6 million subscribers as of October 31, 2009, Globo News is the most popular news channel on pay television. (*Source: PTS 155*) Globo News content includes daily news updated hourly, interview programs focusing on specific topics (such as the economy, sports and culture) and certain previously aired news programs.

Globo also owns an equity interest in Net Serviços, the leading MSO providing pay-television services via cable in Brazil, and Sky Brasil, the leading satellite distributor of DTH pay-television services in Brazil. On June 27, 2004, Globo entered into an agreement with Telmex pursuant to which, on March 22, 2005, Telmex acquired a 49% voting interest in Net Serviços (including a portion of Globo's interest in Net Serviços). See "—Pay-Television Distribution and Operation Services—Net Serviços." In addition, on October 11, 2004, Globopar announced an agreement with News Corp. and DirecTV pursuant to which DirecTV transferred DirecTV Brasil (through which DirecTV operated in Brazil) to Sky Brasil in exchange for equity interests in Sky Brasil (the "Sky Brasil Merger"). On February 27, 2008, Liberty Media Corporation acquired News Corp.'s interest in DirecTV and subsequently acquired additional common shares of DirecTV and on October 22, 2009, DirecTV announced a special stockholders meeting relating to the proposed combination of DirecTV with Liberty Entertainment, Inc., a company to be split off from Liberty Media Corporation. See "—Pay-Television Distribution and Operation Services—Sky Brasil."

The following chart sets forth a simplified version of the structure of Globo's pay-television operations as of December 31, 2009 (including approximate direct and indirect equity ownership percentages):



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* Globo's partners in these joint ventures are as follows:
USA Brasil—NBC Universal (50%);
PB Brasil—Playboy TV Latin America (40%)
Canal Brazil—GCB Empreendimentos Participações (50%);
Telecine—Paramount (12.5%), Metro Goldwyn Mayer (12.5%), NBC Universal (12.5%) and Twentieth Century Fox (12.5%).

** Sky Brasil—Globo indirectly owns 16% of Sky Brasil through its subsidiary Distel Holding S.A.

*** Globo directly or indirectly controls 51% of the voting shares of Net Serviços through its subsidiaries GB Empreendimentos e Participações S.A. and Distel Holding S.A.

The following discussion of Globo's leading pay-television production and programming services businesses:

Globosat

Marketplace

Globosat was incorporated in 1992 as a subsidiary of Globo to develop pay-television programming in Brazil. Today, Globosat is the leading provider of pay-television programming in Brazil, providing pay-television content (including pay-per-view content) and operating channels that are sold directly to MSOs or through Net Brasil. Globosat's content is available to cable, MMDS and DTH subscribers and its channels are present in Net Serviços', Sky Brasil's, Telefonica's, TVA's, Embratel's and other independent operators' subscriber bases which, as of October 31, 2009, represented an aggregate of approximately 5.6 million subscribers (*Source: PTS 155*).

In 2009, pay television captured 4% (R$822.9 million) (*Source: Projeto Intermeios*) of the Brazilian advertising market.

Strategy

Globosat's strategy is to remain a leading provider of pay-television programming by acquiring and producing popular and premium content for distribution and by adding channels to its programming offerings. Globosat also expects to be a major content provider for new digital platforms in the pay-television market.

Operations

Globosat generates its revenue by (i) selling its programming (72% of total net revenues in 2009), (ii) selling its advertising time and (iii) providing technical services to other channels. Pay-per-view revenue (included in programming revenues) has increased in the last few years.

Globosat's programs are either produced in-house or are purchased from third-party and related-party producers. Globo's portfolio of channels contains more than twenty 24-hour pay-television channels for the Brazilian market, including eight of the top twenty in Brazil based on prime time audience share in 2009. These channels cover all major categories of content, including news, sports, movies, documentaries, adult and entertainment.

Globosat is a "shared services provider" of technical services to "*Canais Globosat*," and provides all "*Canais Globosat*" with access to shared advertising sales and marketing, general administration, information technology, engineering services, research and programming acquisition services.

Over the last nine years, Globosat and TV Globo have benefited from increased synergies by strengthening their production links. This progressive collaboration has resulted in significant gains for the business since 2002, including the creation of basic channel and pay-per-view windows for TV Globo productions such as "*Big Brother Brasil*," "*Programa do Jô*," "*Os Normais*" and others. Since 2003, the synergies of the feed production for SporTV with TV Globo's sports division have resulted in an improvement in quality, a reduction in costs and the ability to use TV Globo's on-air talent in SporTV programming.

In May 2006, in connection with the settlement of an administrative claim against Globo and Globosat requesting the termination of the exclusivity of the distribution of Globosat's sports channel SporTV to Net Brasil's affiliated pay-television operators, Globosat and Globo agreed to limit the exclusive use, in the pay-television market, of exhibition rights regarding certain Brazilian sports content from January 1, 2009 through December 31, 2011.

In 2008, Globosat was the first programmer to launch an HDTV pay-TV channel in Brazil called "Globosat HD", which provides a mix of all the Globosat channels' content in HDTV. During 2009, Globosat launched a second HDTV channel, focused on music and shows called "Multishow HD."

Telecine

Marketplace

Telecine was organized in 1994 as a joint venture among Globo (50%) and Paramount (12.5%), MGM (12.5%), NBC Universal (12.5%) and Fox (12.5%) (together, the "Studio Partners"). Telecine operates a film programming service sold to pay-TV operators. Currently, there are eight movie channels; seven of which are sold to MSOs by Net Brasil under the brand name "Telecine" (including two in HDTV) as part of its premium packages and one under the brand name "Megapix" as part of its basic packages. The Telecine channels show films produced and/or distributed by Paramount, Dreamworks, MGM, Universal and Fox and licensed to Telecine, as well as films licensed from other independent producers/distributors. Telecine has more than 1,000 films in its licensed collection at any one time.

Strategy

Telecine aims to be the ultimate movie watching entertainment experience, offering through eight different channels, 24 hours a day, the most recent blockbusters and the best collection of Hollywood hits from the last twenty years, and award winning movies from all around the world. To maximize consumer satisfaction, within the network, the same blockbusters are offered in both original and dubbed versions.

Telecine's main competitor is HBO. According to PTS 155, as of October 31, 2009, Telecine Premium had 2.3 million subscribers in Brazil, amounting to 68% more subscribers than HBO in the same territory and period.

Telecine believes that the key to its success lies in its large film collection, with each channel offering various titles according to genres, its ability to meet subscribers' expectations and its marketing strategy.

Operations

In each of the years ended 2009 and 2008, Telecine's Brazilian programming revenues accounted for 92% of Telecine's revenues. This is compared to 8% of revenues that originated from Brazilian advertising for Telecine during the same respective periods.

Telecine has the following channel brands:

- Telecine Premium, which shows the most recent and major box office hits;
- Telecine Action, which shows action films, thrillers, horror movies, westerns and science fiction;
- Telecine Light, which shows comedies, adventures and romances;
- Telecine Pipoca, which shows the best of the Telecine network films dubbed in Portuguese; and
- Telecine Cult, which shows the great classics in the history of cinema, cult movies and award-winning independent productions from all around the world.

In July 2008, Telecine launched a dubbed basic channel, Megapix, which had 2.8 million subscribers as of October 31, 2009.

In April 2008, Telecine started presenting HD movies on the Globosat HD channel and in June 2009 Telecine launched its own 24 hour premium HD movie channel ("TC HD"). It was the first channel of its kind launched in Brazil and, in January 2010, Telecine launched its second premium HD movie channel ("TC Pipoca HD").

Net Brasil

Overview

Net Brasil owns and licenses the popular "NET" brand to MSOs, including Net Serviços, and negotiates the purchasing of Brazilian programming, thus obtaining better pricing and payment terms for its affiliated systems.

Strategy

Net Brasil seeks to maintain its leadership position in cable, MMDS and satellite distribution and licensing while working to strengthen its brand recognition among MSOs and potential subscribers.

Operations

Net Brasil acts as a purchasing agent with respect to Brazilian content, including Globosat and Telecine content, and distributes that programming to MSOs, such as Sky Brasil and Net Serviços, as well as other operators in which Net Brasil's shareholders have no interests, such as TV Cidade, Acom, ORM, Brasil Telecomunicações and Videomar. Net Brasil's activities include: negotiating terms and conditions for distribution of programming by cable, MMDS and DTH television operators; providing trademark development and licensing to operators; and developing new services and products for such distributors.

Net Serviços obtains all of its Brazilian content from Net Brasil pursuant to an amended and restated programming agreement with Net Brasil. Net Serviços obtains directly, for its own account and benefit, all new international content from sources outside of Brazil. Sky Brasil also renegotiated its programming agreement with Net Brasil under which Sky Brasil also obtains directly, for its own account and benefit, its international programming line-up from sources outside of Brazil. Net Brasil continues, however, to obtain for Sky Brasil Brazilian content or channels. As a result, both Net Serviços and Sky Brasil reduced amounts paid to Net Brasil.

Other Pay-Television Programming and Production

Globosat also owns 50% of Universal Brasil, a joint-venture with NBC Universal and Canal Brazil, a joint-venture with several Brazilian movie producers. Globosat also owns 60% of PB Brasil, a joint venture with Playboy TV Latin America (which is a joint venture between Claxson Interactive Group Inc. and Playboy Entertainment Group Inc.) to develop and distribute adult content in Brazil.

Internet

Each of Globo's businesses uses the internet to enhance its users' experience. Globo's internet strategy is focused on three areas of content: news, sports and entertainment. As of February 2009, Globo was the leader in terms of audience (unique audience) in those categories.

G1, Globo's news portal, was launched in September 2006. It comprises content from all of Globo's news programs as well as content that is produced exclusively for the portal.

Globoesporte.com is Globo's sports portal. There are also other web sites, such as Sportv.com.br, that together with, makes Globo the leader in terms of unique audience in the sports segment.

In entertainment, the aggregation of all of Globo's internet initiatives and the extension of Globo's traditional media business makes Globo the most important player in this segment.

The users' experience of Globo's news, sports and entertainment sites are enhanced by videos that are embedded in most of Globo's sites.

Globo.com, a division of Globo, is responsible for uniting and organizing the content produced by the different businesses on the portal's homepage, and also for providing web-related technology services to the different businesses and affiliates of Globo. In addition to technology services, Globo.com also offers products and services such as Globomail (web mail) and provides broadband and narrowband internet access to end-users.

Globo currently has over 1,400 sites in its portfolio. According to data published by IBOPE Net Ratings as of December 31, 2009, the Globo.com portal is among the largest in Brazil with over 20 million unique visitors per month when considering home and work data measurement.

Publishing

Editora Globo

Editora Globo, based in São Paulo, is the publishing arm of Globo. Editora Globo is one of the leading publishing companies in the Brazilian market. Editora Globo publishes magazines, books and partworks (books sold weekly in parts) that are sold throughout Brazil. Magazine publishing accounted for 92% of Editora Globo's total revenue, while other revenue, including book publishing, accounted for the remaining 8% in 2009.

The main products in Editora Globo's portfolio are (i) Época, the second largest newsweekly in Brazil; (ii) Quem, a weekly celebrity magazine launched in 2000; (iii) Marie-Claire, which Globo believes is the most prestigious magazine in the women's interest sector; and (iv) Época Negócios, a business magazine. In May 2008, Editora Globo launched Época São Paulo, a guide to entertainment and culture in the city of São Paulo, as a supplement of Época magazine. In addition, Editora Globo publishes nine other monthly magazine titles covering subjects such as automobiles, science, agribusiness and home decoration. Magazine revenues consist of subscriptions (38%), newsstand sales (10%) and advertising (52%) in 2009.

On December 12, 2006, Globo capitalized its advances for future capital increase in Editora Globo in the amount of R$138.9 million. As a consequence of this capitalization, Globo's interest in Editora Globo increased from 95.3% to 97.7%, with the remaining 2.3% of Editora Globo directly owned by the Marinho family. Since the creation of Editora Globo in 1957 (under its former name Rio Gráfico Editora), Globo and the Marinho family have made significant capital investments in Editora Globo and funded 100% of Editora Globo's losses. Since 2002, Editora Globo has significantly reduced its costs and expenses, including its general and administrative expenses, suppliers' expenses (paper and printing) and sales expenses. Editora Globo repositioned its magazines, improving its subscriber base and advertising market share. As a result, most magazines have had positive operational results since 2005. Editora Globo had R$1.28 million of outstanding debt as of December 31, 2009.

Pay-Television Distribution and Operation Services

Overview

Globo owns direct and indirect equity interests in Net Serviços, the leading cable company in Brazil, and indirect equity interests in Sky Brasil, the leading satellite DTH subscription service in Brazil.

Sky Brasil

Marketplace

Sky Brasil (formerly NetSat Serviços Ltda.) operates satellite pay-television services (DTH), through the use of mini-parabolic antennas in the Ku band. Sky Brasil is indirectly owned by Globo and DirecTV. Sky Brasil markets its services under the brand name "Sky" and is the leading provider of DTH programming services in Brazil.

In May 2006, CADE approved the Sky Brasil Merger, whereby DirecTV Brasil was transferred from DirecTV to Sky Brasil in exchange for an equity interest in Sky Brasil, and it was completed on August 23, 2006. As a result of this transaction, Globo's current ownership interest in Sky Brasil is 25.9%.

The migration of DirecTV Brasil customers to the Sky Brasil platform was completed in August 2008. According to PTS 157, on December 31, 2009, Sky Brasil had approximately 1.9 million subscribers, an estimated 25% of the aggregate Brazilian pay-television market.

Operations

Sky Brasil currently provides more than 131 channels of digital television programming, 20 channels in high definition, and 46 channels of CD quality audio programming. Sky Brasil offers a variety of high quality programming, including sports, news and general entertainment. In addition, Sky Brasil subscribers in certain areas have access to the Globo Network broadcasts through Sky Brasil's satellite signal on a local to local basis.

Sky Brasil renegotiated its programming agreement with Net Brasil, modifying Net Brasil's role so that Sky Brasil only acquires Brazilian programming from Net Brasil.

Net Serviços

Marketplace

Net Serviços is the largest MSO distributing pay-television services provider in Brazil, based upon number of subscribers and homes covered. Net Serviços' cable network covers approximately 10.4 million homes. As of December 31, 2009, Net Serviços had approximately 3.7 million connected subscribers in 93 cities in Brazil, including São Paulo, Rio de Janeiro and Belo Horizonte, the three largest Brazilian cities. Net Serviços is also a leading provider of high-speed cable modem internet access through the Vírtua service, which had 2.9 million subscribers as of December 31, 2009. Net Serviços also provides voice services in conjunction with Embratel. As of December 31, 2009, Net Serviços had 2.6 million voice subscribers. The launch of Net Fone via Embratel strengthened Net Serviços' product portfolio, complementing pay-television and broadband services. Net Serviços currently offers three products in several combined packages, including Net Fone which better serves different income segments and consumer and entertainment profiles.

On October 11, 2006, Net Serviços acquired a minority invest in Vivax and on June 11, 2007, acquired the remaining outstanding shares of Vivax. Vivax was the second largest cable operation in Brazil at the time. On December 29, 2008, Net Serviços acquired control of 614 Telecomunicações Ltda., 614 TVP Joao Pessoa S.A. and 614 TVT Maceió S.A. (together, "BIGTV"). BIGTV had operations in 12 cities in the states of São Paulo, Paraná, Alagoas and Paraíba. In June 2009, Net Serviços acquired ESC 90 Telecomunicações Ltda., a provider of pay-television and broadband internet in the cities of Vitória and Vila Velha.

According to Pay-TV Survey No. 157, Net Serviços provided service to approximately 49% of Brazil's pay-television subscribers as of December 31, 2009.

Ownership

Globo is the controlling shareholder of Net Serviços, through its controlling stake in GB. GB, in turn, holds 51% of the voting capital stock of Net Serviços. Globo's total interest in Net Serviços is 6.9%. Telmex, through its wholly-owned subsidiaries, Embratel Particpações S.A. ("Embrapar") and Empresa Brasileira de Telecomunicações S.A. ("Embratel") is a significant shareholder in Net Serviços. Under current Brazilian law, as a non-Brazilian entity, Telmex is not permitted to own a controlling interest in Net Serviços. In the event Brazilian law changes so that a non-Brazilian entity is permitted to own a controlling interest in a Brazilian company, Embrapar and Embratel would have the right to acquire from Globo, and Globo would have the right to cause Embrapar and Embratel to purchase from Globo, subject to certain conditions, an additional interest in the voting capital of GB that would give Embrapar and Embratel, through GB, control over 51% of Net Serviços' voting common shares. The additional interest in GB's voting capital would be equal to the greater of (i) 2% of the voting capital of GB or such amount of voting capital as would give Telmex voting control of GB and (ii) the percentage of GB's total equity capital equal to the percentage that 1,077,520 common shares represent of the total voting capital of Net Serviços held by GB at the time. Following such a transfer, Globo would continue to hold a significant minority stake in Net Serviços, directly and indirectly through its stake in GB, and so long as Globo held directly or indirectly a specified minimum level of Net Serviços' common shares, Globo would continue to have the consent and other rights under the Net Serviços shareholders' agreement.

Sound Recording

Globo's music business consists of five Globo majority-owned or wholly-owned subsidiaries that are involved in various aspects of the sound recording and music industry. On December 31, 2009, Globo held (i) 99.05% of SIGEM; (ii) 100% of Sigla da Amazônia; (iii) 99.96% of Zende Serviços de Apoio e Logística, Ltda. ("Zende"); and (iv) 99.99% of Comercial Fonográfica RGE Ltda. ("RGE").

Music content is a component of Globo's audiovisual content and programming strategy. The music business produces, promotes and sells soundtracks connected to Globo's *telenovelas*, series and shows.

RGE are sound recording companies with a combined catalog of over 38,000 original tracks. Sigla's main business is the marketing and selling of compilation CDs under the Som Livre brand (Sigla, RGE, Sigem, Sigla da Amazônia and Zende, collectively, "Som Livre"). Sigla also licenses compilations produced with material obtained pursuant to license agreements with Universal (formerly Polygram), Sony & BMG, EMI and Warner, among others. Sigla utilizes its catalog, RGE's catalog and third-party tracks to add music to Globo's broadcasts. The resulting soundtracks are later sold in compilation CDs under the label Som Livre.

Sigla da Amazônia's business was the sale of compact discs, DVDs and other similar items through the internet and direct to consumer marketing. On September 5, 2005, Videolar S.A. bought all of Sigla da Amazônia's assets, except for its brands and other intellectual property.

Sigem is a music publisher that maintains royalty contracts with artists. It edits works from Globo's producers and collects and distributes copyright payments. In 2006, Sigem was split up and its rights to approximately 5,000 songs were sold to Warner Chappel Edições Musicais Ltda. Following this sale, Sigem retained approximately 7,116 original songs.

Brazilian Broadcasting and Pay-Television Industries Regulations

Telecommunications Industry

The Brazilian telecommunications services industry has gone through deep changes in the past few years, beginning in 1995 with the enactment of the Brazilian Constitutional Amendment No. 8. In general terms, these changes have been aimed at increasing the role of private enterprises and gradually increasing competition in the sector.

The Brazilian Constitution establishes that the federal government is competent to operate, either directly or by means of an authorization, concession or permission, the telecommunications services, pursuant to a specific law, which, among other things, would regulate the organization of the telecommunications services and create a regulatory body. The Brazilian Constitution also establishes that the federal government is competent to operate radio and TV broadcasting services, either directly or by means of an authorization, concession or permission.

On July 16, 1997, Law 9472 (the "General Telecommunications Law") was enacted to (i) authorize the privatization of the 27 companies that comprised the Telebrás System, the national publicly-owned telecommunications holding company, (ii) regulate the privatization process of telecommunications services in Brazil and (iii) create ANATEL, which regulates telecommunications services in Brazil.

ANATEL is an agency integrating the indirect federal public administration, connected to the Ministry of Communications, responsible for the development of the telecommunications services in Brazil. ANATEL has wide-ranging authority, including, but not limited to: (i) within the scope of its authority, implementing a national telecommunications policy; (ii) regulating concessions, permissions and authorizations, managing concession agreements and supervising the rendering of telecommunications services; (iii) regulating, monitoring and revising tariffs for telecommunications services under the public regime; (iv) issuing regulations relating to the standards of telecommunication services; and (v) deciding, within the administrative scope, on the interpretation of the telecommunications legislation and settling any conflicts that may arise among telecommunications service providers.

The granting of radio and TV broadcasting services is excluded from ANATEL's jurisdiction and remains within the executive power's authority, through the Ministry of Communications. Nevertheless, ANATEL is responsible for the distribution and monitoring of the spectrum of broadcasting frequencies, taking into consideration the technological aspects.

Broadcast Television Services

The broadcast television service regulatory scenario encompasses (i) the General Telecommunications Law, (ii) Law 4117 of August 27, 1962 (usually referred to as the “Old Telecommunications Code” and which was partially revoked by the General Telecommunications Law), the penal matters not covered by the General Telecommunications Law and the provisions referring to broadcasting (radio and TV) services being still in full force; (iii) Decree 52795 of October 31, 1963; and (iv) complementary regulation. These regulations are supplemented by rules issued by the Ministry of Communications, which has the overall responsibility for regulating the Brazilian television industry.

Decree 52795/63 establishes the conditions that must be met by television stations to be granted the right to renew their respective licenses (an automatic renewal only occurs if there has been no decision from the competent authority within 120 days of the renewal request, see Article 112, sole paragraph of Decree 52795/63). Those conditions are basically: (i) compliance with all applicable provisions of Brazilian law related to the broadcasting industry and the applicable concession agreement; (ii) moral, technical and financial ability to operate the television station; and (iii) the renewal of the license being consistent with public interest. In addition, if upon 120 days after the filing of a license renewal request, the competent authority does not decide as to whether or not to grant the renewal, the license shall be considered renewed. The refusal to renew a license is subject to the approval of at least two-fifths of the members of the Brazilian Congress.

A legal entity may have licenses to operate a maximum of ten television stations throughout Brazil, with no more than five stations broadcasting in very high frequency (“VHF”) and subject to a maximum of two stations in each State. Similarly, no individual may hold shares in licensed entities if as a result he would hold shares in licensed entities which operate more than two stations in any one State or which operate more than five stations broadcasting in VHF.

Transfers of licenses are restricted and require the prior consent of the federal government. No license can be transferred within the first five years from the date of the issuance of the operational license certificate (See Article 91 of Decree 52795/63). In addition, the prior approval of the Ministry of Communications is required for (i) any amendments to the articles of association or by-laws of a television company, (ii) the appointment of officers and the granting of management powers to any attorney-in-fact, and (iii) any transfer of shares representing the share capital of a television company. These limitations on the ownership of television stations and on the transfer of licenses are designed to reduce the possibility of a consolidation of television stations into one group.

There is a legal obligation to ensure that at least 5% of daily programming is set aside for news broadcasts and that at least five hours per week of educational programming are broadcast. In addition, advertisement slots are limited to a maximum of 25% of total daily programming. There are no formal censorship laws, which apply to the television industry in Brazil, though a system of self regulation is in place with respect to broadcasting and advertisement. The primary industry association is the *Associação Brasileira de Empresas de Rádio e Televisão*. Advertisers and advertising agencies are members of the *Conselho de Auto-Regulação Publicitária* (“CONAR”), a self-regulating body which makes recommendations as to the content of advertisement in Brazil. Although CONAR has no legal powers to enforce their recommendations, they are generally respected in Brazil.

Monitoring of television stations is conducted by the Ministry of Communications, which has the power to impose fines on television stations, suspend their licenses for infringement of the law, and may make recommendations that a license be revoked. Revocation of a license can only be effected by the executive branch of the government under certain limited circumstances, such as where there has been an infraction committed by means of a television broadcast, for repeated violations of the law, for suspension of broadcast services for more than 30 consecutive days without consent of the Ministry of Communications and whenever a television station is unable, for technical or financial reasons, to continue to operate. Moreover, revocation of a license requires a judicial decision (obtained through a due process of law), according to Paragraph 4 of article 223 of the Brazilian Constitution. Neither Globo nor any of the television stations comprising the Globo Network have ever had their licenses suspended.

The Brazilian Constitutional Amendment No. 36 as of 2002 and Law 10610 as of 2002 allowed the participation of foreign capital in the radio and television broadcasting services through companies incorporated under Brazilian law and headquartered in Brazil, provided, however, that such foreign participation is limited to 30% of the voting and non-voting shares of that radio or television broadcasting company. The other 70% of the shares must be held, directly or indirectly, by Brazilian nationals or persons who have acquired the Brazilian nationality for more than ten years. In addition, the management of a broadcasting company can only be exercised by a Brazilian national or a person who has acquired the Brazilian nationality for more than ten years.

Cable Television Services

On January 6, 1995, the Brazilian Congress enacted Law 8977 (the "Cable Law"), which regulates cable television services in Brazil. In addition to the General Telecommunications Law, the Cable Law is supplemented by rules issued by ANATEL. Decree 2206, dated April 14, 1997, and ordinance 256, dated April 18, 1997, which approved the Rule of the Cable Television Services— Rule 13/96—REV/97 were issued, thereby further regulating the provision of cable television services. The authority of the executive branch relating to cable television services, including acts, conditions and granting procedures regulated by the Cable Law, were transferred to ANATEL. Until the transfer of responsibilities to ANATEL, the cable television services were regulated by the Ministry of Communications.

Under Brazilian law, cable television services can be provided only by private companies with head offices located in Brazil and which have at least 51% of their voting shares held by Brazilian citizens or by companies with head offices in Brazil and controlled by Brazilian citizens (or persons who have been Brazilian citizens for more than ten years). In addition, these companies must provide cable television services as their main activity.

Pursuant to the Cable Law, a company must obtain a license from ANATEL in order to provide cable television services in Brazil. Such license is granted for a period of 15 years, and may be renewed for subsequent periods of equal length. Renewal of a cable television license by ANATEL is mandatory, provided that the cable operator: (i) has complied with the terms of the license and applicable governmental regulations; (ii) agrees to meet certain technical and economic requirements relating to the furnishing of adequate service to subscribers, including an obligation to modernize its equipment from time to time; and (iii) has clearly expressed its interest in the renewal of the license, twenty-four months before the expiration. The renewal of the license can also depend on the payment by the licensee of a renewal fee, in order for the licensee to have the right to render such service. This payment, which must be proportional to the importance of the service, shall be agreed upon between the licensee and ANATEL at least twelve months before the license expiration. After this period, if the parties have not reached an agreement, ANATEL can initiate a new process for the granting of the license.

Cable television licenses are granted for specific service areas determined by ANATEL and must be preceded by a public bid process coordinated by ANATEL. The granting of a license pursuant to this procedure, however, does not confer on the successful bidder exclusive rights to operate in the designated service area. A licensee has 18 months, from the date the respective license is granted, to start providing cable services. This time limit can be extended for an additional 12 month period under special circumstances.

A cable television license cannot be transferred without the prior consent of ANATEL. In addition, transfers of voting shares causing a change in the control of the licensee are also subject to ANATEL's prior approval. The transfer of the license to, or the acquisition of the control of a cable television company by, a third party can only be effected after the beginning of the commercial operation of the services. The previous disposition does not apply to the transfer of the license to companies controlled by, under the control of, or resulting from a spin-off of the cable television company, which can be made at any time, as long as the regulation in connection therewith is observed. In addition, ANATEL must pre-approve any transfer of shares which would result in a change of control of the licensee.

The penalties applicable for breaches of any law, regulation or rule applicable to cable television services are: (a) warning; (b) fines; and (c) revocation of the license. A license can only be revoked after a judicial decision and only if the licensee: (i) lacks technical, financial or legal capacity to continue to operate; (ii) is under the management of individuals, or under the control of individuals or corporations who do not qualify for such positions, according to the Cable Law; (iii) has its license to render such service transferred, either directly or by virtue of a change in control, without the prior consent of ANATEL; (iv) does not start providing cable services within the time frame imposed by the Cable Law; or (v) suspends its activities for more than 30 consecutive days without justification or the prior consent of ANATEL.

Prior to the enactment of the Cable Law, authorizations to commercially operate "distribution of television signal by physical means, including cable" ("DISTV") to final users were granted in Brazil by ANATEL. The subsidiaries and affiliates of Net Serviços obtained their respective provisional licenses to operate between November 1990 and August 1991. Cable operators that provided cable television services under a DISTV authorization, granted under Ordinance 250, were required, under the Cable Law, to file applications to have their DISTV authorizations converted into cable television licenses. DISTV authorizations covering all of the service areas of Net were converted into cable television licenses during December 1996. The subsidiaries and affiliates of Net filed their applications and were granted definitive licenses in February and March of 1997.

Rule 13/96—REV/97 enacted by the Ministry of Communications, which was reviewed by ANATEL in 1997 (*Portaria 256*), sets forth some restrictions on the number of areas that can be served by a cable television operator (or an affiliate thereof). Pursuant to Rule 13/96—REV/97, a cable operator (or an affiliate thereof) may only hold licenses with respect to (i) a maximum of seven areas with a population of 700,000 and above and (ii) a maximum of twelve areas with populations of 300,000 to 700,000. These restrictions only apply in areas where the cable operator or its affiliate faces no competition from other pay-television services, excluding services that use satellite to transmit their signal. Rule 13/96—REV/97 also grants ANATEL full discretion to alter or eliminate the restrictions to the extent required by public interest. The term "affiliate" is defined by Decree 2206 dated April 14, 1997 as any legal entity that directly or indirectly holds at least 20% of the voting capital of another legal entity or any two legal entities under common ownership of at least 20% of their respective voting capital.

Proposed Legislative Bill 29/2007 would impose certain restrictions on pay-television operators, such as requiring a minimum amount of Brazilian-produced content and channels and imposing must-carry channels. Legislative Bill 29/2007 seeks to eliminate the different regulations for different technologies (cable, MMDS, DTH) and establish a single regulatory system for pay-television services under the SAC (conditioned access service) license. In addition, Legislative Bill 29/2007 would allow telecommunication companies to provide pay-television services including via cable and remove foreign ownership limitations on telecommunication companies that distribute content through mass electronic communication systems, including cable companies. Legislative Bill 29/2007 would also prohibit telecommunications companies from controlling, being controlled by or being under the common control of broadcast television companies. Globo expects that Legislative Bill 29/2007, if adopted in its current version, would allow Telmex to acquire from Globo an additional interest in the voting capital of Net Serviços that would give Telmex control over Net Serviços. In addition, Globosat would be required to implement any Brazilian-produced content and channel requirements.

Satellite Television Services

Prior to 1991, there were no specific laws regulating pay-television by satellite in Brazil. On March 18, 1991, the National Communication Secretariat ("SNC") granted to Horizonte Comunicações Ltda. ("Horizonte"), a company that later became controlled by the Marinho family, a provisional license to operate a pay-television service via satellite in Brazil on the condition that Horizonte comply with any subsequent legislation.

The Marinho family acquired control of Horizonte on May 21, 1991. Horizonte later changed its name to Globosat Comunicações Ltda., merged with Globo Participações Ltda. and finally changed its name to Globo Comunicações e Participações Ltda. On January 9, 1996, Globopar requested authorization to operate satellite television in accordance with the provisions of Ordinance 281.

On April 23, 1996, the Ministry of Communications issued Ordinance 88, granting Globopar nonexclusive permission to operate pay-television via satellite services, in accordance with Ordinance 281. Such permission is valid for a term of 15 years, commencing December 22, 1994.

ANATEL issued Act 44.754 in 2004, approving the transfer of Globopar's license to operate in the pay satellite television business to Sky Brasil upon payment of a certain penalty, which was already paid by Sky Brasil.

Currently, Globo holds a 26% indirect participation interest in Sky Brasil.

Currently, the pay satellite television business is governed by the General Telecommunications Law, by Decree 2195, dated April 8, 1997, which provides a new regulatory framework for certain telecommunications services, and by Ordinance 321 dated May 21, 1997, issued by the Ministry of Communications and which specifically regulates pay satellite television services such as DTH, which is classified as a "special telecommunication service."

According to this regulation, the licenses already issued are valid for the period established in the original granting act, and after such period the grants shall be renewed according to the terms provided in the new regulation, which establishes ten- or fifteen-year granting periods, renewable for an equivalent period. In addition, ANATEL's prior approval is required to transfer licenses to operate pay-television by satellite, as well as to transfer voting shares resulting in a change in the control of the licensee.

Any transfer of such licenses to, or acquisition of control by, a third party can only be effected after beginning commercial operations. A previous disposition does not apply to the transfer of such licenses to companies controlled by, under the control of, or resulting from a spin-off of the pay-television by satellite company, which can be made at any time, as long as the regulation in connection therewith is observed. In addition, ANATEL must pre-approve any transfer of shares which would result in a change of control of the licensee.

Legal Proceedings

Globo and its subsidiaries are party to legal proceedings in the regular course of business. While it is impossible to determine with certainty the ultimate outcome of these matters. Globo makes provisions for these contingencies based on the opinion of internal and external legal counsel and the probability that financial resources will be required to settle the claim, where settlement amounts may be estimated with sufficient certainty. See "Management's Discussion and Analysis of Financial Condition and Results of Operations of Globo—Financial Presentation and Accounting Policies—Provisions for Contingencies."

Civil Litigation

In 2001, the estate of Manoel Vicente da Costa et al. filed a lawsuit against TV Globo, subsidiaries of Globopar and TV Globo and members of the Marinho family requesting a declaratory judgment that there was no agreement to transfer certain TV Paulista shares to Roberto Marinho in 1964 and 1975. The plaintiff also sought nullification of the transaction. The case was dismissed in May 2005 without judgment on the merits and the plaintiff appealed but the appellate court affirmed the decision. Appeals are pending before the Superior Tribunal of Justice (*Superior Tribunal de Justiça*) and the Brazilian Federal Supreme Court (*Supremo Tribunal Federal*). Globo believes that its chances of a favorable decision are high due to the lack of merit of the claim and because the statute of limitations had already expired when the lawsuit was originally filed.

In 2005, *Escritório Central de Arrecadação e Distribuição* ("ECAD") filed a lawsuit against Globo claiming that Globo had been using the musical works of its repertoire without paying royalties and without prior approval since the expiration of their last agreement in June 2005. ECAD claims damages include unpaid royalties in the amount of 2.5% of Globo's gross monthly revenue, plus monetary restatement and interest. Globo's initial appeal was successful, but awaits further decision of the higher courts. Globo also filed a lawsuit against ECAD on July 25, 2005 challenging the amount claimed by ECAD and requesting the right to continue to use musical works of ECAD's repertoire in consideration for the amounts paid under the last agreement in place between them (adjusted for inflation) and has been depositing such amounts with the lower court.

Labor Litigation

Globo filed against the federal authorities (*União Federal*) a lawsuit challenging legal and constitutional aspects regarding the increase of the applicable rate of labor insurance (seguro de acidente trabalho) from 1% to 3% fixed by Decree 6042/2007. Globo deposited the amount corresponding to the percentage questioned, or 2% per month, which as of December 31, 2009, amounted to R$55.2 million.

On December 31, 2009, Globo was party to labor lawsuits, with a total contingency amount of R$100.0 million. The claims asserted in such lawsuits relate to: (i) Globo's recognition of employment relationships involving certain service providers and the payment of compensation to such service providers, (ii) Globo's payment of severance amounts to such service providers, (iii) Globo's payment of fines to such service providers as a result of its delay in the payment of such severance amounts and (iv) Globo's payment of overtime to such service providers. Globo has established provisions in its consolidated financial statements for amounts relating to claims in which an unfavorable outcome is probable. The total amount provisioned as of December 31, 2009 is R$81.7 million. Such amount includes the lawsuits filed by formal workers who rendered services through various legal entities.

Antitrust Litigation

In 1997, the Brazilian anti-trust authorities filed an ex-ofício administrative proceeding against TV Globo, Globosat and other television stations, as well as certain soccer teams and soccer associations, to review the commercial practices in the sale and purchase of television rights related to the 1997 Brazilian Soccer Championship by TV Globo, Globosat and those other television licensees. The *Secretaria de Direito Econômico* issued a preliminary negative opinion, which was forwarded to CADE. This opinion suggested that certain rights to broadcast the championship should be restricted. CADE is expected to issue a final judgment by the end of this year. If the defendants lose this proceeding, CADE may impose restrictions on the exclusivity of television rights regarding the Brazilian Soccer Championship and on other commercial practices regarding the Brazilian Soccer Championship, and it may also impose a fine, however, the defendants would have the right to appeal the judgment. Globo believes that there is a possibility that the administrative procedure will be dismissed as a result of procedural irregularities. If so, Globo would not be fined or be subject to restrictions imposed by the antitrust authority. Globo currently believes that a favorable outcome will be obtained.

Tax Claims

ISS Tax Assessment on the Lease of Movable Property

The Brazilian tax authorities imposed a tax assessment on September 20, 2004 and notified Globosat to pay a services tax ("ISS") on the licensing of programs. The administrative defense presented is based on the fact that the licensing of programs is not subject to the ISS. The Supreme Court analyzed a similar case, Extraordinary Appeal 116,121-3/00, in which it decided that no ISS was due on the leasing of movable property. This precedent is of particular relevance to this case, as the applicable legislation considers for all legal purposes the licensing of programs as the leasing of movable property. Globosat already had partially favorable results and the total amount involved in this tax claim was reduced from R$97.0 million to R$10.8 million as of December 2009. Based on opinions provided by internal and independent legal counsel that a favorable outcome will be obtained, no provisions have been recorded.

ICMS Tax Assessment on the Provision for Communication Services

In 1999, the Brazilian tax authorities imposed a tax assessment and notified TV Globo to pay a tax on the circulation of goods, rendering of interstate and intercity transportation and communication services ("ICMS") on communication services related to the broadcasting of advertisements. Globo has presented its defense in the State Court, arguing that TV broadcasting companies are not subject to the ICMS tax. The Superior State Court judgment of August 30, 2006 was favorable to Globo. As of December 2009, the estimated contingency amount was approximately R$33.3 million. Based on the opinion provided by legal counsel in charge, Globo believes that the chances of a final, unfavorable outcome are remote and, therefore, no provision has been recorded.

Services Tax Assessments on the Business Mandate ("Comissão Mercantil")

The Brazilian tax authorities filed two judicial foreclosures against Net Brasil and two judicial foreclosures against Globo Cabo Participações Ltda. ("Globo Cabo") arguing that the business mandate fees related to the business mandates executed between Net Brasil/Globo Cabo and various pay-television operators are subject to a 5% ISS rate, as such agreements would be agency agreements. The defenses are based on the fact that the business mandate is not subject to ISS and differs from the agency agreements because, among other reasons, under the business mandate, Net Brasil/Globo Cabo assume the obligation under their own names, compared to an agent that merely represents a third party doing business in its name. Net Brasil and Globo Cabo are questioning the validity of the foreclosures in court. The estimated contingency amount involved was R$36 million as of December 2009. Based on the opinion provided by legal counsel in charge, Globo believes that a favorable outcome is possible and, therefore, no provision has been recorded.

INSS Tax Assessment for Services Rendered to Globo

In 2005, 2006 and 2007, the Receita Federal do Brasil imposed tax assessments upon Globo in the amount of approximately R$247.0 million relating to social security contributions for certain service providers for the period from 1995 to 2002. In addition, in 2007 and 2008, the Receita Federal do Brasil imposed a similar tax assessment upon Globo in the amount of approximately R$140.0 million for the period from 2003 through 2005.

As of the date hereof, approximately 50% of the tax assessments have been judged in favor of Globo. Globo, based on opinions of internal and external legal counsel, believes that the probability of loss arising from the remaining tax assessments is remote and, therefore, no provision has been recorded in connection with these proceedings. On June 12, 2008, the "Supremo Tribunal Federal" issued a final decision (Súmula nº 08) determining that the Receita Federal do Brasil can only impose tax assessments for the prior five years. As a result, as of the date hereof, Globo conservatively believes that the total amount of potential open tax assessments is approximately R$140.0 million.

Tax refund

In 2002, Globo filed a tax refund petition with the Brazilian tax authorities which was granted. The respective amount, concerning the credits acknowledged and not used in the offsetting, was deposited in Globo's bank account on September 26, 2002. However, on September 21, 2007, Globo was summoned to return R$167.9 million that had been refunded, on the grounds that the decisions that acknowledged the credits did not comply with the applicable legislation. Such credit amount is updated through December 31, 2009. The decision was not favorable within the administrative sphere. In October 2007, Globo filed a writ of mandamus to stay the appeal filed against the decision ruled by the Chief Officer of the Brazilian Federal Revenue Office of the Tax Administration Bureau (*Delegacia da Receita Federal do Brasil de Administração Tributária—DERAT*). On January 16, 2009, Globo was notified of the decision of the Deputy Superintendent of the Seventh Regional Brazilian Federal Revenue Office, which rejected the appeal and upheld the decision ruled by DERAT. Globo awaits the judgment of the appeal at the Department of Federal Justice—5ª Section. The debt has already been included in the Federal overdue liabilities. A judicial foreclosure was filed against Globo, which was guaranteed by Globo's real estate property and properly defended, alleging that, pursuant to the statute of limitations, the time permitted to claim such amount had expired, thus precluding any further dispute on the case. Based on the opinion provided by legal counsel in charge, Globo believes that the chances of loss are remote. Accordingly no provision has been recorded.

Offsetting

Globo filed with the Brazilian tax authorities applications for a tax refund and offsetting related to withholding income tax on credits related to profits in 1997, 1998 and 1999, which were granted in September 2002. However, in 2007, the Brazilian tax authorities overturned their decisions and rendered approximately R$82.9 million that had been offset null and void. Such credit amount is updated through December 31, 2009. Globo argued that the statute of limitations on the right to review the credits that substantiated Globo's applications for offsetting had expired. Based on the opinion provided by legal counsel in charge, Globo believes that the chances of loss are remote. Accordingly no provision has been recorded.

Tax Losses Offset

According to Brazilian legislation, tax losses may be carried forward indefinitely, but can only offset up to 30% of the company's taxable income for a tax period. It is generally viewed by the Taxpayers' Council that such tax losses may be fully used in the event that the company ceases to exist. Nevertheless, a recent ruling challenged this position, which may jeopardize the utilization of such tax losses in the future. Tax authorities filed an income tax assessment demanding that Globo pay R$31.5 million. Such credit amount is updated through December 31, 2009. Based on the opinion provided by legal counsel in charge, Globo stated that the outcome of this case is unpredictable. Accordingly no provision was recorded.

IRPJ and CSLL Tax Assessment—Premium—Globo

In December 2009, the Brazilian tax authorities imposed a tax assessment and notified Globo to pay Imposto de Renda sobre Pessoa Jurídica ("IRPJ") and Contribuição Social sobre Lucro Líquido ("CSLL") related to the amount of premium recorded in excess upon the acquisition of investments in one of its subsidiaries in 2005, that were used for tax purposes in the calendar years between 2005 and 2008. Globo allegedly failed to add to the calculation basis of IRPJ and CSLL the values corresponding to such premium recorded in excess. Additionally, the Brazilian tax authorities claimed that Globo, in calendar year 2005, failed to pay IRPJ and CSLL on financial revenues arising from the liquidation of credit acquired at a discount. Globo has presented its administrative defense and is now awaiting judgment. As of December 31, 2009, the estimated contingency amount in connection with this assessment was R$713.2 million. Based on the opinion of the legal counsel that is defending the case, Globo believes that a favorable outcome is possible and, therefore, no provision has been recorded.

OWNERSHIP AND MANAGEMENT STRUCTURE OF GLOBO

Globo is 100% owned indirectly by the Marinho family and certain relatives of the Marinho family. Globo is managed by its management committee, managing directors, and other executive officers.

Globo's management committee is its highest governing body and is comprised of Roberto Irineu Marinho, João Roberto Marinho and José Roberto Marinho.

The following is a list of Globo's executive officers:

Name	Title
Roberto Irineu Marinho	President and CEO
João Roberto Marinho	Vice-President, Institutional Relations
José Roberto Marinho	Vice President, Social Responsibility
Octávio Florisbal	Managing Director TV Globo (Broadcast Television)
Evandro Guimarães	Director Institutional Relations
Jorge Luiz Nóbrega	Managing Director, Subscription Media Group; Managing Director, Corporate Center, Globo
Alberto Pecegueiro	Managing Director, Globosat (Pay-Television Programming)
Frederic Zoghaib Kachar	Managing Director, Editora Globo (Publishing)
Juarez de Queiroz Campos Júnior	Managing Director, Globo.com (Internet)
Leonardo Guimarães Ganem	Managing Director, Som Livre (Sound Recording)
Antonio Claudio Netto	General Legal Counsel
Rossana Fontenele Berto	Corporate Director, Strategic Planning and Control, Globo
Stefan Alexander	Corporate Director, Finance and Investor Relations, Globo
Sergio Lourenço Marques	Director, Corporate Treasurer

The business address of the management committee members and the executive officers is Avenida Afrânio de Melo Franco 135, Rio de Janeiro, RJ 22430-060, Brazil.

The biographies of the management committee members and executive officers are set forth below:

Roberto Irineu Marinho. Mr. Roberto Irineu Marinho is the President and CEO of Globo. Mr. Marinho began his career as a journalist working for the O Globo newspaper in 1966 and, after being trained at the ABC Television Network in New York in 1977, held the position of Executive Vice-President of TV Globo up to 1998. He is also a board member of a number of companies belonging to the Marinho family.

João Roberto Marinho. Mr. João Roberto Marinho is a Vice-President of Globo. Mr. Marinho began his career as a journalist working for the O Globo newspaper, where he held a number of positions including that of Editor, Production Chief, Director and Vice-President up to 1998.

José Roberto Marinho. Mr. José Roberto Marinho is a Vice-President of Globo. Mr. Marinho began his career as a journalist working for the O Globo newspaper, and joined the Globo Rádio Network in 1984, where he held the position of Vice-President until 1998. Mr. Marinho also serves on the Board of Fundação Roberto Marinho and other charitable and environmental foundations.

Octávio Florisbal. Mr. Florisbal is currently the Managing Director of TV Globo, where he has worked since 1982. He was Marketing Director for TV Globo until 1990 and Superintendent of the Commercial Division of TV Globo until August 2004. He previously worked as the Media Director of the J. Walter Thompson advertising agency, and as the Planning Director of Lintas International. Mr. Florisbal is currently a senior manager of the Brazilian Advertising Association and holds a senior post at CONAR.

Evandro Guimarães. Mr. Guimarães has been the Director of Institutional Relations of Globo (and, prior to the Restructuring, of Globopar and TV Globo) since May 1998. He is responsible for managing the relationship between the companies owned by the Marinho family and the Brazilian government. Mr. Guimarães has worked for Globo for more than 20 years.

Jorge Luiz Nóbrega. Mr. Nóbrega is the Managing Director of the Subscription Media Group and is also the Managing Director of Globo's Corporate Center. He joined the company in 1998 as Director of Business Strategy. During this period, he was responsible for strategic planning, competitive intelligence and the assessment of business results. Previously, Mr. Nóbrega worked for the World Bank, the Interamerican Development Bank and Xerox, among other companies.

Alberto Pecegueiro. Mr. Pecegueiro has been the Managing Director of Globosat since January 1995. Mr. Pecegueiro began his career at his own publishing company in 1974. In 1979, he moved to Editora Globo as Magazine Director, where he stayed until 1987. After leaving Editora Globo in 1987, Mr. Pecegueiro joined Editora Abril S.A. ("Editora Abril"). Mr. Pecegueiro remained at Editora Abril until 1993 and held the positions of Managing Director for various Publications Groups and Publishing Director of Editora Abril. In 1993, Mr. Pecegueiro joined Net Brasil as Marketing Director.

Frederic Zoghaib Kachar. Mr. Kachar is the Managing Director of Editora Globo, the publishing business of Globo. He joined Globo in 1997 as a financial analyst at Infoglobo Comunicações e Participações S.A. ("Infoglobo"), a newspaper company. In 2001, Mr. Kachar became CFO of Diario de São Paulo (formerly known as Diario Popular) when it was acquired by Infoglobo. In 2002, he joined Editora Globo as CFO and has been the Managing Director since 2008. Prior to joining Globo, Mr. Kachar worked at Deloitte Touche Tohmatsu.

Juarez de Queiroz Campos Júnior. Mr. Queiroz Campos, Jr. has been the Managing Director of Globo.com since February 2001. Previously, Mr. Queiroz was the Marketing & Corporate Vice-President of Tele Norte Leste Participações S.A. and the Marketing and Sales Director of Souza Cruz S.A.

Leonardo Guimarães Ganem. Mr. Ganem was promoted to Managing Director of Som Livre, the music business of Globo, in January 2008. He joined Som Livre as Finance Director in 2005. Mr. Ganem previously worked at McKinsey & Company as a consultant and manager.

Antonio Claudio Netto. Mr. Netto has been the General Legal Counsel of Globo since January 2008. Previously, he was the Director, Legal Counsel of TV Globo from 2003 to 2007. Mr. Netto has worked as a legal counsel of Globo since 1987.

Rossana Fontenele Berto. Mrs. Berto has been the Corporate Director of Strategic Planning and Control of Globo (and, prior to the Restructuring, of Globopar and TV Globo) since 2002. Previously, Ms. Berto was the General Director of Sky Brasil from 1999 to February 2002, General Director of Net Rio from 1998 to 1999 and Controller of Multicanal from 1993 to 1998. She is also a board member of Sky Brasil and Net Serviços.

Stefan Alexander. Mr. Alexander is the Corporate Director of Finance and Investor Relations of Globo. He joined Globopar in May 2000 as Director of Financial Planning and Investor Relations and became Executive Director of Globopar in October 2002. Previously, Mr. Alexander was the Director of Capital Markets Brazil at Bank of America. He had also worked for Banco BBA Creditanstalt and Unibanco.

Sergio Lourenço Marques. Mr. Marques is the Corporate Treasury Director of Globo. He joined Globopar in February 2000 as Head of Financial Operations in the Treasury Department and became the Corporate Treasury Director in 2002. Previously, Mr. Marques held positions at Banco Pactual, Atlantic Petroleo, and Ipiranga Petroleo.

Globo has announced that on July 1, 2010, Sergio Lourenço Marques will be promoted to the position of Corporate Director, Finance and Investor Relations and Stefan Alexander will be assigned to the new position of Corporate Director, Special Projects.

RELATED PARTY TRANSACTIONS OF GLOBO

Dividends Payable to Shareholders

Globo’s bylaws provide for the distribution of mandatory dividends of 25% of Globo’s annual net income, adjusted in compliance with article 202 of Law 6404/76. On December 28, 2009, at the general meeting of Globo’s shareholders, the shareholders approved the payment of R$600 million (R$680 million in 2008) of dividends relating to the prior year’s retained earnings reserve.

Total dividends payable to shareholders amounted to R$636.1 million (R$557.1 million at December 31, 2008), of which R$636.1 million (R$552.5 million at December 31, 2008) were recorded as current liabilities at December 31, 2009. During the year ended December 31, 2009, Globo paid R$520.9 million in dividends. As of January 5, 2010, R$522.5 million of the outstanding dividends at December 31, 2009 were paid.

Lease Guarantees

Globo has guaranteed the obligations of Aero Rio Táxi Aéreo Ltda., a Brazilian limited liability company (“Aero Rio”), with respect to three aircraft leases executed in 2007, two of which were renewed in 2009. The Marinho family indirectly holds 100% of Aero Rio’s shares. The outstanding balance as of December 31, 2009 under the leases was US$5.6 million.

Consortium Agreement Between Globosat, Net Serviços, Sky Brasil and Net Brasil until 2009

Until 2009, Globosat, Net Serviços, Sky Brasil and Net Brasil, together with certain third-party entities, were parties to consortium agreements to jointly use goods, rights and transmission resources. Each consortium agreement had a specific cost/revenue sharing model, with a different percentage.

Agreements Between Globosat and Affiliated Companies

Globosat provides management and technical services to Globo, Canal Brazil, USA Brasil, Net Brasil, Telecine and PB Brasil in exchange for a monthly fee determined under a service agreement.

Globosat purchases and sells advertising time to affiliates such as Infoglobo, Editora Globo, USA Brasil, Telecine, Canal Brazil, PB Brasil, Valor Econômico S.A., and others. Certain sales are made through barter transactions.

Internet Services Agreements between Globo’s internet division, Globo.com, and Affiliates

Globo.com, a division of Globo, provides internet and related technology services to affiliates such as Globosat, Infoglobo, Sistema Globo de Rádio and Editora Globo.

Such services are provided by Globo.com to each of the above-mentioned affiliates under a service agreement, in exchange for a monthly fee corresponding to the amount of services used.

Sale of Advertising and Licensing by Globo to Related Parties

Globo, as part of its broadcasting business, sells advertising time to related parties, such as Infoglobo, Editora Globo, Sky Brasil, Globosat and others. Certain sales are made through barter transactions.

Globo also licenses certain in-house production content to be used by certain related parties, including the right to use the “Globo” trademark.

Programming Agreement Between Net Brasil and Sky Brasil and Net Brasil and Net Serviços

Net Brasil acts as a purchasing agent of Brazilian content, including Globosat and Telecine programming, distributed to MSOs, such as Sky Brasil and Net Serviços, as well as other third party operators.

Sky Brasil obtains directly, for its own account and benefit, its international programming line-up from sources outside of Brazil under an amended and restated programming agreement with Net Brasil. Net Brasil continues, however, to obtain Brazilian content or channels for Sky Brasil.

Net Serviços obtains all of its Brazilian programming from Net Brasil pursuant to an amended and restated programming agreement with Net Brasil. Net Serviços obtains directly, for its own account and benefit, all new international content from sources outside of Brazil.

Net Brasil licensed to Net Serviços the right to use the "NET" brand name until 2015 and, in the case of termination, for an additional 30 months from the date of termination.

Pay-TV Portuguese-Language Programming

Globo and Globosat produce the majority of the Portuguese-language programming and channels distributed by Net Serviços and Sky Brasil on their pay-TV channels.

Globo produces the content for the "Globonews" channel. Globonews is a pay-TV channel whose distribution of exhibition rights is intermediated by Net Brasil. Globosat is responsible for the advertising commercialization for the Globonews channel. Globo pays to Globosat a monthly commission equivalent to 27% of net revenues based on the advertising time aired on the Globonews channel. Also Globosat provides technical services to Globo related to the Globonews channel in exchange for a monthly fee under a service agreement.

Globo produces content for "SporTV" channels, pay-TV channels offered by Globosat, and negotiates certain programming for other Globosat channels. Globosat pays monthly to Globo an agreed amount, and pays annually an additional amount based on a percentage of the advertising net revenue. Such percentage is calculated based on performace indicators such as subscriber base growth and audience ratings.

Globo also represents Globosat for the distribution of the "PFC International" channel, a Brazilian soccer channel, worldwide.

Endemol Globo

Endemol Globo is engaged in developing, distributing and producing audiovisual programs based on formats owned by the shareholders and licensed on a worldwide basis. Globo pays a license fee to Endemol Globo to broadcast these licensed programs.

Editora Globo

Editora Globo has a joint sales agreement with each of Infoglobo's labels. In addition, Infoglobo provides magazine distribution services to Editora Globo subscribers in the state of Rio de Janeiro.

Net Serviços' programming guide is produced by Editora Globo.

Globo and Distel

In October 2008, Globo made a capital contribution of R$729.3 million in Distel with an advance for future capital increase from this subsidiary.

Globo's Guarantee of Net Brasil's Obligations under Certain Telecine Agreements

Globo guarantees the performance by Net Brasil of its obligations under Net Brasil's distribution arrangements with Telecine, pursuant to which Telecine sells its content through Net Brasil to pay-television operators in Brazil. Net Brasil bears financial responsibility for remitting monthly per-subscriber payments to Telecine regardless of whether Net Brasil has received payments from the affiliated MSOs, which include Net Serviços and Sky Brasil—the principal MSOs on which Telecine is exhibited. As a result of the Globo guarantee, Globo currently has an obligation to make these payments to Telecine in the event Net Brasil fails to do so. Nonetheless, Net Brasil, and consequently Globo, shall be released from any further obligation of payment upon delivery of a release notice to Telecine (except for the obligations outstanding prior to the delivery of such release notice). See "Business of Globo—Pay-Television Production and Programming Services—Telecine."

Globo's Guarantee of Globosat's Bank Loans

In December 2009, Globosat entered into a credit agreement with Banco Bradesco S.A. that provided for an unsubordinated and unsecured term loan in the aggregate principal amount of R$15.0 million. This loan bears interest at the CDI rate plus 1.35% per annum due monthly. The principal amount of this loan will be due in December 2010. Globo is the guarantor of such debt.

Rental of Pontal Properties

Globo rents three commercial properties from Pontal Imobiliária Ltda. ("Pontal"), which are owned by the Marinho family. These properties are located in Rio de Janeiro.

Globosat rents real estate from Pontal. The property is used for administrative, production and transmission purposes.

These properties were owned by São Marcos Empreendimentos Imobiliários Ltda. ("São Marcos") and, on January 2, 2008, upon a partial spin off, such assets were transferred to Pontal. On July 31, 2008, the Marinho family sold 100% of the equity in São Marcos to an unrelated third party.

Sigla

In July 2007, Sigla was partially spun-off and a portion of its assets and liabilities were merged into Globo and into Comercial Fonográfica RGE Ltda. ("RGE"). This merger does not affect Globo's consolidated balance sheet as Sigla and RGE were wholly-owned subsidiaries of Globo.

Ordinary Course Intercompany Transactions

Globo has transactions with consolidated investees and with unconsolidated related parties generally with respect to the use of advertising space in the ordinary course of business.

Globo has incurred various intercompany loans in the ordinary course of business with its various subsidiaries and affiliates.

DESCRIPTION OF OTHER INDEBTEDNESS OF GLOBO

The following description is a summary of the principal amounts of outstanding indebtedness of Globo on a consolidated basis as of December 31, 2009 in thousands of reaís or U.S. dollars, as applicable.

Perpetual Notes	US$325,000
Senior Notes	US$200,000
Bank Loans	R$ 99,943
Other	R$ 166,334

Perpetual Notes

Ranking, Maturity and Prepayments

The Perpetual Notes are unsecured and unsubordinated obligations of Globo, ranking equal in right of payment with Globo's existing and future unsubordinated obligations. The Perpetual Notes have no fixed final maturity date and will be repaid only in the event that Globo redeems them or upon acceleration due to an event of default.

Globo may, at its option, redeem the Perpetual Notes (i) in whole or in part, at 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, on any interest payment date on or after April 20, 2009; provided that at least US$150.0 million aggregate principal amount of the Perpetual Notes remains outstanding following any partial redemption, or (ii) at any time upon the occurrence of specified events relating to Brazilian tax law. Globo may provide that payment of the redemption amount of Perpetual Notes and the performance of its obligations with respect to a redemption may be performed by another person (which may include, at Globo's option, transferring to another person the right to redeem or purchase the Perpetual Notes at a price equal to 100% of their principal amount). Globo has transferred to the SENs Issuer the option to purchase all of the outstanding Perpetual Notes on July 20, 2010 at a price equal to 100% of their principal amount, and the SENs Issuer has agreed to purchase the outstanding Perpetual Notes on July 20, 2010, all in accordance with the provisions of the Perpetual Notes Indenture.

Interest

The Perpetual Notes bear interest from April 20, 2006 at the annual rate of 9.375%, payable quarterly in arrears on each interest payment date. The interest payment dates are January 20, April 20, July 20 and October 20 each year.

Covenants

The Perpetual Notes Indenture contains a limited number of covenants, including limitation on liens, limitation on consolidation, merger or transfer of assets and certain reporting requirements, subject in each case to important exceptions.

Events of Default

Under the Perpetual Notes Indenture, an event of default is defined to include: non-payment of interest or principal, breach of other obligations, cross-default (with a US$20,000,000 threshold), unsatisfied judgments and enforcement proceedings, insolvency-related events and unenforceability of obligations.

Amendment and Restatement

After the Perpetual Notes are purchased by the SENs Issuer and prior to the Mandatory Exchange, the SENs Indenture will require the SENs Issuer, as the holder at such time of all of the Perpetual Notes, to consent to the

Amended and Restated Indenture, whereby the terms of the Perpetual Notes will be amended and restated as described in "Description of the Amended Perpetual Notes."

Senior Notes

Ranking, Maturity and Prepayments

The 7.25% Senior Notes due 2022 (the "Senior Notes") are unsecured and unsubordinated obligations of Globo, ranking equal in right of payment with all of Globo's unsecured, unsubordinated obligations. Globo may, at its option, redeem the Senior Notes (i) in whole or in part, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and additional amounts, if any, on or after April 26, 2012 (provided that at least US$100.0 million aggregate principal amount of the Senior Notes remains outstanding following any partial redemption), if redeemed during the twelve month period commencing on April 26 of the years set forth below:

Redemption Period	Price
2012	103.625%
2013	102.417%
2014	101.208%
2015 and thereafter	100.000%

In addition, Globo may redeem the Senior Notes at any time upon the occurrence of specified events relating to Brazilian tax law.

Interest

The Senior Notes bear interest from April 26, 2007 at the annual rate of 7.25%, payable semi-annually in arrears on each interest payment date. The interest payment dates are April 26 and October 26 each year.

Covenants

The indenture governing the Senior Notes contains a limited number of covenants, including limitation on liens, limitation on consolidation, merger or transfer of assets and certain reporting requirements, subject in each case to important exceptions.

Events of Default

Under the indenture governing the Senior Notes, an event of default is defined to include: non-payment of interest or principal, breach of other obligations, cross-default (with a US$20,000,000 threshold), unsatisfied judgments and enforcement proceedings, insolvency-related events and unenforceability of obligations.

Bank Loans

In October, 2006, Globo entered into a credit agreement with each of Unibanco, Banco Bradesco S.A. and Banco Itaú BBA S.A. that provided for an unsubordinated and unsecured term loan in the aggregate principal amount of R$456.1 million (the "Bank Loans"). On the same date, Globo drew down R$456.1 million under the Bank Loans to refinance its outstanding Series D Notes. Globo has since 2006 repaid a significant portion of the amount initially drawn in 2006 under the Bank Loans. As of December 31, 2009, the outstanding principal amount of the Bank Loans was R$99.9 million, in addition to R$1.9 million consisting of accrued and unpaid interest.

Maturity and Prepayments

The Bank Loans mature in October 2012. Globo may redeem the Bank Loans at any time, in whole or in part, at their outstanding principal amount plus accrued and unpaid interest.

Interest

The Bank Loans bear interest at CDI + 1.0% per annum, payable every six months. Interest payment dates are April 20 and October 20 each year.

Events of Default

The Bank Loans provide for certain events of default, including: non-payment, breach of other obligations, insolvency-related events, unsatisfied judgments, corporate restructuring and enforcement proceedings and change of control.

Other

As of December 31, 2009, other debt represents indebtedness of R$166.3 million of Editora Globo, Globosat, Net Serviços and others (insofar as such debt is included in Globo's consolidated financial statements) respectively.

DESCRIPTION OF THE SENS

Pontis Ltd. will issue the Senior Secured Exchangeable Notes (the "SENs") pursuant to an indenture, dated as of April 20, 2010 (the "SENs Indenture"), among the SENs Issuer, The Bank of New York Mellon, as SENs Trustee, The Bank of New York Mellon Trust (Japan) Ltd., as SENs Principal Paying Agent, and The Bank of New York Mellon (Luxembourg) S.A., as SENs Luxembourg Paying Agent. A copy of the SENs Indenture, including the form of the SENs and the form of the indenture governing the Amended Perpetual Notes, will be available for inspection during normal business hours at the offices of the SENs Trustee and the paying agents, when available. The SENs Trustee will also act as a transfer agent and the registrar in the event that the SENs Issuer issues physical notes in the limited circumstances described in "Form of Notes."

This Description of the SENs is a summary of the material provisions of the SENs and the SENs Indenture. You should refer to the SENs Indenture, which is incorporated by reference herein, for a complete description of the terms and conditions of the SENs and the SENs Indenture, including the obligations of the SENs Issuer and your rights.

You will find the definitions of capitalized terms used in this section under "—Certain Definitions."

General

Overview

The SENs:

- will not bear interest;
- will be unsubordinated obligations of the SENs Issuer;
- will be secured by a pledge of the Escrow Account (as defined below) in which the gross proceeds from the sale of the SENs will be deposited pending the purchase by the SENs Issuer of Globo's outstanding 9.375% Perpetual Notes;
- will be issued in an aggregate principal amount of US$325,000,000;
- will be mandatorily exchangeable for the Amended Perpetual Notes of Globo on July 20, 2010, or as soon as practicable thereafter and, in any event, on or before July 27, 2010;
- will be issued in registered form in denominations of US$100,000 and integral multiples of US$1,000 in excess thereof; and
- will be represented by one or more registered notes in global form and may be exchanged for notes in definitive form only in limited circumstances.

Globo has transferred to the SENs Issuer the option to purchase all of Globo's outstanding US$325,000,000 9.375% Perpetual Notes (the "Perpetual Notes"), on July 20, 2010, and the SENs Issuer has agreed to purchase the outstanding Perpetual Notes on July 20, 2010, all in accordance with the provisions of the indenture, dated April 20, 2006, governing the Perpetual Notes (the "Perpetual Notes Indenture"). The SENs Issuer will use the gross proceeds from sale of the SENs to purchase the Perpetual Notes.

Escrow Agreement and Pledge of Escrow Account

On the closing date of the offering of the SENs, the gross proceeds from the sale of the SENs will be deposited in an escrow account (the "Escrow Account") pursuant to an escrow agreement (the "Escrow Agreement") between the SENs Issuer and The Bank of New York Mellon, as escrow agent. Pending the release of such gross proceeds to fund the purchase of the Perpetual Notes in accordance with the terms of the Escrow Agreement, such gross proceeds will be invested by the escrow agent in Eligible Investments as set forth in the Escrow Agreement. The SENs Issuer will use the proceeds from the investment in Eligible Investments to pay expenses related to its organization and this offering. In addition, the Escrow Account will be pledged on behalf of The Bank of New York, in its capacity as SENs Trustee and pledged securities intermediary, for the benefit of the holders of the SENs pursuant to a pledge agreement (the "Pledge Agreement"). Pursuant to the terms of the Pledge Agreement, the pledge over the Escrow Account will be released automatically on July 19, 2010 at the time the funds in the Escrow Account are released to the paying agent for the Perpetual Notes to purchase the Perpetual Notes.

Payments and Transfers

There are no payments of interest, principal or other amounts due under the SENs.

If an Event of Default under the SENs Indenture occurs, holders of the SENs will be entitled to the remedies described hereunder in "—Mandatory Exchange—Specific Performance" and "—Events of Default."

The SENs Issuer will maintain The Bank of New York Mellon Trust (Japan) Ltd., as SENs Principal Paying Agent, and The Bank of New York Mellon (Luxembourg) S.A., as Luxembourg Paying Agent.

Ranking

The SENs will be unsubordinated obligations of the SENs Issuer, ranking equal in right of payment without any preference among themselves, secured by a pledge of the Escrow Account as described above. Neither Globo nor any of its subsidiaries is a guarantor of the SENs, and holders of the SENs will not have any remedies against Globo or any of its subsidiaries under the SENs and the SENs Indenture.

Mandatory Exchange

Mandatory Exchange

The SENs Issuer will mandatorily exchange each SENs by exchanging the SENs for an equal principal amount of the Amended Perpetual Notes on July 20, 2010 or as soon as practicable thereafter and, in any event, on or before July 27, 2010 (the "Mandatory Exchange"). If the Mandatory Exchange is not consummated on or prior to July 27, 2010 for any reason, this will constitute an Event of Default under the SENs Indenture and the holders of the SENs will have the remedies available to them under the SENs Indenture as described under "— Mandatory Exchange—Specific Performance" and "—Events of Default." The date on which the Mandatory Exchange is effected is referred to herein as the "Mandatory Exchange Date."

Exchange mechanics

On the Mandatory Exchange Date, the SENs Issuer will instruct the SENs Trustee to cause the transfer of the Amended Perpetual Notes to each holder of the SENs who was holder of record of the SENs at the close of business on July 19, 2010 in a principal amount equal to the principal amount of SENs held by such holder of the SENs.

On the Mandatory Exchange Date, The Depository Trust Company ("DTC") will debit, on its internal system, the individual beneficial interests represented by the DTC Rule 144A Global SENs Note and the DTC Regulation S Global SENs Note (as such terms are defined in the "Form of Notes") from the relevant account and credit equal to beneficial ownership interests in the DTC Rule 144A Global Amended Perpetual Note and DTC Regulation S Global Amended Perpetual Note (as such terms are defined in the "Form of Notes"), respectively, to those accounts.

Rights arising on Mandatory Exchange; failure to exchange

Upon consummation of the Mandatory Exchange, each holder of the SENs will (i) be the holder of the applicable Amended Perpetual Notes delivered upon the Mandatory Exchange for such holder's SENs with effect from (and including) the Mandatory Exchange Date and (ii) be entitled to interest accruing on such Amended Perpetual Notes from (and including) July 20, 2010.

If the Perpetual Notes are purchased by the SENs Issuer but the SENs are not exchanged for the Amended Perpetual Notes, holders of the SENs will not have any rights under the Amended Perpetual Notes or the Amended and Restated Indenture to be entered into by Globo as described in "Description of the Amended Perpetual Notes" (the "Amended and Restated Indenture"), but will have the right to seek specific performance to cause delivery by the SENs Issuer of the Amended Perpetual Notes. See "—Events of Default" and "—Mandatory Exchange—Specific Performance."

Exchange Fee

Pursuant to the Amended and Restated Indenture, Globo will agree to pay an exchange fee of US$15.625 per US$1,000 principal amount of the Amended Perpetual Notes (the "Exchange Fee"), to holders of the Amended Perpetual Notes as consideration for the exchange of the SENs for the Amended Perpetual Notes. In addition, Globo will pay an additional fee of US$0.1736 per US$1,000 principal amount of Amended Perpetual Notes from and including July 20, 2010 for each day that the Mandatory Exchange is not consummated after July 20, 2010. Holders who receive the Amended Perpetual Notes in the Mandatory Exchange will be entitled to receive the Exchange Fee on the Mandatory Exchange Date.

Voting rights

Prior to the Mandatory Exchange, holders of SENs will not be entitled to any rights under the Amended and Restated Indenture, including consent or voting rights.

Expenses of Mandatory Exchange

The SENs Issuer will pay all stamp, issue, registration or other similar taxes and duties (if any) arising on the transfer or delivery to holders of the SENs of Amended Perpetual Notes upon the Mandatory Exchange and all charges of any agents of the SENs Issuer in connection therewith.

Satisfaction and Discharge

Delivery to the holders of the SENs of the Amended Perpetual Notes in the Mandatory Exchange in accordance with the terms of the SENs Indenture will satisfy and discharge the SENs Indenture, and thereupon the SENs Issuer will be relieved of all obligations and covenants under the SENs Indenture and the SENs.

Cancellation

All SENs that are exchanged by the SENs Issuer upon consummation of the Mandatory Exchange for the Amended Perpetual Notes shall be cancelled by the SENs Trustee and shall cease to be outstanding upon the consummation of the Mandatory Exchange.

Specific performance

Without limiting the other remedies available to a holder of the SENs, the SENs Issuer acknowledges that any failure by the SENs Issuer to comply with its covenants described in "—Covenants—Purchase of the Perpetual Notes and Mandatory Exchange" below, may result in material, irreparable injury to a holder of the SENs for which there is no adequate remedy at law, that it may not be possible to measure damages for such injuries precisely and that, in the event of such failure, the SENs Trustee or, subject to the requirements of the SENs Indenture described under "—Events of Default," a holder of the SENs may obtain such relief as may be required to specifically enforce the SENs Issuer obligations described in this paragraph.

Covenants

The SENs Issuer shall be subject to the following covenants as long as any SENs remain outstanding:

Purchase of the Perpetual Notes and Mandatory Exchange

The SENs Issuer shall:

(1) use the gross proceeds of the issuance and sale of the SENs to purchase the Perpetual Notes on July 20, 2010 in accordance with the terms of the Perpetual Notes Indenture;

(2) duly and validly consent to the Amended and Restated Indenture on July 20, 2010 in accordance with the terms of the Perpetual Notes Indenture; and

(3) exchange the SENs for the Amended Perpetual Notes in accordance with the terms of the SENs Indenture on July 20, 2010 or as soon as practicable thereafter and, in any event, on or before July 27, 2010.

Limitation on Obligations

The SENs Issuer shall not incur or permit to exist any Debt, except (a) the SENs Indenture and the SENs, (b) any Debt or obligations representing fees, expenses and indemnities payable in connection with any transaction (including, but not limited to, the Mandatory Exchange) contemplated by the SENs Indenture, the SENs, the Escrow Agreement, the Pledge Agreement or the Purchase Agreement or (c) as required by applicable law.

Limitation on Liens

The SENs Issuer shall not incur or permit to exist any Lien on any property or assets (including Capital Stock or other securities) now owned or hereafter acquired by it or on any of its current or future income or revenues, except for the pledge of the Escrow Account for the benefit of the holders of the SENs or as imposed by law.

Limitation on Creditors

The SENs Issuer shall not create or permit to exist any creditors, other than as permitted under “Limitation on Indebtedness” above, or as required by applicable law.

Limitation on Business Activities

The SENs Issuer shall not engage at any time in any business or business activity, other than (a) the execution and performance of its obligations under the SENs Indenture, the SENs, the Escrow Agreement, the Pledge Agreement and the Purchase Agreement, (b) as required by law (c) as described in the offering memorandum or (d) any incidental or related activities in connection with the foregoing or with the purchase of the Perpetual Notes, the amendment of the Perpetual Notes or the Mandatory Exchange.

Limitation on Investments and Loans

The SENs Issuer shall not make or permit to exist any Investment, except for (i) the deposit of the gross proceeds from the sale of the SENs in an Escrow Account in accordance with the terms of Escrow Agreement, (ii) investment of such gross proceeds in Eligible Investments and (iii) the purchase of the Perpetual Notes (Investments permitted by clauses (i), (ii) and (iii), collectively, the “Permitted Investments”).

Limitation on Mergers, Consolidation and Sale of Assets

The SENs Issuer shall not merge into or consolidate with any other person, or permit any other person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one or a series of transactions) any of its assets (whether now owned or hereafter acquired), or purchase, lease or otherwise acquire (in one or a series of transactions) any of the assets of any other person, except for the Permitted Investments and as described in the offering memorandum.

Limitation on Leases

The SENs Issuer shall not incur, create, assume or permit to exist any leases.

Limitation on Payment of Dividends

The SENs Issuer shall not declare or pay, directly or indirectly, any dividend or make any other distribution (by reduction of capital or otherwise), whether in cash, property, securities or a combination thereof, with respect to any shares of its Capital Stock or directly or indirectly redeem, purchase, retire or otherwise acquire for value any shares of any class of its Capital Stock or set aside any amount for any such purpose.

Limitation on Issuance of Capital Stock

The SENs Issuer shall not issue any Capital Stock to any entity or person, permit any of its Capital Stock to be transferred to any person or otherwise change its equity structure in any manner.

Limitation on Changes in Organizational Documents

To the extent such matter is within its power or control, the SENs Issuer shall not amend its certificate of incorporation, memorandum or articles of association.

Limitation on Bankruptcy

The SENs Issuer shall not file for, or consent to the filing of, any bankruptcy, liquidation or similar proceeding.

Events of Default

An “Event of Default” under the SENs Indenture will occur if:

(1) the SENs Issuer fails to comply with any of its restrictive covenants under the SENs Indenture and such failure is incapable of remedy or remains unremedied for 15 days, in either case, only after the SENs Trustee has given written notice to the SENs Issuer of such failure; provided that any such failure is remedied, if applicable, prior to the Mandatory Exchange Date;

(2) the SENs Issuer fails to purchase the Perpetual Notes on July 20, 2010;

(3) an event of default occurs under the Perpetual Notes Indenture at any time prior to July 20, 2010, and the Trustee under the Perpetual Notes Indenture has given notice to Globo that the Perpetual Notes are due and payable in accordance with the terms of the Perpetual Notes Indenture;

(4) the SENs Issuer fails to consent to the Amended and Restated Indenture on July 20, 2010 or to cause the exchange of the Amended Perpetual Notes for the SENs on or prior to July 27, 2010 in accordance with the terms of the SENs Indenture;

(5) a final, non-appealable, judgment or order for the payment of any amount is rendered against the SENs Issuer and continues unsatisfied or unstayed for a period of 60 days after the date thereof or, if later, the date therein specified for payment;

(6) an involuntary case or other proceeding is commenced against the SENs Issuer with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 days; or an order for relief is entered against the SENs Issuer under applicable bankruptcy laws as now or hereafter in effect and such order is not being contested by the SENs Issuer in good faith or has not been dismissed, discharged or otherwise stayed, in each case within 60 days of being made;

(7) the SENs Issuer (i) commences a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (ii) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the SENs Issuer for all or substantially all of the property of the SENs Issuer or (iii) effects any general assignment for the benefit of creditors; or

(8) any event occurs that under the laws of the Cayman Islands, the United States or any political subdivision thereof has substantially the same effect as any of the events referred to in any of clause (6) or (7) above.

The SENs Trustee is not to be charged with knowledge of any Default or Event of Default or knowledge of any cure of any Default or Event of Default unless either (i) an authorized officer of the SENs Trustee with direct responsibility for the SENs Indenture has actual knowledge of such Default or Event of Default or (ii) written notice of such Default or Event of Default has been given to the SENs Trustee by the SENs Issuer or any holder of the SENs.

If an Event of Default occurs and is continuing prior to the purchase by the SENs Issuer of the Perpetual Notes, the SENs will become and be due and payable on the business day immediately following the date of such Event of Default, as provided in the next paragraph, without any declaration or other act on the part of the Trustee or any holder of the SENs.

If (x) an Event of Default under the SENs Indenture occurs prior to the purchase by the SENs Issuer of the Perpetual Notes or (y) the SENs Issuer fails to purchase the Perpetual Notes, the holders of the SENs will be entitled to receive, and the SENs Trustee will instruct the Escrow Agent to release to the SENs Paying Agent for payment to the holders of the SENs on the business day immediately following the date of the Event of Default, the amount of the gross proceeds from the sale of the SENs held in the Escrow Account in accordance with the Escrow Agreement plus interest earned on the investment of the gross proceeds through and including the date of the Event of Default, after deduction of expenses and applicable taxes. Amounts payable upon an Event of Default will be payable to the holders of record at the close of business on the date of the Event of Default. If an Event of Default under the SENs Indenture occurs at any time after the purchase by the SENs Issuer of the Perpetual Notes, the sole remedy of the holders of the SENs under the SENs Indenture will be an action to cause the delivery by the SENs Issuer of the Amended Perpetual Notes.

Subject to the provisions of the SENs Indenture relating to the duties of the SENs Trustee, in case an Event of Default under the SENs Indenture occurs and is continuing, the SENs Trustee will be under no obligation to exercise any of its rights or powers under the SENs Indenture at the request or direction of any of the holders, unless such holders will have offered to the SENs Trustee indemnity reasonably satisfactory to the SENs Trustee. Subject to such provision for the indemnification of the SENs Trustee, the holders of a majority in aggregate principal amount of the outstanding SENs will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the SENs Trustee or exercising any trust or power conferred on the SENs Trustee.

Amendment, Supplement, Waiver

Subject to the exceptions described below, the SENs Indenture may be amended or supplemented with the consent of the holders of at least a majority in principal amount of the SENs then outstanding, and any past Default or compliance with any provision may be waived with the consent of the holders of at least a majority in principal amount of the SENs then outstanding. However, without the consent of each holder of an outstanding SENs affected thereby, no amendment may:

(1) reduce the amount or extend the time for payment of any amount due under the SENs Indenture;

(2) change the currency for payment of any such amounts;

(3) extend the time for the purchase of the Perpetual Notes or the consummation of the Mandatory Exchange;

(4) impair the right to institute suit for the enforcement of any payment on or with respect to any SENs;

(5) waive a default in the payment of any amount due with respect to the SENs;

(6) reduce the principal amount of SENs whose holders must consent to any amendment or waiver; or

(7) modify or change any provision of the SENs Indenture affecting the ranking of the SENs in a manner adverse to the holders of the SENs.

The holders of the SENs will receive prior notice as described under "—Notices" of any proposed amendment to the SENs or the SENs Indenture described in this paragraph. After an amendment described in the preceding paragraph becomes effective, the SENs Issuer is required to mail to the holders a notice briefly describing such amendment. However, the failure to give such notice to all holders of the SENs, or any defect therein, will not impair or affect the validity of the amendment.

The consent of the holders of the SENs is not necessary to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

The SENs Issuer and the SENs Trustee may, without the consent or vote of any holder of the SENs, amend or supplement the SENs Indenture or the SENs for the following purposes:

(1) cure any ambiguity, omission, defect or inconsistency; *provided* that such amendment or supplement does not materially and adversely affect the rights of any holder;

(3) add guarantees or collateral with respect to the SENs;

(4) add to the covenants of the SENs Issuer for the benefit of holders of the SENs;

(5) surrender any right conferred upon the SENs Issuer;

(6) evidence and provide for the acceptance of an appointment by a successor SENs Trustee;

(7) make any change necessary or desirable to effect the purchase of the Perpetual Notes or consummate the Mandatory Exchange, provided that such change does not materially and adversely affect the rights of any holder of the SENs; or

(8) make any other change that does not materially and adversely affect the rights of any holder of the SENs or to conform the SENs Indenture to this "Description of the SENs;"

provided that the SENs Issuer has delivered to the SENs Trustee an opinion of counsel and an officers' certificate, each stating that such amendment or supplement complies with the applicable provisions of the SENs Indenture.

Provision of Information

For so long as any of the SENs remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act of 1933, as amended (the "Securities Act"), the SENs Issuer undertakes that it will, during any period in which it is not subject to Section 13 or 15(d) under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, furnish on request to any holder of the SENs, or to any prospective purchaser thereof, such information as is required to be provided pursuant to Rule 144A(d)(4) under the Securities Act in order to permit compliance with Rule 144A in connection with the resale of such SENs.

Notices

For so long as SENs in global form are outstanding, notices to be given to holders of the SENs will be given to DTC, in accordance with its applicable policies as in effect from time to time. If SENs are issued in certificated form, notices to be given to holders of the SENs will be deemed to have been given upon the mailing by first class mail, postage prepaid, of such notices to holders of the SENs at their registered addresses as they appear in the records of the registrar. For so long as the SENs are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, the SENs Issuer will publish notices in English on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, if that is not practicable, in another English-language daily newspaper of general circulation in Europe.

SENs Trustee

The Bank of New York Mellon is the SENs Trustee under the SENs Indenture.

The SENs Indenture contains provisions for the indemnification of the SENs Trustee and for its relief from responsibility. The obligations of the SENs Trustee to any holder are subject to such immunities and rights as are set forth in the SENs Indenture.

Except during the continuance of an Event of Default under the SENs Indenture, the SENs Trustee needs to perform only those duties that are specifically set forth in the SENs Indenture and no others, and no implied covenants or obligations will be read into the SENs Indenture against the SENs Trustee. In case an Event of Default under the SENs Indenture has occurred and is continuing, the SENs Trustee shall exercise those rights and powers vested in it by the SENs Indenture, and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his own affairs. No provision of the SENs Indenture will require the SENs Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties thereunder, or in the exercise of its rights or powers, unless it receives indemnity satisfactory to it against any loss, liability or expense.

The SENs Issuer and its affiliates may from time to time enter into normal banking and trustee relationships with the SENs Trustee and its affiliates.

Governing Law and Submission to Jurisdiction

The SENs and the SENs Indenture will be governed by the laws of the State of New York. Each of the parties to the SENs Indenture will submit to the jurisdiction of the U.S. federal and New York State courts located in the Borough of Manhattan, City and State of New York for purposes of legal actions and proceedings instituted in connection with the SENs and the SENs Indenture. The SENs Issuer has appointed Corporation Service Company, 1180 Avenue of the Americas, Suite 210, New York, New York 10036-8401, as its authorized agent upon which process may be served in any such action.

Certain Definitions

The following is a summary of certain defined terms used in the SENs Indenture. Reference is made to the SENs Indenture for the full definition of all such terms as well as other capitalized terms used herein for which no definition is provided.

"Capital Lease Obligations" means, with respect to any person, any obligation which is required to be classified and accounted for as a capital lease on the face of a balance sheet of such person; the amount of such obligation will be the capitalized amount thereof and the stated maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

"Capital Stock" means, with respect to any person, any and all shares of stock, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated, whether voting or non-voting), such person's equity including any preferred stock, but excluding any debt securities convertible into or exchangeable for such equity.

"Debt" means (without double-counting), with respect to any person, whether recourse is to all or a portion of the assets of any person and whether or not contingent, (i) every obligation of such person for money borrowed, (ii) every obligation of such person evidenced by bonds, debentures, notes or other similar instruments representing financial indebtedness, including obligations of such nature incurred in connection with the acquisition of property, assets or businesses, (iii) every reimbursement obligation of such person with respect to letters of credit, bankers' acceptances or similar facilities issued for the account of such person, (iv) every obligation of such person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business) as a means of primarily obtaining finance, (v) every Capital Lease Obligation of such person, (vi) every obligation under interest rate swap or similar agreements or foreign currency hedge, exchange or similar agreements of such person (the amount of any such obligation to be calculated at its marked to market value at the relevant time of calculation), and (vii) every guarantee or indemnity to pay the obligations referred to in (i) to (vi) (inclusive) above of such person.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default under the SENs Indenture.

"Eligible Investments" means investments in short-term U.S. Treasury securities that will mature on or prior to July 15, 2010.

"Globo" means Globo Comunicação e Participações S.A., a company incorporated under the laws of Brazil and registered with the General List of Taxpayers under number CNPJ no. 27.865.757/0001-02, and any successor in interest thereto.

"holder" or "noteholder" means the person in whose name a SENs is registered in the register for the SENs.

"Investment" by any person means any direct or indirect loan, advance or other extension of credit or capital contribution (by means of transfers of cash or other property to others or payments for property or services for the account or use of others, or otherwise) to, or purchase or acquisition of shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in such person (however designated), bonds, notes, debentures or other securities or evidence of Debt issued by, any other person, including any payment of a guarantee of any obligation of such other person.

"Lien" means any mortgage, pledge, security interest, conditional sale or other title retention agreement or other similar lien.

"Purchase Agreement" means the purchase agreement to be entered into among the SENs Issuer and Banco Itaú Europa, S.A.—London Branch and HSBC (USA) Securities Inc., as initial purchasers

"SENs Issuer" means Pontis Ltd., and any successor in interest thereto.

"SENs Trustee" means The Bank of New York Mellon until a successor replaces it and, thereafter, means the successor.

DESCRIPTION OF THE AMENDED PERPETUAL NOTES

Globo will issue the 6.25%/9.375% Step-Up Perpetual Notes (the "Amended Perpetual Notes") pursuant to an amended and restated indenture, to be dated as of July 20, 2010 (the "Amended and Restated Indenture"), among Globo, The Bank of New York Mellon, as Trustee, The Bank of New York Mellon Trust (Japan) Ltd., as Principal Paying Agent, and The Bank of New York Mellon (Luxembourg) S.A., as Luxembourg Paying Agent. A copy of the Amended and Restated Indenture, including the form of the Amended Perpetual Notes, will be available for inspection during normal business hours at the offices of the Trustee and the paying agents. The Trustee will also act as a transfer agent and the registrar in the event that Globo issues physical notes in the limited circumstances described in "Form of Notes."

Globo's US$325,000,000 aggregate principal amount of 9.375% Perpetual Notes (the "Perpetual Notes"), were issued by Globo on April 20, 2006 under an indenture, dated as of April 20, 2006 (the "Perpetual Notes Indenture"), among Globo, The Bank of New York Mellon, as successor to JPMorgan Chase Bank, N.A., as Trustee, The Bank of New York Mellon Trust (Japan) Ltd., as successor to JPMorgan Trust Bank Limited, as Principal Paying Agent, The Bank of New York Mellon (Luxembourg) S.A., as successor to J.P. Morgan Bank Luxembourg S.A., as Luxembourg Paying Agent, and The Bank of New York Mellon, London Office, as successor to JPMorgan Chase Bank, N.A., London office, as London Paying Agent. The Perpetual Notes Indenture will be amended and restated as described herein.

This Description of the Amended Perpetual Notes is a summary of the material provisions of the Amended Perpetual Notes and the Amended and Restated Indenture. You should refer to the Amended and Restated Indenture, which is incorporated by reference herein, for a complete description of the terms and conditions of the Amended Perpetual Notes and the Amended and Restated Indenture, including the obligations of Globo and your rights.

You will find the definitions of capitalized terms used in this section under "—Certain Definitions." For purposes of this section of this offering memorandum, references to "Globo" refer only to Globo Comunicação e Participações S.A. and not to its subsidiaries.

General

The Amended Perpetual Notes:

- will be unsubordinated and unsecured obligations of Globo;
- will initially be limited to an aggregate principal amount of US$325,000,000;
- will be perpetual notes with no fixed final maturity date and no sinking fund provisions;
- may be redeemed or purchased at Globo's option on any date on or after July 20, 2015;
- will be issued in registered form in denominations of US$100,000 and integral multiples of US$1,000 in excess thereof; and
- will be represented by one or more registered notes in global form and may be exchanged for notes in definitive form only in limited circumstances.

Interest on the Amended Perpetual Notes:

- will accrue at the rate of (i) 6.25% per annum for any interest payment period from (and including) July 20, 2010 to (but excluding) July 20, 2015; and (ii) 9.375% per annum for any interest payment period from (and including) July 20, 2015 and thereafter until the Amended Perpetual Notes are redeemed by Globo pursuant to the terms of the Amended and Restated Indenture described below under "—Redemption;"
- will be payable in cash quarterly in arrears on January 20, April 20, July 20 and October 20 of each year, commencing on October 20, 2010;

- will be payable to the holders of record at the close of business on the second business day immediately preceding the related interest payment dates; and
- will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Principal of, and interest and any additional amounts on, the Amended Perpetual Notes will be payable, and the transfer of Amended Perpetual Notes will be registrable, at the office of the Trustee, and at the offices of the paying agents and transfer agents, respectively. Globo initially will maintain The Bank of New York Mellon Trust (Japan) Ltd., as Principal Paying Agent. For so long as the Amended Perpetual Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange, Globo will maintain a paying agent and transfer agent in Luxembourg.

Globo may from time to time without notice to or consent of the holders of Amended Perpetual Notes issue an unlimited principal amount of additional Amended Perpetual Notes of the same series as the Amended Perpetual Notes offered by this offering memorandum.

Exchange Fee

The SENs will be mandatorily exchanged for the Amended Perpetual Notes on July 20, 2010 (the "Mandatory Exchange") or as soon as practicable thereafter and, in any event, on or before July 27, 2010. Pursuant to the Amended and Restated Indenture, Globo will agree to pay an exchange fee of US$15.625 per US$1,000 principal amount of Amended Perpetual Notes, or the Exchange Fee, to holders who receive the Amended Perpetual Notes in the Mandatory Exchange as consideration for the exchange of the SENs for the Amended Perpetual Notes. In addition, Globo will pay an additional fee of US$0.1736 per US$1,000 principal amount of Amended Perpetual Notes from and including July 20, 2010 for each day that the Mandatory Exchange is not consummated after July 20, 2010.

The Amended and Restated Indenture will provide that, promptly after the consummation of the Mandatory Exchange, Globo will deposit with the Principal Paying Agent for the Amended Perpetual Notes money sufficient to pay the Exchange Fee and the Principal Paying Agent will pay the Exchange Fee promptly upon receipt thereof to holders of the Amended Perpetual Notes at the time of the Mandatory Exchange.

Purchase and Amendment of the Perpetual Notes

The SENs Indenture provides that the SENs Issuer will use the gross proceeds from the sale of the SENs to purchase all of Globo's outstanding Perpetual Notes on July 20, 2010 in accordance with the terms of the Perpetual Notes Indenture. After the Perpetual Notes are purchased by the SENs Issuer and prior to the Mandatory Exchange, the SENs Indenture will require the SENs Issuer, as the holder of all of the Perpetual Notes, to consent to the Amended and Restated Indenture, whereby the terms of the Perpetual Notes will be amended and restated as described herein. After the Amended and Restated Indenture is executed and delivered, the SENs will be exchanged for the Amended Perpetual Notes in accordance with the terms of the SENs Indenture.

Ranking

The Amended Perpetual Notes will be unsubordinated and unsecured obligations of Globo, ranking equal in right of payment with all of its unsubordinated obligations. The Amended Perpetual Notes will be effectively subordinated to all secured debt of Globo to the extent of the value of the assets securing that debt. The Amended Perpetual Notes will be structurally subordinated to all debt and other liabilities of Globo's subsidiaries. The Amended Perpetual Notes are not guaranteed by any of Globo's subsidiaries. As of December 31, 2009, Globo had approximately US$9.3 million of secured debt, and Globo's consolidated subsidiaries had debt of US$96.5 million outstanding. See "Risk Factors—Risks Relating to the Notes."

Redemption

The Amended Perpetual Notes may be redeemed or purchased as described below.

Optional Redemption or Purchase at Globo's Option

The Amended Perpetual Notes may be redeemed or purchased, at the option of Globo, in whole or in part, on any date on or after July 20, 2015, upon giving not less than 30 nor more than 60 days' notice to the holders (which notice will be irrevocable), at 100% of the principal amount thereof, plus accrued and unpaid interest and any additional amounts payable with respect thereto; provided that no less than US$150.0 million in principal amount of Amended Perpetual Notes remain outstanding following any partial redemption or purchase. Globo may provide in such notice that payment of the redemption or purchase price and the performance of its obligations with respect to such redemption or purchase may be performed by another person (which may include, at Globo's option, transferring to another person the option to purchase the Amended Perpetual Notes). Upon an optional redemption or purchase, Globo may notify the Trustee whether Globo intends to refinance the debt represented by the Amended Perpetual Notes to be redeemed or purchased.

Optional Tax Redemption

If as a result of any change in or amendment to the laws (or any rules or regulations thereunder) of Brazil or any political subdivision or taxing authority thereof or therein affecting taxation, or any amendment to or change in an official interpretation, administration or application of such laws, treaties, rules, or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective or, in the case of a change in official position, is announced on or after the Issue Date or on or after the date a successor assumes the obligations under the Amended Perpetual Notes, Globo or any successor has or will become obligated to pay additional amounts as described below under "—Additional Amounts" in excess of the additional amounts Globo, any person on its behalf, or any successor would be obligated to pay if payments were subject to withholding or deduction at a rate of (a) 12.5%, in the case of payments of interest made to a paying agent which is a financial institution that is a resident of Japan, (b) 25% in case the holder of the Notes is resident in a tax haven jurisdiction or enjoys the benefits of a "privileged tax regime" (as defined in Law No. 11,727 of June 23, 2008) should the concept of "privileged tax regime" be deemed to apply to a holder of the Notes, or (c) 15% in every other situation, as a result of the taxes, duties, assessments and other governmental charges described below under "—Additional Amounts" (the "Minimum Withholding Level"), Globo or any successor may, at its option, redeem all, but not less than all, of the Amended Perpetual Notes, at a redemption price equal to 100% of their principal amount, together with accrued and unpaid interest to the date fixed for redemption, upon publication of irrevocable notice not less than 30 days nor more than 90 days prior to the date fixed for redemption. No notice of such redemption may be given earlier than 90 days prior to the earliest date on which Globo or any successor would, but for such redemption, be obligated to pay the additional amounts above the Minimum Withholding Level. Globo shall not have the right to so redeem the Amended Perpetual Notes in the event it becomes obligated to pay additional amounts which are less than the additional amounts payable at the Minimum Withholding Level. Notwithstanding the foregoing, Globo or any successor shall not have the right to so redeem the Amended Perpetual Notes unless: (i) it has taken reasonable measures to avoid the obligation to pay additional amounts; and (ii) it has complied with all necessary Central Bank regulations to legally effect such redemption.

In the event that Globo or any successor elects to so redeem or purchase the Amended Perpetual Notes, it will deliver to the Trustee: (1) an officers' certificate stating that Globo or any successor is entitled to redeem or purchase the Amended Perpetual Notes pursuant to their terms and setting forth a statement of facts showing that the condition or conditions precedent to the right of Globo or any successor to so redeem or purchase have occurred or been satisfied; and (2) an opinion of counsel to the effect that Globo or any successor has or will become obligated to pay additional amounts in excess of the additional amounts payable at the Minimum Withholding Level as a result of the change or amendment, that Globo cannot avoid payment of such excess additional amounts by taking reasonable measures available to it and that all governmental requirements necessary for Globo or any successor to effect the redemption or purchase have been complied with.

Open Market Purchases

Globo or any of its affiliates may at any time purchase Amended Perpetual Notes in the open market or otherwise at any price. Any such purchased Amended Perpetual Notes will not be resold, except in compliance with applicable requirements or exemptions under relevant securities laws.

Payments

Globo or any other person will make all payments on the Amended Perpetual Notes exclusively in such coin or currency of the United States as at the time of payment will be legal tender for the payment of public and private debts.

Globo or any other person will make payments of interest on the Amended Perpetual Notes and any principal that becomes due and payable and will deposit with the Trustee or the Principal Paying Agent no later than 10:00 a.m. (New York City time) one business day prior to any payment date money sufficient to pay such interest and principal.

Globo or other person will make payments of any principal that becomes due and payable upon surrender of the relevant Amended Perpetual Notes at the specified office of the Trustee or any of the paying agents. Globo or other person will pay interest on the Amended Perpetual Notes to the persons in whose name the Amended Perpetual Notes are registered at the close of business on the second business day before the relevant payment date.

Under the terms of the Amended and Restated Indenture, each payment in full of principal, redemption or purchase amount, additional amounts, interest or any other amount payable under the Amended and Restated Indenture in respect of any Amended Perpetual Note made by Globo or any other person to or to the order of the Principal Paying Agent in the manner specified in the Amended and Restated Indenture on the date due shall be valid and effective to satisfy and discharge the obligation of Globo to make the payment of principal, redemption or purchase amount, additional amounts, interest or any other amount payable under the Amended and Restated Indenture; *provided, however*, that the liability of the Principal Paying Agent under the Amended and Restated Indenture shall not exceed any amounts paid to it by Globo or any other person, or held by it, on behalf of the holders under the Amended and Restated Indenture; *provided further* that, in the event that there is a default by the Principal Paying Agent in payment of principal, redemption amount, additional amounts, interest or any other amount payable in respect of any note in accordance with the Amended and Restated Indenture, Globo or any other person shall pay on demand such further amounts as will result in receipt by the holder of such amounts as would have been received by it had no such default occurred.

All payments will be subject in all cases to any applicable tax or other laws and regulations, but without prejudice to the provisions of "—Additional Amounts." No commissions or expenses will be charged to the holders in respect of such payments.

Subject to applicable law, the Trustee and the paying agents will pay to Globo upon request any monies held by them for the payment of principal or interest that remains unclaimed for two years, and, thereafter, holders entitled to such monies must look to Globo for payment as general creditors. After the return of such monies by the Trustee and the paying agents to Globo, neither the Trustee nor the paying agents shall be liable to the holders in respect of such monies.

Additional Amounts

All payments by Globo in respect of the Amended Perpetual Notes will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments, or other governmental charges of whatever nature imposed or levied by or on behalf of Brazil, unless Globo is compelled by law to deduct or withhold such taxes, duties, assessments, or governmental charges. In such event, Globo will make such deduction or withholding, make payment of the amount so withheld to the appropriate governmental authority and pay such additional amounts as may be necessary to ensure that the net amounts receivable by holders of Amended Perpetual Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Amended Perpetual Notes in the absence of such withholding or deduction. No such additional amounts shall be payable:

(1) to, or to a third party on behalf of, a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Amended Perpetual Note by reason of the existence of any present or former connection between such holder (or between a fiduciary, settlor, beneficiary, member or shareholder of such holder, if such holder is an estate, a trust, a partnership, or a corporation) and Brazil, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having, or having had, a permanent establishment therein, other than the mere holding of the Amended Perpetual Note or enforcement of rights and the receipt of payments with respect to the Amended Perpetual Note;

(2) in respect of Amended Perpetual Notes surrendered (if surrender is required) more than 30 days after the Relevant Date (as defined below) except to the extent that payments under such Amended Perpetual Note would have been subject to withholding and the holder of such Amended Perpetual Note would have been entitled to such additional amounts, on surrender of such Amended Perpetual Note for payment on the last day of such period of 30 days;

(3) where such withholding or deduction is required to be made pursuant to any law implementing or complying with, or introduced in order to conform to, any European Union Directive on the taxation of savings;

(4) to, or to a third party on behalf of, a holder who is liable for such taxes, duties, assessments or other governmental charges by reason of such holder's failure to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with Brazil, or a successor jurisdiction or applicable political subdivision or authority thereof or therein having power to tax, of such holder, if (a) compliance is required by such jurisdiction, or any political subdivision or authority thereof or therein having power to tax, as a precondition to, exemption from, or reduction in the rate of, the tax, assessment or other governmental charge and (b) Globo has given the holders and DTC at least 30 days' notice that holders will be required to provide such certification, identification or other requirement;

(5) in respect of any estate, inheritance, gift, sales, transfer, capital gains, excise or personal property or similar tax, assessment or governmental charge;

(6) in respect of any tax, assessment or other governmental charge which is payable other than by deduction or withholding from payments of principal of or interest on the Amended Perpetual Note or by direct payment by Globo in respect of claims made against Globo;

(7) in respect of any tax imposed on overall net income; or

(8) in respect of any combination of the above.

In addition, no additional amounts shall be paid with respect to any payment on an Amended Perpetual Note to a holder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment to the extent that payment would be required by the laws of Brazil or any political subdivision thereof to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interestholder in a limited liability company or a beneficial owner who would not have been entitled to the additional amounts had that beneficiary, settlor, member or beneficial owner been the holder.

"Relevant Date" means, with respect to any payment on an Amended Perpetual Note, whichever is the later of: (i) the date on which such payment first becomes due; and (ii) if the full amount payable has not been received by the Trustee on or prior to such due date, the date on which notice is given to the holders that the full amount has been received by the Trustee.

The Amended Perpetual Notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation. Except as specifically provided above, Globo shall not be required to make a payment with respect to any tax, assessment or governmental charge imposed by any government or a political subdivision or taxing authority thereof or therein.

In the event that additional amounts actually paid with respect to the Amended Perpetual Notes described above are based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the holder of such Amended Perpetual Notes, and, as a result thereof such holder is entitled to make claim for a refund or credit of such excess from the authority imposing such withholding tax, then such holder shall, by accepting such Amended Perpetual Notes, be deemed to have assigned and transferred all right, title, and interest to any such claim for a refund or credit of such excess to Globo.

Any reference in this offering memorandum, the Amended and Restated Indenture or the Amended Perpetual Notes to principal, interest or any other amount payable in respect of the Amended Perpetual Notes by Globo will be deemed also to refer to any additional amount, unless the context requires otherwise, that may be payable with respect to that amount under the obligations referred to in this subsection.

The foregoing obligation will survive termination or discharge of the Amended and Restated Indenture until payment of any additional amounts that are due and payable under the Amended and Restated Indenture will have been made.

Covenants

The Amended and Restated Indenture will contain the following covenants:

Limitation on Liens

Globo will not, and will not permit any Significant Subsidiary to, create or cause or permit to be created any Lien (other than Permitted Liens) on any of its property or assets now owned or hereafter acquired by it or on any Capital Stock of any Significant Subsidiary, securing any Debt unless prior thereto or contemporaneously therewith effective provision is made to secure the Amended Perpetual Notes equally and ratably with such Debt for so long as such Debt is so secured by such Lien. The preceding sentence will not require the Amended Perpetual Notes to be equally and ratably secured if the Lien consists of the following (each, a "Permitted Lien"):

(1) any Lien existing on the date of the Amended and Restated Indenture and any Lien pursuant to any agreement or instrument existing on the date of the Amended and Restated Indenture; and any extension, renewal or replacement of any such Lien or any other Permitted Lien, *provided, however*, that the principal amount of any Debt secured by any such Lien is not increased as a result thereof;

(2) any Lien on any property or assets (including Capital Stock of any person) securing Debt incurred solely for purposes of financing the acquisition, lease, construction or improvement (including all costs, expenses and other liabilities incurred in connection with such acquisition, construction or improvement thereof, as

well as with the development, fitting-out or obtaining of any performance or other bond required to be posted in connection therewith) of such property or assets after the date of the Amended and Restated Indenture; *provided* that (a) the aggregate principal amount of Debt secured by such Lien will not exceed (but may be less than) the cost of the property or assets so acquired, leased, constructed or improved, and (b) the Lien is incurred before, or within 365 days after the completion of, such acquisition, lease, construction or improvement and does not encumber any other property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) of Globo or any Significant Subsidiary; and *provided, further*, that to the extent that the property or asset acquired is Capital Stock, the Lien also may encumber other property or assets of the person so acquired;

(3) any Lien securing Debt for the purpose of financing all or part of the cost of the acquisition, construction or development of a project (including all costs, expenses and other liabilities incurred in connection with such acquisition, construction or development thereof, as well as with the fitting-out or obtaining of any performance or other bond required to be posted in connection therewith); provided that any such Lien in respect of such Debt is limited to property or assets (including Capital Stock of any project entity), or revenues of such project; and *provided, further*, that the Lien is incurred before, or within 365 days after the completion of, such acquisition, construction or development and does not apply to any other property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) of Globo or any Significant Subsidiary;

(4) any Lien existing on any property or assets of any person before that person's acquisition (in whole or in part) by, merger into or consolidation with Globo or any Subsidiary after the date of the Amended and Restated Indenture; *provided* that such Lien is not created in contemplation of or in connection with such acquisition, merger or consolidation and such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured the obligations to which such Lien relates;

(5) any Lien created or arising by operation of law;

(6) any pledge, guarantee or deposit made in connection with any tax, civil or labor contingency or any administrative proceedings (whether in or out of court), any pledge, guarantee or deposit in respect of any proceeding being contested in good faith to which Globo or any Subsidiary is a party, good faith deposits, guarantees or pledges in connection with bids, customs, tenders, contracts (other than for the payment of Debt) or leases to which Globo or any Subsidiary is a party or deposits, pledges or guarantees for the payment of rent, in each case made in the ordinary course of business;

(7) any Lien in favor of issuers of appeal, surety, judgment, performance, bid, customs, government or other obligations of a similar nature or letters of credit (such as a "*carta de fiança*" or "*seguro fiança*" to secure judgments) issued pursuant to the request of and for the account of Globo or any Subsidiary in the ordinary course of business;

(8) any Lien securing taxes, assessments or other governmental charges, the payment of which are not yet due or are being contested in good faith by appropriate proceedings and for which such reserves or other appropriate provisions, if any, have been established as required by Accounting Standards;

(9) minor defects, easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business and encumbrances consisting of zoning restrictions, licenses, restrictions on the use of property or assets or minor imperfections in title that do not materially impair the value or use of the property or assets affected thereby, and any leases and subleases of real property that do not interfere with the ordinary conduct of the business of Globo or any Significant Subsidiary, and which are made on customary and usual terms applicable to similar properties;

(10) any rights of set-off or netting of any person with respect to any deposit account (or similar arrangement) of Globo or any Significant Subsidiary arising in the ordinary course of business;

(11) any Lien granted to secure borrowings from, directly or indirectly, (a) Banco Nacional de Desenvolvimento Econômico e Social—BNDES, or any other Brazilian governmental development bank or credit agency, or (b) any international or multilateral development bank, government-sponsored agency, export-import bank or official export-import credit insurer;

(12) any Lien on the inventory or receivables of Globo or any Significant Subsidiary securing the obligations of such person under any lines of credit or working capital facility or in connection with any structured export or import financing or other trade transaction; *provided* that the aggregate principal amount of Debt incurred that is secured by receivables that will fall due in any calendar year shall not exceed (a) with respect to transactions secured by receivables from export sales, 80% of the consolidated gross revenues of the Globo Consolidated Group from export sales for the immediately preceding calendar year, determined in accordance with Accounting Standards; or (b) with respect to transactions secured by receivables from domestic (Brazilian) sales, 80% of the consolidated gross revenues of the Globo Consolidated Group from sales within Brazil for the immediately preceding calendar year, determined in accordance with Accounting Standards; and *provided*, *further*, that Advance Transactions will not be deemed transactions secured by receivables for purpose of the above calculation;

(13) any Lien securing Hedging Agreements so long as such Hedging Agreements are entered into for bona fide, non-speculative purposes;

(14) any encumbrance or restriction (including, but not limited to, put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement, as long as such joint venture does not constitute a Significant Subsidiary;

(15) any Lien securing Debt incurred solely for the purpose of financing the acquisition, purchase or lease of equipment in the ordinary course of business;

(16) any Lien over negotiable instruments in the ordinary course of commercial banking documentary transactions to secure Debt not existing on the date of the Amended and Restated Indenture or any non-financial indebtedness falling due not more than one year after the date on which such Debt or non-financial indebtedness is originally incurred; and

(17) in addition to the foregoing Liens set forth in clauses (1) through (16) above, Liens securing Debt of Globo or any Significant Subsidiary (including, without limitation, guarantees of Globo or any Significant Subsidiary) which do not in aggregate principal amount, at the time of the creation thereof, exceed the greater of US$200.0 million or 15.0% of Total Consolidated Assets (excluding goodwill and deferred income tax and social contribution).

Limitation on Consolidation, Merger or Transfer of Assets

Globo will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all of its assets to, any person, unless:

(1) the resulting, surviving or transferee person (the "Successor") will be a person organized and existing under the laws of Brazil, the United States of America, any State thereof or the District of Columbia, or any other country that is a member country of the European Union or of the Organization for Economic Co-operation and Development on the date of the Amended and Restated Indenture, and the Successor (if not Globo) will expressly assume, by a supplemental indenture to the Amended and Restated Indenture, executed and delivered to the Trustee, all the obligations of Globo under the Amended Perpetual Notes and the Amended and Restated Indenture;

(2) the Successor (if not Globo), if not organized and existing under the laws of Brazil, undertakes, in such supplemental indenture, to pay such additional amounts in respect of principal (and premium, if any) and interest as may be necessary in order that every net payment receivable in respect of the Amended Perpetual Notes after deduction or withholding for or on account of any present or future tax, duty,

assessment or other governmental charge imposed by such other country or any political subdivision or taxing authority thereof or therein will not be less than the amount of principal (and premium, if any) and interest then due and payable on the Amended Perpetual Notes, subject to the same exceptions set forth under "Additional Amounts" but replacing existing references in such clause to Brazil with references to the other country;

(3) immediately after giving effect to such transaction, no Default or Event of Default will have occurred and be continuing; and

(4) Globo will have delivered to the Trustee an officers' certificate and an opinion of independent legal counsel, each stating that such consolidation, merger or transfer and such supplemental indenture, if any, comply with the Amended and Restated Indenture.

The Trustee will accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set forth in this covenant, in which event it will be conclusive and binding on the holders.

The Successor will succeed to, and be substituted for, and may exercise every right and power of, Globo under the Amended and Restated Indenture, and thereafter the predecessor company shall be relieved of all obligations and covenants under the Amended and Restated Indenture, except that the predecessor company in the case of a lease of all or substantially all of its assets will not be released from the obligation to pay the principal of and interest on the Amended Perpetual Notes.

Reporting Requirements

Globo will provide the Trustee with the following reports (and will also provide the Trustee with sufficient copies, as required, of the following reports referred to in clauses (1) through (4) below for distribution, upon their written request to the Trustee and at Globo's expense, to all holders of Amended Perpetual Notes):

(1) an English language version of its annual audited consolidated financial statements prepared in accordance with Accounting Standards promptly upon such financial statements becoming available but not later than 120 days after the close of its fiscal year;

(2) an English language version of its unaudited consolidated quarterly financial statements prepared in accordance with Accounting Standards promptly upon such consolidated financial statements becoming available but not later than 75 days after the close of each fiscal quarter (other than the last fiscal quarter of its fiscal year);

(3) simultaneously with the delivery of each set of financial statements referred to in clauses (1) and (2) above, an officers' certificate stating whether a Default or Event of Default exists on the date of such certificate and, if a Default or Event of Default exists, setting forth the details thereof and the action which Globo is taking or proposes to take with respect thereto;

(4) without duplication, English language versions or summaries of such other reports or notices as may be filed or submitted by (and promptly after filing or submission by) Globo with the Luxembourg Stock Exchange or any other stock exchange on which the Amended Perpetual Notes may be listed (in each case, to the extent that any such report or notice is generally available to its security holders or the public in Brazil); and

(5) as soon as practicable and in any event within 30 calendar days after any director or executive officer of Globo becomes aware of the existence of a Default or Event of Default, an officers' certificate setting forth the details thereof and the action which Globo is taking or proposes to take with respect thereto.

Delivery of the above reports to the Trustee is for informational purposes only and the Trustee's receipt of such reports will not constitute constructive notice of any information contained therein or determinable from information contained therein, including Globo's compliance with any of its covenants in the Amended and Restated Indenture (as to which the Trustee is entitled to rely exclusively on officers' certificates).

Provision of Information

For so long as any of the Amended Perpetual Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act of 1933, as amended (the "Securities Act"), Globo undertakes that it will, during any period in which it is not subject to Section 13 or 15(d) under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, furnish on request to any holder of the Amended Perpetual Notes, or to any prospective purchaser thereof, such information as is required to be provided pursuant to Rule 144A(d)(4) under the Securities Act in order to permit compliance with Rule 144A in connection with the resale of such Amended Perpetual Notes.

Events of Default

An "Event of Default" under the Amended and Restated Indenture occurs if:

(1) Globo defaults in any payment of interest (including any related additional amounts) on any Amended Perpetual Note when the same becomes due and payable, and such default continues for a period of 30 days;

(2) Globo defaults in the payment of the Exchange Fee (including any related additional amounts) in connection with any Amended Perpetual Note when the same becomes due and payable;

(3) Globo defaults in the payment of the principal (including any related additional amounts) of any Amended Perpetual Note when the same becomes due and payable upon acceleration or redemption or otherwise;

(4) Globo fails to comply with any of its covenants or agreements in the Amended Perpetual Notes or the Amended and Restated Indenture (other than those referred to in (1), (2) and (3) above), and such failure continues for 60 days after the notice specified below;

(5) Globo or any Significant Subsidiary defaults under any mortgage, Amended and Restated Indenture or instrument under which there may be issued or by which there may be secured or evidenced any Debt for money borrowed by Globo or any Significant Subsidiary (or the payment of which is guaranteed by Globo or any Significant Subsidiary) whether such Debt or guarantee now exists, or is created after the date of the Amended and Restated Indenture, which default (a) is caused by failure to pay the principal of or premium, if any, or interest on such Debt after giving effect to any grace period provided in such Debt on the date of such default ("Payment Default") or (b) results in the acceleration of such Debt prior to its express maturity and, in each case, the principal amount of any such Debt, together with the principal amount of any other such Debt under which there has been a Payment Default or the maturity of which has been so accelerated, totals US$20.0 million (or its equivalent in any other currency or currencies at the time of determination) or more in the aggregate;

(6) a final, non-appealable, judgment or order for the payment of any amount equal to, or in excess of, US$20.0 million (or its equivalent in any other currency or currencies at the time of determination) is rendered against Globo or any Significant Subsidiary and continues unsatisfied or unstayed for a period of 60 days after the date thereof or, if later, the date therein specified for payment;

(7) an involuntary case or other proceeding is commenced against Globo or any Significant Subsidiary with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a Trustee, receiver, *síndico*, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 days; or an order for relief is entered against Globo or any Significant Subsidiary under applicable bankruptcy laws as now or hereafter in effect and such order is not being contested by Globo or any Significant Subsidiary, as the case may be, in good faith or has not been dismissed, discharged or otherwise stayed, in each case within 60 days of being made;

(8) Globo or any Significant Subsidiary (i) commences a voluntary case or other proceeding seeking liquidation, reorganization, concordata, recuperação judicial/extra-judicial or other relief with respect to itself or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (ii) consents to the appointment of or taking possession by a receiver, síndico, liquidator, assignee, custodian, Trustee, sequestrator or similar official of Globo or any Significant Subsidiary for all or substantially all of the property of Globo or any Significant Subsidiary or (iii) effects any general assignment for the benefit of creditors; or

(9) any event occurs that under the laws of Brazil or the United States of America or any political subdivision thereof has substantially the same effect as any of the events referred to in any of clause (7) or (8) above.

A Default under clause (4) above will not constitute an Event of Default until the Trustee or the holders of at least 25% in principal amount of the Amended Perpetual Notes outstanding notify Globo of the Default and Globo does not cure such Default within the time specified after receipt of such notice.

The Trustee is not to be charged with knowledge of any Default or Event of Default or knowledge of any cure of any Default or Event of Default unless either (i) an authorized officer of the Trustee with direct responsibility for the Amended and Restated Indenture has actual knowledge of such Default or Event of Default or (ii) written notice of such Default or Event of Default has been given to the Trustee by Globo or any holder.

If an Event of Default (other than an Event of Default specified in clause (7), (8) or (9) above) occurs and is continuing, the Trustee or the holders of not less than 25% in principal amount of the Amended Perpetual Notes then outstanding may declare all unpaid principal of and accrued interest on all Amended Perpetual Notes to be due and payable immediately, by a notice in writing to Globo, and upon any such declaration such amounts will become due and payable immediately. If an Event of Default specified in clause (7), (8) or (9) above occurs and is continuing, then the principal of and accrued interest on all Amended Perpetual Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder.

Subject to the provisions of the Amended and Restated Indenture relating to the duties of the Trustee in case an Event of Default will occur and be continuing, the Trustee will be under no obligation to exercise any of its rights or powers under the Amended and Restated Indenture at the request or direction of any of the holders, unless such holders will have offered to the Trustee indemnity reasonably satisfactory to the Trustee. Subject to such provision for the indemnification of the Trustee, the holders of a majority in aggregate principal amount of the outstanding Amended Perpetual Notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee.

Defeasance

Globo may at any time terminate all of its obligations with respect to the Amended Perpetual Notes (“defeasance”), except for certain obligations, including those regarding any trust established for a defeasance and obligations to register the transfer or exchange of the Amended Perpetual Notes, to replace mutilated, destroyed, lost or stolen Amended Perpetual Notes and to maintain agencies in respect of Amended Perpetual Notes. Globo may at any time terminate its obligations under the covenants described under “—Covenants—Limitation on Liens” and “—Covenants—Reporting Requirements”, and any omission to comply with such obligations will not constitute a Default with respect to the Amended Perpetual Notes (“covenant defeasance”). In order to exercise either defeasance or covenant defeasance, Globo must irrevocably deposit in trust, for the benefit of the holders of the Amended Perpetual Notes, with the Trustee, money or U.S. government obligations, or a combination thereof, in such amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants expressed in a written certificate delivered to the Trustee, without consideration of any reinvestment, to pay the principal of, and interest on the Amended Perpetual Notes to any redemption date or maturity and comply with certain other conditions, including the delivery of an opinion of counsel as to certain tax matters.

Amendment, Supplement, Waiver

Subject to the exceptions described below, the Amended and Restated Indenture may be amended or supplemented with the consent of the holders of at least a majority in principal amount of the Amended Perpetual Notes then outstanding, and any past Default or compliance with any provision may be waived with the consent of the holders of at least a majority in principal amount of the Amended Perpetual Notes then outstanding. However, without the consent of each holder of an outstanding Amended Perpetual Note affected thereby, no amendment may:

(1) reduce the rate of or extend the time for payment of interest on any Amended Perpetual Note;

(2) reduce the principal of any Amended Perpetual Note or the Exchange Fee;

(3) reduce the amount payable upon redemption of any Amended Perpetual Note or change the time at which any Amended Perpetual Note may be redeemed;

(4) change the currency for payment of principal of, or interest on, any Amended Perpetual Note;

(5) impair the right to institute suit for the enforcement of any payment on or with respect to any Amended Perpetual Note;

(6) waive a default in the payment of principal or interest on the Amended Perpetual Notes;

(7) reduce the principal amount of Amended Perpetual Notes whose holders must consent to any amendment or waiver;

(8) make any change in the amendment or waiver provisions which require each holder's consent; or

(9) modify or change any provision of the Amended and Restated Indenture affecting the ranking of the Amended Perpetual Notes in a manner adverse to the holders of the Amended Perpetual Notes.

The holders of the Amended Perpetual Notes will receive prior notice as described under "—Notices" of any proposed amendment to the Amended Perpetual Notes or the Amended and Restated Indenture described in this paragraph. After an amendment described in the preceding paragraph becomes effective, Globo is required to mail to the holders a notice briefly describing such amendment. However, the failure to give such notice to all holders of the Amended Perpetual Notes, or any defect therein, will not impair or affect the validity of the amendment.

The consent of the holders of the Amended Perpetual Notes is not necessary to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

Globo and the Trustee may, without the consent or vote of any holder of the Amended Perpetual Notes, amend or supplement the Amended and Restated Indenture or the Amended Perpetual Notes for the following purposes:

(1) cure any ambiguity, omission, defect or inconsistency; *provided* that such amendment or supplement does not materially and adversely affect the rights of any holder;

(2) comply with the covenant described under "—Limitation on Consolidation, Merger or Transfer of Assets";

(3) add guarantees or collateral with respect to the Amended Perpetual Notes;

(4) add to the covenants of Globo for the benefit of holders of the Amended Perpetual Notes;

(5) surrender any right conferred upon Globo;

(6) evidence and provide for the acceptance of an appointment by a successor Trustee;

(7) provide for the issuance of additional Amended Perpetual Notes;

(8) provide for any guarantee of the Amended Perpetual Notes, to secure the Amended Perpetual Notes or to confirm and evidence the release, termination or discharge of any guarantee of or Lien securing the Amended Perpetual Notes when such release, termination or discharge is permitted by the Amended and Restated Indenture;

(9) make any change necessary or desirable to effect the payment of, and mechanics related to, the Exchange Fee, provided that such change does not materially and adversely affect the rights of any holder of the Amended Perpetual Notes; or

(10) make any other change that does not materially and adversely affect the rights of any holder of the Amended Perpetual Notes or to conform the Amended and Restated Indenture to this "Description of the Amended Perpetual Amended Perpetual Notes;"

provided that Globo has delivered to the Trustee an opinion of counsel and an officers' certificate, each stating that such amendment or supplement complies with the applicable provisions of the Amended and Restated Indenture.

Notices

For so long as Amended Perpetual Notes in global form are outstanding, notices to be given to holders will be given to the depositary, in accordance with its applicable policies as in effect from time to time. If Amended Perpetual Notes are issued in certificated form, notices to be given to holders will be deemed to have been given upon the mailing by first class mail, postage prepaid, of such notices to holders of the Amended Perpetual Notes at their registered addresses as they appear in the records of the registrar. For so long as the Amended Perpetual Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, Globo will publish notices in English on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, if that is not practicable, in another English-language daily newspaper of general circulation in Europe.

Trustee

The Bank of New York Mellon is the Trustee under the Amended and Restated Indenture.

The Amended and Restated Indenture contains provisions for the indemnification of the Trustee and for its relief from responsibility. The obligations of the Trustee to any holder are subject to such immunities and rights as are set forth in the Amended and Restated Indenture.

Except during the continuance of an Event of Default, the Trustee needs to perform only those duties that are specifically set forth in the Amended and Restated Indenture and no others, and no implied covenants or obligations will be read into the Amended and Restated Indenture against the Trustee. In case an Event of Default has occurred and is continuing, the Trustee shall exercise those rights and powers vested in it by the Amended and Restated Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs. No provision of the Amended and Restated Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties thereunder, or in the exercise of its rights or powers, unless it receives indemnity satisfactory to it against any loss, liability or expense.

Globo and its affiliates may from time to time enter into normal banking and trustee relationships with the Trustee and its affiliates.

Governing Law and Submission to Jurisdiction

The Amended Perpetual Notes and the Amended and Restated Indenture will be governed by the laws of the State of New York. Each of the parties to the Amended and Restated Indenture will submit to the jurisdiction of the

U.S. federal and New York State courts located in the Borough of Manhattan, City and State of New York for purposes of legal actions and proceedings instituted in connection with the Amended Perpetual Notes and the Amended and Restated Indenture. Globo has appointed Corporation Service Company, 1180 Avenue of the Americas, Suite 210, New York, New York 10036-8401, as its authorized agent upon which process may be served in any such action.

Currency Indemnity

U.S. dollars are the sole currency of account and payment for all sums payable by Globo under or in connection with the Amended Perpetual Notes, including damages. Any amount received or recovered in a currency other than dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of Globo or otherwise) by any holder of an Amended Perpetual Note in respect of any sum expressed to be due to it from Globo will only constitute a discharge to Globo to the extent of the dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that dollar amount is less than the dollar amount expressed to be due to the recipient under any Amended Perpetual Note, Globo will indemnify such holder against any loss sustained by it as a result; and if the amount of United States dollars so purchased is greater than the sum originally due to such holder, such holder will, by accepting a Amended Perpetual Note, be deemed to have agreed to repay such excess. In any event, Globo will indemnify the recipient against the cost of making any such purchase.

For the purposes of the preceding paragraph, it will be sufficient for the holder of an Amended Perpetual Note to certify in a satisfactory manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of dollars on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). These indemnities constitute a separate and independent obligation from the other obligations of Globo, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by any holder of an Amended Perpetual Note and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Amended Perpetual Note.

Certain Definitions

The following is a summary of certain defined terms used in the Amended and Restated Indenture. Reference is made to the Amended and Restated Indenture for the full definition of all such terms as well as other capitalized terms used herein for which no definition is provided.

"Accounting Standards" means (i) the accounting principles generally accepted by the accounting profession in Brazil at such time or (ii) International Financial Reporting Standards and applicable accounting requirements published by the International Accounting Standards Board, as in effect from time to time, as may be elected by Globo.

"Advance Transaction" means an advance from a financial institution involving either (a) a foreign exchange contract or (b) an export contract.

"Brazil" means the Federative Republic of Brazil.

"Capital Lease Obligations" means, with respect to any person, any obligation which is required to be classified and accounted for as a capital lease on the face of a balance sheet of such person prepared in accordance with Accounting Standards; the amount of such obligation will be the capitalized amount thereof, determined in accordance with Accounting Standards; and the stated maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

"Capital Stock" means, with respect to any person, any and all shares of stock, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated, whether voting or non-voting), such person's equity including any preferred stock, but excluding any debt securities convertible into or exchangeable for such equity.

"Debt" means (without double-counting), with respect to any person, whether recourse is to all or a portion of the assets of any person and whether or not contingent, (i) every obligation of such person for money borrowed, (ii) every obligation of such person evidenced by bonds, debentures, notes or other similar instruments representing financial indebtedness, including obligations of such nature incurred in connection with the acquisition of property, assets or businesses, (iii) every reimbursement obligation of such person with respect to letters of credit, bankers' acceptances or similar facilities issued for the account of such person, (iv) every obligation of such person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business) as a means of primarily obtaining finance, (v) every Capital Lease Obligation of such person, (vi) every obligation under interest rate swap or similar agreements or foreign currency hedge, exchange or similar agreements of such person (the amount of any such obligation to be calculated at its marked to market value at the relevant time of calculation), and (vii) every guarantee or indemnity to pay the obligations referred to in (i) to (vi) (inclusive) above of such person; *provided* that the following shall not be considered to be Debt:

(a) Intercompany Debt; or

(b) any obligation under interest rate swap or similar arrangements or foreign currency hedge, exchange or similar arrangements in the ordinary course of business and not for speculation that are designed to protect any Member of the Globo Consolidated Group against fluctuations in interest rates or currency exchange rates with respect to the underlying obligations or assets being hedged and which shall have a notional amount no greater than the payments due with respect to such underlying obligations or assets.

For the avoidance of doubt, "Debt" shall not include (i) any indemnification obligations in respect of the Sky Transaction, (ii) any obligations to cause Sky to eliminate Debt of Sky or any of its subsidiaries or any Member of the Globo Consolidated Group under the Sky Transaction, subject, for the purposes of this paragraph (ii), to an aggregate cap of US$10.0 million (or its equivalent in any other currency, calculated at the date of incurrence of the relevant obligation) or (iii) any obligation of any Member of the Globo Consolidated Group under or in connection with the Sky Monetisation.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Globo" means Globo Comunicação e Participações S.A., a company incorporated under the laws of Brazil and registered with the General List of Taxpayers under number CNPJ no. 27.865.757/0001-02, and any successor in interest thereto.

"Globo Consolidated Group" means Globo and its subsidiaries, as per consolidation accounting rules, as determined by the most recently available quarterly, semi-annual or annual audited, or with limited auditing review, as the case may be, consolidated financial statements of Globo, determined in accordance with Accounting Standards, and "Member of the Globo Consolidated Group" means any one of the Globo Consolidated Group.

"Globosat" means Globosat Programadora Ltda., a company incorporated under the laws of the Federative Republic of Brazil and registered with the General List of Taxpayers under number CNPJ no. 03.290.630/0001-36.

"Hedging Agreements" means (a) any interest rate swap agreement, interest rate cap agreement or other agreement designed to protect against fluctuations in interest rates, (b) any foreign exchange forward contract, currency swap agreement or other agreement designed to protect against fluctuations in foreign exchange rates or (c) any commodity or raw material futures contract or any other agreement designed to protect against fluctuations in raw material prices.

"holder" or "noteholder" means the person in whose name an Amended Perpetual Note is registered in the register.

"Intercompany Debt" means any obligation owed by one Member of the Globo Consolidated Group to another Member of the Globo Consolidated Group.

"Issue Date" means the date of issuance of the Amended Perpetual Notes, which is expected to be July 20, 2010.

"Lien" means any mortgage, charge, encumbrance, pledge, security interest, conditional sale or other title retention agreement or other similar lien.

"Significant Subsidiary" means any Subsidiary which, at the time of determination, (x) at least 95% of the Capital Stock of which is owned by Globo, directly or indirectly, and (y) (a) had assets which, as of the date of Globo's most recent quarterly consolidated balance sheet, constituted at least 10% of Total Consolidated Assets as of such date or (b) had net operating revenues for the 12-month period ending on the date of Globo's most recent consolidated statement of income which constituted at least 5% of the Globo Consolidated Group's total net operating revenues on a consolidated basis for such period, determined in accordance with Accounting Standards; *provided, however*, that Globosat shall constitute a Significant Subsidiary if, at any time of determination, Globo owns, directly or indirectly, at least 75% of the Capital Stock of Globosat.

"Sky" means Sky Brasil Serviços Ltda., a company incorporated under the laws of the Federative Republic of Brazil and registered with the General List of Taxpayers under number CNPJ no. 72.820.822/0001-20 and any Successor thereto.

"Sky Monetisation" means any transaction by one or more Members of the Globo Consolidated Group where the purpose of such transaction is the monetisation of all or a portion of the face value of any rights available to such Members of the Globo Consolidated Group to exchange Capital Stock of Sky (and of the economic interest in the Capital Stock underlying such rights to exchange), including any related disposition, or granting of a Lien in, all or any part of the Capital Stock of Sky.

"Sky Transaction" means any of the transactions contemplated under (i) the Participation Agreement, dated as of October 8, 2004, among Globopar, The News Corporation Limited and The DirecTV Group, Inc., (ii) the Brazil Business Combination Agreement, dated as of October 8, 2004, among Globopar, The News Corporation Limited and The DirecTV Group, Inc., (iii) the Exchange Rights Agreement, dated as of October 8, 2004, among Globopar, The DirecTV Group, Inc. and The News Corporation Limited, and (iv) all other agreements contemplated by such agreements; as any such agreement may be amended, supplemented, waived or otherwise modified from time to time.

"Subsidiary" of any person means any other person whose affairs and policies the first person controls or has the power to control directly or indirectly (whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of that second person or otherwise).

"Total Consolidated Assets" means the total assets of the Globo Consolidated Group on a consolidated basis, determined in accordance with Accounting Standards.

"Trustee" means The Bank of New York Mellon until a successor replaces it and, thereafter, means the successor.

FORM OF NOTES

The SENs (and the Amended Perpetual Notes exchanged therefor) will be issued in registered form without interest coupons in denominations of US$100,000 and integral multiples of US$1,000 in excess thereof. No notes will be issued in bearer form.

The SENs Issuer and Globo have each agreed to maintain a paying agent, registrar and transfer agent in the Borough of Manhattan, the City of New York and to maintain a Luxembourg paying and transfer agent in Luxembourg. The SENs Issuer initially has appointed the SENs Trustee at its corporate trust office as paying agent, registrar and transfer agent, The Bank of New York Mellon Trust (Japan) Ltd. as principal paying agent, and The Bank of New York Mellon (Luxembourg) S.A. as Luxembourg paying and transfer agent for all SENs. Globo initially has appointed the Trustee at its corporate trust office as paying agent, registrar and transfer agent, The Bank of New York Mellon Trust (Japan) Ltd. as principal paying agent, and The Bank of New York Mellon (Luxembourg) S.A. as Luxembourg paying and transfer agent for all Amended Perpetual Notes. Each transfer agent will keep a register, subject to such reasonable regulations as Globo may prescribe.

Book-Entry; Delivery and Form

The SENs (and the Amended Perpetual Notes exchanged therefor) offered and sold in reliance on Rule 144A under the Securities Act will be represented by a single, permanent global note in definitive, fully registered book-entry form (in respect of the SENs, the "DTC Rule 144A Global SENs Note," and, in respect of the Amended Perpetual Notes, the "DTC Rule 144A Global Amended Perpetual Note," and together, the "DTC Rule 144A Global Notes"). Notes offered and sold in reliance on Regulation S will be represented by a single, permanent global note in definitive, fully registered book-entry form (in respect of the SENs, the "DTC Regulation S Global SENs Note," and, in respect of the Amended Perpetual Notes, the "DTC Regulation S Global Amended Perpetual Note," and together, the "DTC Regulation S Global Notes" and, together with the DTC Rule 144A Global Notes, the "Global Notes"). The Global Notes will be registered in the name of a nominee of DTC and deposited on behalf of the purchasers of the notes represented thereby with a custodian for DTC for credit to the respective accounts of direct or indirect participants in DTC, including Euroclear or Clearstream.

Each Global Note (and any notes issued in exchange therefor) will be subject to certain restrictions on transfer set forth therein as described under "Notice to Investors." Except in the limited circumstances described below, owners of beneficial interests in a Global Note will not be entitled to receive physical delivery of certificated notes.

Global Notes

The SENs Issuer and Globo expect that pursuant to procedures established by DTC (a) upon deposit of the Global Notes, DTC or its custodian will credit on its internal system portions of the Global Notes to the respective accounts of persons who have accounts with DTC and (b) ownership of the notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants as defined below) and the records of participants (with respect to interests of persons other than participants). Such accounts will initially be designated by or on behalf of the Initial Purchasers and ownership of beneficial interests in the Global Notes will be limited to persons who are participants and have accounts with DTC or persons who hold interests through participants. Except as otherwise described herein, investors may hold their interests in a Global Note directly through DTC only if they are participants in such system, or indirectly through organizations (including Euroclear and Clearstream) which are participants in such system.

On the Mandatory Exchange, DTC will debit, on its internal system, the individual beneficial interests represented by the DTC Rule 144A Global SENs Note and the DTC Regulation S Global SENs Note from the relevant account and credit equal beneficial ownership interests in the DTC Rule 144A Global Amended Perpetual Note and the DTC Regulation S Global Amended Perpetual Note, respectively, to those accounts.

So long as DTC or its nominee is the registered owner or holder of any Global Note, DTC or such nominee will be considered the sole owner or noteholder represented by that Global Note for all purposes under the SENs

Indenture, the Amended and Restated Indenture and the notes, as the case may be. No beneficial owner of an interest in any note will be able to transfer such interest except in accordance with the applicable procedures of DTC and, if applicable, Euroclear and Clearstream, in addition to those provided for under the SENs Indenture and the Amended and Restated Indenture, as applicable.

Payments of principal of and interest (including additional amounts), as applicable, on the Global Notes will be made to DTC or its nominee, as the case may be, as the registered owner thereof. None of the SENs Issuer, Globo, the SENs Trustee, the Trustee or any paying agent under the SENs Indenture and the Amended and Restated Indenture will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Global Notes, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests representing any notes held by DTC or its nominee.

The SENs Issuer and Globo expect that DTC or its nominee, upon receipt of any payment of principal of or premium and interest (including additional amounts), as applicable, on a Global Note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Note as shown on the records of DTC or its nominee.

Payment to owners of beneficial interests in a Global Note held through such participant will be governed by standing instructions and customary practice, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures. The laws of some jurisdictions require that certain persons take physical delivery of certificates evidencing securities they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons will be limited to that extent. Because DTC can act only on behalf of participants, which in turn act on behalf of indirect participants, the ability of beneficial owners of interests in a Global Note to pledge such interests to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Before the 40th calendar day after the later of the commencement of the offering of the SENs and the issue date of the SENs, transfers by an owner of a beneficial interest in the DTC Regulation S Global SENs Note to a transferee who takes delivery of such interest through the DTC Rule 144A Global SENs Note will be made only in accordance with the applicable procedures and upon receipt by the SENs Trustee of a written certification from the transferor in the form provided in the SENs Indenture to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB that is also a QP in a transaction meeting the requirements of Rule 144A. After the expiration of the 40-day period, such transfers may occur without compliance with these certification requirements. See "Notice to Investors."

Transfers by an owner of a beneficial interest in the DTC Rule 144A Global Notes to a transferee who takes delivery of such interest through the DTC Regulation S Global Notes, whether before, on or after the 40th day referred to above, will be made only upon receipt by the SENs Trustee or Trustee, as applicable, of a certification in the form provided in the relevant indenture to the effect that such transfer is being made in accordance with Regulation S. See "Notice to Investors."

Transfers of beneficial interests within a Global Note may be made without delivery of any written certification or other documentation from the transferor or transferee.

Any beneficial interest in a Global Note that is transferred to a person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to have an interest in the first Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note.

Subject to compliance with the transfer restrictions applicable to the notes, the SENs Issuer and Globo understand that cross-market transfers between DTC participants, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (Brussels or Luxembourg time, respectively). The SENs Issuer and Globo understand that Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream participants and Euroclear participants may not deliver instructions directly to the depositories of Clearstream or Euroclear.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a DTC Rule 144A Global Note from a DTC participant will be credited during the securities settlement processing day immediately following the DTC settlement date, and such credit will be reported to the relevant Euroclear or Clearstream participant on such business day following the DTC settlement date. Cash received in Euroclear or Clearstream as a result of sales of interests in the DTC Regulation S Global Note by or through a Euroclear or Clearstream participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the business day following settlement in DTC.

The SENs Issuer and Globo expect that DTC will take any action permitted to be taken by a holder of notes (including the presentation of notes for exchange) only at the direction of the participant to whose interests in the applicable Global Notes are credited and only in respect of the aggregate principal amount of notes as to which such participant has given such direction.

The SENs Issuer and Globo understand that DTC is a limited purpose trust company organized under the laws of the State of New York, a “banking organization” within the meaning of New York banking law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the U.S. Securities Exchange Act of 1934, as amended. The SENs Issuer and Globo further understand that DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organizations (“participants”). The SENs Issuer and Globo further understand that indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly (“indirect participants”).

Although DTC, Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among the DTC participants, Euroclear and Clearstream, they are under no obligation to perform such procedures, and such procedures may be discontinued or modified at any time. None of the SENs Issuer, Globo, the SENs Trustee, the Trustee or the paying agents under the SENs Indenture and the Amended and Restated Indenture will have any responsibility for the performance by DTC, Euroclear, Clearstream, the participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Physical Notes

Interests in the Global Notes will be exchangeable or transferable, as the case may be, for physical notes (“physical notes”) in registered form if (i) DTC notifies the SENs Issuer or Globo, as the case may be, that it is unwilling or unable to continue as depositary for the Global Notes, or DTC ceases to be a “clearing agency” registered under the U.S. Securities Exchange Act of 1934, as amended, and a successor depositary is not appointed by the SENs Issuer or Globo, as the case may be, within 90 calendar days or (ii) the SENs Issuer or Globo, as the case may by, at the SENs Issuer’s or Globo’s option, elects to terminate the book-entry system through a depositary.

Replacement, Exchange and Transfer of Notes

If a note becomes mutilated, destroyed, lost or stolen, the SENs Issuer or Globo, as the case may be, may issue, and the Trustee will authenticate and deliver, a substitute note in replacement. In each case, the affected noteholder will be required to furnish to the SENs Issuer or Globo, as the case may be, the SENs Trustee or the Trustee, as the case may be, and certain other specified parties an indemnity under which it will agree to pay the SENs Issuer or Globo, as the case may be, the SENs Trustee or the Trustee, as the case may be, and certain other specified parties for any losses they may suffer relating to the note that was mutilated, destroyed, lost or stolen. The SENs Issuer or Globo, as the case may be, and the SENs Trustee or the Trustee, as the case may be, may also require that the affected noteholder present other documents or proof. The affected noteholder will be required to pay all expenses and reasonable charges associated with the replacement of the mutilated, destroyed, lost or stolen note.

Under certain limited circumstances, beneficial interests in the Global Note may be exchanged for physical notes. If the SENs Issuer or Globo, as the case may be, issue physical notes, a noteholder of such physical note may present its notes for exchange with notes of a different authorized denomination, together with a written request for an exchange, at the office or agency of the SENs Issuer or Globo, as the case may be, designated for such purpose in the City of New York or Luxembourg. In addition, the noteholder of any physical note may transfer such physical note, in whole or in part, by surrendering it at any such office or agency together with an executed instrument of assignment. Each new physical note issued in connection with a transfer of one or more physical notes will be available for delivery from the registrar and the Luxembourg transfer agent within five Luxembourg business days after receipt by the registrar and the Luxembourg transfer agent of the relevant original physical note or physical notes and the relevant executed instrument of assignment. Transfers of the physical notes will be effected without charge by or on behalf of the SENs Issuer or Globo, as the case may be, the registrar or the Luxembourg transfer agent, but only upon payment (or the giving of such indemnity as the registrar or such transfer agent may require in respect) of any tax or other governmental charges which may be imposed in relation thereto.

The SENs Issuer or Globo, as the case may be, will not charge the holders of notes for the costs and expenses associated with the exchange, transfer or registration of transfer of the notes. The SENs Issuer or Globo, as the case may be, may, however, charge the holders of notes for any tax or other governmental charges. The SENs Issuer or Globo, as the case may be, may reject any request for an exchange or registration of transfer of any note (i) made within 15 calendar days of the mailing of a notice of redemption of notes or (ii) made between any regular record date and the next interest payment date.

TAXATION

The following discussion summarizes certain Brazilian, Cayman Islands, U.S. federal income and European Union tax considerations that may be relevant to you if you invest in the notes. This summary is based on laws and regulations now in effect in Brazil, laws, regulations, rulings and decisions now in effect in the Cayman Islands, laws, regulations, rulings and decisions now in effect in the United States, and a directive of the European Union, any of which may change. Any change could apply retroactively and could affect the continued accuracy of this summary.

This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules. You should consult your tax advisors about the tax consequences of holding the notes, including the relevance to your particular situation of the considerations discussed below, as well as of state, local and other tax laws.

Brazilian Taxation

The following discussion is a general description of certain Brazilian tax aspects of the notes applicable to an individual, entity, trust or organization resident or domiciled outside Brazil ("Non-Resident Holder") and does not purport to be a comprehensive description of the tax aspects of the notes. The earnings of individuals, entities, trusts or organizations resident or domiciled outside Brazil are taxed in Brazil when derived from Brazilian sources or when the transaction giving rise to such earnings involves assets in Brazil.

Amended Perpetual Notes

Pursuant to Brazilian Tax Law, interest, fees, commissions (including original discount and any redemption premium) and any other income payable by a Brazilian obligor to a Non-Resident Holder in respect of debt obligations are subject to income tax withheld at the source. The rate of withholding is 15% unless (i) the recipient of the payment is resident or domiciled in a country which does not impose any income tax or which imposes it at a maximum rate lower than 20.0% or the laws of which impose restrictions on the disclosure of ownership composition or securities ownership ("Tax Haven Jurisdiction"), in which case the applicable rate is 25.0%; or (ii) a lower rate is provided for in an applicable tax treaty between Brazil and the county where the recipient of the payment resides.

In addition, Law 11727/2008 ("Law 11727") expanded the scope of the tax haven jurisdiction concept in connection with Brazilian transfer pricing rules with the creation of the preferential or privileged tax regime concept. Due to the recent enactment of Law 11727 and the lack of relevant regulation issued by the Brazilian tax authorities, Globo is not able to ascertain if the expanded tax haven jurisdiction concept will also be applied to non-resident investors such as a Non-Resident Holder.

If the Brazilian tax authorities determine that interest payments on the Amended Perpetual Notes made to a Non-Resident Holder benefit from a privileged tax regime, such payments could be subject to Brazilian withholding tax at a rate of 25%. Potential investors should consult with their own tax advisors regarding the consequences of the implementation of Law 11727 and of any related Brazilian tax law or regulation concerning tax haven jurisdictions.

Nonetheless, the applicable withholding tax rate on interest, fees and commissions payable in connection with notes issued pursuant to Law 9481/1997, as amended ("Law 9481"), is zero. Law 10925/2004 provides that this benefit is maintained in case of extensions of terms, provided that the Brazilian Central Bank requirements are met, including those related to interest rates. The Amended Perpetual Notes constitute an extension of the terms of original notes issued under Law 9481. Therefore, Globo considers that interest payable in connection with the Amended Perpetual Notes is subject to withholding income tax at a zero rate.

Under Brazilian tax law and regulations, capital gains resulting from the sale or other disposition of assets not located in Brazil between two non-residents of Brazil are not subject to tax in Brazil. The Amended Perpetual Notes are expected to be listed in Luxembourg and Globo believes that the Amended Perpetual Notes will not fall within the definition of assets located in Brazil. However, in the event the Amended Perpetual Notes are deemed to be located in Brazil for the purpose of Law 10833/2003 ("Law 10833"), the gains realized by a Non-Resident Holder from the sale or other disposition of the notes would be subject to income tax in Brazil at a rate of 15.0% (or 25.0% if such Non-Resident Holder is a resident of a Tax Haven Jurisdiction).

Considering the general and unclear scope of Law 10833 and the absence of judicial guidance in respect thereof, Globo is unable to predict how the scope of Law 10833 would be interpreted by Brazilian courts in case of a challenge by the Brazilian tax authorities concerning the notes. Potential investors should consult their own tax advisors regarding the particular consequences of purchase, ownership and disposition of the Amended Perpetual Notes.

Pursuant to Decree 6,306/2007, as amended ("Decree 6,306"), the conversion into Brazilian *reais* of proceeds received in foreign currency by a Brazilian entity or the conversion into foreign currency of funds held in *reais* are subject to the tax on foreign exchange transactions ("IOF/Exchange"). Currently, the IOF/Exchange rate for almost all foreign currency exchange transactions is 0.38%. In any case, the Brazilian government may increase such rates at any time up to 25%. Any such increase in rates may only apply to future transactions.

Generally, there are no stamp, transfer or other similar taxes in Brazil with respect to the transfer, assignment or sale of the Amended Perpetual Notes outside Brazil nor any inheritance, gift or succession tax applicable to the ownership, transfer or disposition of the Amended Perpetual Notes, except for gift and inheritance taxes imposed by some states of Brazil on gifts and bequests by individuals or entities not domiciled or residing in Brazil to individuals or entities domiciled or residing within such state.

SENs

Payments made by the SENs Issuer

Generally, a Non-Resident Holder is taxed in Brazil only when income is derived from Brazilian sources or gains are realized on the disposition of assets located in Brazil.

The SENs Issuer is domiciled outside Brazil. Therefore, income paid by it in respect of the SENs to a Non-Resident Holder will not be subject to withholding or deduction in respect of Brazilian income tax or any other taxes, duties, assessments or governmental charges in Brazil, provided that such payments are made with funds held by the SENs Issuer outside of Brazil.

Stamp, Transfer or Similar Taxes

Generally, there are no stamp, transfer or other similar taxes in Brazil with respect to the transfer, assignment or sale of the SENs outside Brazil nor any inheritance, gift or succession tax applicable to the ownership, transfer or disposition of the SENs, except for gift and inheritance taxes imposed by some states of Brazil on gifts and bequests by individuals or entities not domiciled or residing in Brazil to individuals or entities domiciled or residing within such state.

Cayman Islands Taxation

The following is a discussion of certain Cayman Islands income tax consequences of an investment in the SENs. The discussion is a general summary of present law, which is a subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under existing Cayman Islands laws, payments of interest and principal on the SENs will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal to any holder of the SENs, nor will gains derived from the disposal of the SENs be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

No stamp duty is payable in respect of the issue of the SENs. An instrument of transfer in respect of a SENs is stampable if executed in or brought into the Cayman Islands.

The SENs Issuer has been incorporated under the laws of the Cayman Islands as an exempted company and, as such, has applied for an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

"The Tax Concessions Law
1999 Revision
Undertaking as to Tax Concessions

In accordance with Section 6 of The Tax Concession Law (1999 Revision), the Governor in Cabinet undertakes with Pontis Ltd. (the "Company"):

1. That no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

2. In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:

2.1 on or in respect of the shares, debentures or other obligations of the Company; or

2.2 by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision).

3. These concessions shall be for a period of twenty years from the date of issue of the certificate."

U.S. Federal Income Taxation

PURSUANT TO U.S. TREASURY DEPARTMENT CIRCULAR 230, YOU ARE HEREBY INFORMED THAT (A) THIS SUMMARY IS NOT INTENDED AND WAS NOT WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE U.S. FEDERAL TAX LAWS THAT MAY BE IMPOSED ON THE TAXPAYER, (B) THIS SUMMARY WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY GLOBO, THE SENS ISSUER AND THE INITIAL PURCHASERS OF THE NOTES, AND (C) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following summary describes certain U.S. federal income tax consequences to U.S. Holders (as defined below) of ownership of the notes. This summary only applies to notes held as capital assets and does not discuss all the tax consequences that may be relevant to a holder in light of its particular circumstances or to holders subject to special rules, such as:

- financial institutions;
- insurance companies;
- tax-exempt investors;
- real estate investment trusts;
- regulated investment companies;
- grantor trusts;
- dealers or traders in securities or currencies;

- persons that will hold the notes as a position in a "straddle" or as a part of a "hedging", "conversion" or other risk reduction transaction for U.S. federal income tax purposes;
- U.S. Holders whose functional currency is other than the U.S. dollar; or
- certain former citizens or long-term residents of the United States.

Moreover, this description does not address any U.S. federal estate, gift or alternative minimum tax consequences of the acquisition, ownership or disposition of the notes.

This description is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), existing, proposed and temporary U.S. Treasury Regulations and judicial and administrative interpretations thereof, in each case as in effect and available on the date hereof. All of the foregoing are subject to change (possibly with retroactive effect) or differing interpretations which could affect the tax consequences described herein.

For purposes of this summary, a "U.S. Holder" is a beneficial owner of the notes who, for U.S. federal income tax purposes, is:

- an individual citizen or resident of the United States;
- a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if such trust validly elects to be treated as a U.S. person for U.S. federal income tax purposes or if (1) a court within the United States is able to exercise primary supervision over its administration and (2) one or more U.S. persons have the authority to control all of the substantial decisions of such trust.

If any entity treated as a partnership for U.S. federal income tax purposes holds the notes, the tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its tax adviser as to its own tax consequences.

PERSONS CONSIDERING AN INVESTMENT IN THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISERS WITH REGARD TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO SUCH INVESTMENT IN LIGHT OF THEIR OWN PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY U.S. STATE OR LOCAL, OR NON-U.S. TAXING JURISDICTIONS.

U.S. Tax Characterization of the Notes

The tax characterization of an instrument (as debt, equity or another characterization) for U.S. federal income tax purposes is based on the applicable law, and the facts and circumstances, existing at the time the instrument is issued. The U.S. tax characterization of the SENs and the Amended Perpetual Notes is not certain. The SENs Issuer and Globo believe that there is a substantial possibility that the SENs could be treated as either (a) equity of the SENs Issuer (because the capital of the SENs Issuer is nominal in relation to the aggregate principal amount of the SENs) or (b) a forward contract between the holder and the SENs Issuer in respect of the Amended Perpetual Notes. Globo believes that the Amended Perpetual Notes will be treated as equity of Globo for U.S. federal income tax purposes (because such notes are perpetual and the holders do not have a right (except in limited circumstances described above under "Description of the Amended Perpetual Notes—Redemption") to be repaid the principal amount of such notes). However, none of these characterizations is binding on the U.S. Internal Revenue Service ("IRS") or the courts, and alternative characterizations of the SENs and the Amended Perpetual Notes are possible. No ruling will be sought from the IRS regarding this, or any other, aspect of the U.S. federal income tax treatment of the notes. Accordingly, there can be no assurance that the IRS or the courts will not take a position different from any of the views expressed herein. Prospective purchasers should consult their own tax advisers regarding the U.S. tax characterization of the notes.

Tax Consequences of Holding the SENs

Treatment of SENs as Equity of SENs Issuer

For all purposes of this subsection, we assume that the SENs will be treated as equity of the SENs Issuer for U.S. federal income tax purposes.

Treatment of the Mandatory Exchange of the SENs for the Amended Perpetual Notes. The Mandatory Exchange will likely be taxable to a U.S. Holder as a liquidating distribution. Upon the Mandatory Exchange, a U.S. Holder generally will recognize taxable gain or loss equal to the difference, if any, between its "amount realized" (as described below) and the U.S. Holder's adjusted tax basis in the SENs (generally, the amount paid therefor). The amount realized will include the fair market value of the Amended Perpetual Notes on the date of the Mandatory Exchange and may include the Exchange Fee, as described below under "—Treatment of the Exchange Fee". Because it is expected that the SENs Issuer will be a PFIC (as described below) and a QEF election (as described below) will not be available with respect to the SENs Issuer, any gain recognized will be treated as ordinary income, any loss recognized will be a short-term capital loss, and an interest charge may apply, as described below under "—Passive Foreign Investment Company Considerations with Respect to the SENs Issuer". Any gain or loss arising as part of the liquidating distribution generally will be treated as U.S. source income or loss for purposes of the foreign tax credit provisions of the Code. The U.S. Holder's tax basis in the Amended Perpetual Notes will equal their fair market value on the date of the Mandatory Exchange and the U.S. Holder's holding period for the Amended Perpetual Notes will begin on the day after the Mandatory Exchange. Prospective purchasers should consult their tax advisers regarding the U.S. tax consequences (including, but not limited to, the treatment of the Exchange Fee) of the Mandatory Exchange.

Treatment of the Exchange Fee. The U.S. tax characterization of the Exchange Fee is unclear. The Exchange Fee could be treated as ordinary income to a U.S. Holder. Alternatively, the Exchange Fee could be treated as part of the amount realized on the Mandatory Exchange or as an adjustment to the purchase price of the SENs (which would reduce the holder's adjusted tax basis in the SENs).

Sale, Exchange or Other Disposition of the SENs. Upon a sale, exchange or other disposition of the SENs (other than the Mandatory Exchange), including, upon an Event of Default, a cash repayment of the SENs as described in "Description of the SENs—Events of Default", a U.S. Holder generally will recognize taxable gain or loss equal to the difference, if any, between the amount realized by the U.S. Holder and the U.S. Holder's adjusted tax basis in the SENs. Because it is expected that the SENs Issuer will be a PFIC (as described below) and a QEF election will not be available with respect to the SENs Issuer, any gain recognized will be treated as ordinary income, any loss recognized will be a short-term capital loss, and an interest charge may apply, as described below under "—Passive Foreign Investment Company Considerations with Respect to the SENs Issuer". Such gain or loss generally will be treated as U.S. source income or loss for purposes of the foreign tax credit provisions of the Code.

Passive Foreign Investment Company Considerations with Respect to the SENs Issuer. A non-U.S. corporation is classified as a "passive foreign investment company" ("PFIC") for U.S. federal income tax purposes in any taxable year in which, after applying certain look-through rules, either (1) at least 75 percent of its gross income is "passive income" or (2) at least 50 percent of the average value of its gross assets is attributable to assets that produce "passive income" or are held for the production of "passive income". Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions. Because the SENs Issuer will deposit the gross proceeds from the sale of the SENs in the Escrow Account which will hold short-term U.S. Treasury securities, as described above under "Use of Proceeds", it is expected that the SENs Issuer will be treated as a PFIC. Although there is an exception pursuant to which a corporation that would otherwise be a PFIC may not be treated as a PFIC in the first year of its existence, we do not believe that this exception would apply to the SENs Issuer. Consequently, any gain recognized upon the sale or other disposition of the SENs would be treated as ordinary income, rather than as capital gain. In addition, a U.S. Holder could be subject to an imputed interest charge on any taxes such U.S. Holder is deemed to have deferred in respect of the SENs. The SENs Issuer does not intend to comply with certain calculation and reporting requirements necessary to permit a U.S. Holder to make a "qualified electing fund" ("QEF") election. U.S. Holders of the SENs would be required to file information returns (currently, on IRS Form 8621) with respect to the SENs. U.S. Holders should consult their own tax advisers regarding the tax consequences to them if the SENs are treated as equity interests in a PFIC.

Treatment of SENs as a Forward

For all purposes of this subsection, we assume that the SENs will be treated as a forward contract between the holder and the SENs Issuer in respect of the Amended Perpetual Notes for U.S. federal income tax purposes.

Except as described below, no gain or loss will be recognized by a U.S. Holder for U.S. federal income tax purposes as a result of the Mandatory Exchange. The U.S. tax characterization of the Exchange Fee in these circumstances is unclear; the Exchange Fee could be treated as ordinary income to the U.S. Holder or it could be treated as an adjustment to the purchase price for the Amended Perpetual Notes. The U.S. Holder's tax basis in the Amended Perpetual Notes will be equal to such holder's adjusted tax basis in the SENs (generally, the amount paid therefor, as such amount may be reduced if the Exchange Fee is treated as adjustment in the purchase price), and the U.S. Holder's holding period for the Amended Perpetual Notes should begin on the day after the Mandatory Exchange. Upon a sale, exchange or other taxable disposition of the SENs (including, upon an Event of Default, a cash repayment of the SENs as described in "Description of the SENs—Events of Default"), a U.S. Holder generally will recognize taxable gain or loss equal to the difference, if any, between the amount realized by it on such sale, exchange or disposition and the U.S. Holder's adjusted tax basis in the SENs. Subject to the discussion below under "—Tax Consequences of Holding the Amended Perpetual Notes—Passive Foreign Investment Company Considerations with Respect to Globo", such gain or loss will be short-term capital gain or loss and generally will be treated as U.S. source income or loss for purposes of the foreign tax credit provisions of the Code. Prospective purchasers should consult their own tax advisers regarding the U.S. tax consequences (including, but not limited to, the treatment of the Exchange Fee) to them if the SENs are characterized as a forward contract in respect of the Amended Perpetual Notes.

Tax Consequences of Holding the Amended Perpetual Notes

Payments of Interest. Payments of interest on the Amended Perpetual Notes (before reduction for any Brazilian taxes withheld) will likely be taxable to a U.S. Holder as dividend income. Such dividends will not be eligible for the dividends received deduction allowed to corporations, nor will they be eligible for the reduced rate normally applicable to "qualified dividend income" of a non-corporate U.S. Holder. Subject to certain conditions and limitations, Brazilian taxes, if any, withheld on interest payments may be deducted from taxable income or credited against a U.S. Holder's U.S. federal income tax liability. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, interest payments made by Globo generally will constitute "passive category income", or, in the case of certain U.S. Holders, "general category income". In certain circumstances, if a U.S. Holder holds the Amended Perpetual Notes for less than a specified minimum period during which it is not protected from risk of loss, or such U.S. Holder is obligated to make payments related to the interest payments it receives, then such U.S. Holder will not be allowed a foreign tax credit for foreign taxes imposed on such interest. U.S. Holders should note that any Brazilian IOF tax (as discussed above under "—Brazilian Taxation") may not be treated as a creditable foreign tax for U.S. federal income tax purposes, although U.S. Holders may be entitled to deduct such tax subject to applicable limitations. The rules governing the foreign tax credit are complex. U.S. Holders should consult their own tax advisers regarding the availability of the foreign tax credit under their particular circumstances.

Sale, Exchange or Other Disposition of the Amended Perpetual Notes. Subject to the discussion below under "—Passive Foreign Investment Company Considerations with Respect to Globo", a U.S. Holder generally will recognize gain or loss on the sale, exchange or other taxable disposition of an Amended Perpetual Note equal to the difference between the amount realized on such sale, exchange or disposition and the U.S. Holder's adjusted tax basis in such Amended Perpetual Note. Such gain or loss will be capital gain or loss, and generally will be treated as U.S. source income or loss for U.S. foreign tax credit purposes. Consequently, a U.S. Holder may not be able to use the foreign tax credit arising from any Brazilian tax imposed on the disposition of an Amended Perpetual Note (as described above under "Brazilian Taxation—Amended Perpetual Notes") unless such credit can be applied (subject to applicable limitations) against the U.S. federal income tax attributable to other income of such U.S. holder treated as derived from foreign sources. In the case of a non-corporate U.S. Holder, the maximum marginal

U.S. federal income tax rate applicable to such gain generally will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. Holder's holding period for such Amended Perpetual Note exceeds one year (i.e., such gain is a long-term capital gain). The deductibility of capital losses is subject to limitations.

Passive Foreign Investment Company Considerations with Respect to Globo. Based on Globo's gross income and gross assets and the nature of Globo's business, Globo believes that Globo was not classified as a PFIC for its taxable year ending on December 31, 2009, and, based on certain estimates, Globo does not expect to be classified as a PFIC for its taxable year ending on December 31, 2010. Globo's status in future years will depend on Globo's assets and activities in those years. Globo has no reason to believe that its assets or activities will change in a manner that would cause it to be classified as a PFIC in the future, but there can be no assurance that Globo will not be considered a PFIC for any taxable year. If Globo were treated as a PFIC during a U.S. Holder's holding period for the Amended Perpetual Notes, such U.S. Holder could be subject to the disadvantageous tax treatment with respect to any gain from the sale or other disposition of such notes, and an imputed interest charge, as described above under "Treatment of SENs as Equity of the SENs Issuer—Passive Foreign Investment Company Considerations with Respect to the SENs Issuer". Similar consequences could apply if the SENs are treated as an interest with respect to Globo and Globo is treated as a PFIC. In addition, certain distributions in respect of the Amended Perpetual Notes that are treated as "excess distributions" for these purposes could be treated in the same manner as dispositions of the Amended Perpetual Notes. Furthermore, a U.S. Holder generally would be required to file annually a statement (currently, on IRS Form 8621) with its U.S. federal income tax returns concerning such U.S. Holder's investment in Globo. U.S. Holders should consult their own tax advisers regarding the tax consequences that would arise if Globo were treated as a PFIC.

Backup Withholding Tax and Information Reporting

Payments of principal of and interest on, and the proceeds of the sale or other disposition of, the notes payable to a U.S. Holder by a U.S. paying agent or other U.S.-connected intermediary may be reported to the IRS and to the U.S. Holder as required under applicable regulations. Backup withholding will apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number on Internal Revenue Service Form W-9 and otherwise satisfy the requirements of the backup withholding rules. Certain U.S. Holders (including, among others, corporations) are not subject to backup withholding or information reporting. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against its U.S. federal income tax liability if the U.S. Holder provides required information to the IRS on a timely basis.

Other Reporting Requirements

If the SENs are characterized as equity of the SENs Issuer, a U.S. Holder who purchases the SENs may be required to file Form 926 (or similar form) with the IRS. If so required, a U.S. Holder who fails to file any such form could be required to pay a penalty equal to 10% of the gross amount paid for the SENs (subject to a maximum penalty of US$100,000, except in cases of intentional disregard). Under recent legislation, individual U.S. Holders (and certain U.S. entities that may be specified in future IRS guidance) who, during any taxable year, hold any interest in any "specified foreign financial asset" generally will be required to file with their U.S. federal income tax returns a statement setting forth certain information if the aggregate value of all such assets exceeds $50,000. A "specified foreign financial asset" generally includes any financial account maintained with a non-U.S. financial institution and will likely include the notes if they are not held in an account maintained with a U.S. financial institution. A U.S. Holder who fails to file any such form could be required to pay a penalty of $10,000, or a penalty of up to $50,000 for ongoing failure to file. U.S. Holders should consult their own tax advisers with respect to these or any other reporting requirements that may apply with respect to the notes.

European Union Savings Directive (Directive 2003/48/EC)

The Council of the European Union ("EU") has adopted a directive on the taxation of savings income (Directive 2003/48/EC; the "Directive"). Pursuant to the Directive, from July 1, 2005, each member state of the EU is required to provide to the tax authorities of the other member states information regarding payments of interest and other similar income paid by persons within its jurisdiction to individuals and certain other persons who are residents of such other member states, except that Austria and Luxembourg may instead operate a withholding system in relation to such payments for a transitional period, subject to a procedure whereby no such withholding should be levied if the beneficial owner of the payment authorizes the exchange of certain information and/or presents an appropriate certificate from the tax authority of the member state of which such beneficial owner is a resident. Belgium previously operated such a withholding system but with effect from January 1, 2010, ceased to do so and from that date has applied the automatic exchange of information procedure. A number of non-EU countries and territories have adopted measures similar to the Directive. With effect from July 1, 2011, the Isle of Man, which currently operates a withholding system similar to the foregoing, will cease to do so and will operate an exchange information procedure with the EU member states. For the avoidance of doubt, should any deduction or withholding be required to be made, or be made, pursuant to the Directive, no additional amounts shall be payable or paid by Globo or the SENs Issuer.

CERTAIN ERISA CONSIDERATIONS

PURSUANT TO U.S. TREASURY DEPARTMENT CIRCULAR 230, YOU ARE HEREBY INFORMED THAT (A) THIS SUMMARY IS NOT INTENDED AND WAS NOT WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE U.S. FEDERAL TAX LAWS THAT MAY BE IMPOSED ON THE TAXPAYER, (B) THIS SUMMARY WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY GLOBO, THE SENS ISSUER AND THE INITIAL PURCHASERS OF THE NOTES, AND (C) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code impose certain restrictions on (i) employee benefit plans (as defined in Section 3(3) of ERISA) that are subject to Title I of ERISA, (ii) plans described in section 4975(e)(1) of the Code that are subject to Section 4975 of the Code, including individual retirement accounts or Keogh plans, (iii) any entities whose underlying assets include plan assets by reason of a plan's investment in such entities (each of (i), (ii) and (iii), a "Plan" and (iv) persons who have certain specified relationships to such Plans ("Parties in Interest" under ERISA and "Disqualified Persons" under the Code). ERISA also imposes certain duties on persons who are fiduciaries of Plans subject to ERISA and both ERISA and the Code prohibit certain transactions between a Plan and Parties in Interest or Disqualified Persons with respect to such Plans. Either of the Initial Purchasers or the SENs Escrow Agent, as a result of their own activities or because of the activities of an affiliate, may be considered a Party in Interest or a Disqualified Person with respect to Plans. Accordingly, prohibited transactions within the meaning of Section 406 of ERISA and Section 4975 of the Code may arise if the SENs or the Amended Perpetual Notes are acquired by a Plan with respect to which one of the Initial Purchasers or any of their respective affiliates is a Party In Interest or Disqualified Person. Certain exemptions from the prohibited transaction rules could be applicable, however, depending in part upon the type of plan fiduciary making the decision to acquire the SENs and the circumstances under which such decision is made. Included among these exemptions are Prohibited Transaction Exemption ("PTE") 90-1, regarding investments by insurance company pooled separate accounts; PTE 91-38, regarding investments by bank collective investment funds; PTE 84-14, regarding transactions effected by a "qualified professional asset manager;" PTE 96 23, regarding investments by certain in house asset managers; PTE 95-60, regarding investments by insurance company general accounts; and Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code regarding transactions with certain service providers. There can be no assurance that the foregoing exemptions or any other exemption will be available with respect to any particular transaction involving the SENs or the Amended Perpetual Notes. Even if the conditions specified in one or more of these exemptions are met, the scope of the relief provided by these exemptions might or might not cover all acts which might be construed as prohibited transactions.

Plan Asset Regulation

Under ERISA and regulations issued by the Department of Labor ("DOL"), when a Plan acquires an equity interest in an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the U.S. Investment Company Act of 1940, as amended, the assets of the ERISA plan generally include not only such equity interest, but also an undivided interest in each of the underlying assets of such entity, unless it is established that: (i) the entity is an "operating company", or (ii) ownership of each class of equity interest in the entity by "benefit plan investors" (within the meaning of DOL regulations as modified by section 3(42) of ERISA) has a value in the aggregate of less than 25% of the total value of such class of equity interest then outstanding, determined on the date of the most recent acquisition of any equity interest in the entity (the "25% Test").

The DOL regulations defines an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. Although the SENs and Amended Perpetual Notes are denominated as debt, such instruments may be characterized as "equity interests" for purposes of the DOL regulation. Globo should qualify as an "operating company" since it is engaged through majority owned subsidiaries in the media business. In contrast, it is not certain that any of the other exceptions in the DOL regulation will apply to the SENs Issuer and there will be no monitoring of the level of investment in SENs by benefit plan investors for purposes of the 25% Test.

Under the terms of the DOL regulations, if the SENs Issuer were deemed to hold "plan assets" by reason of a Plan's investment in the SENs, such "plan assets" would include an undivided interest in the assets held by the SENs Issuer, including the assets of the Escrow Account and (after they are purchased by the SENs Issuer and prior to the Mandatory Exchange) the Perpetual Notes. In such event, the persons with discretionary authority with respect to such assets may be subject to the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of ERISA and Section 4975 of the Code with respect to transactions involving such assets. Moreover, certain actions taken with respect to such assets could be deemed to constitute prohibited transactions under ERISA or the Code. The SENs Issuer believes that the provisions of the Escrow Agreement and SENs Indenture have been designed to practically eliminate discretionary authority of the SENs Escrow Agent and SENs Issuer thereby reducing the risk of application of the fiduciary and prohibited transaction rules. Investors are encouraged to consult with their independent legal advisors.

In addition, ERISA provides that a Plan fiduciary must maintain the indicia of ownership of "plan assets" within the jurisdiction of the district courts of the United States ("U.S. Indicia Requirements"), except as authorized in DOL regulations. The DOL has published a regulation concerning Plan investment in "foreign securities" and foreign currency. Each fiduciary considering a purchase of the SENs as well as the Amended Perpetual Notes should take into account that the SENs Issuer is a Cayman Islands exempted company and that the Globo is a Brazilian corporation. In addition, such a fiduciary should take into account that the escrow assets will consist of the Eligible Investments (i.e., short-term U.S. Treasury securities) and/or cash, and both the escrow assets and (after they are purchased by the SENs Issuer and prior to the Mandatory Exchange) the Perpetual Notes will be held in New York City by the SENs Escrow Agent, which is a New York bank. Each fiduciary considering a purchase of the SENs and Amended Perpetual Notes for a Plan subject to the U.S. Indicia Requirements must make its own determination whether those requirements will be met if it proceeds to make such a purchase.

In order to minimize the potential for ERISA violations, each purchaser of the SENS, by purchasing the SENs, will be deemed either (a) to have represented and warranted that it is not a Plan or (b) to have (i) directed that the assets be invested in the Eligible Investments and the SENs Issuer to purchase the Perpetual Notes and consent to the amendment and restatement of the Perpetual Notes as described in the SENs Indenture, (ii) represented and warranted that none of its acquisition, holding and disposition of the SENs Notes and ultimate acquisition, holding and disposition of the Amended Perpetual Notes will constitute a non-exempt prohibited transaction under ERISA or Section 4975 of the Code because an exemption, all the conditions of which are met, is available and (iii) agreed that neither the SENs Issuer nor the Escrow Agent will be a fiduciary for purposes of ERISA with respect to any assets of investing Plans but rather a custodian.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing SENs on behalf of or with "plan assets" of any Plan consult with their counsel regarding the potential consequences if the assets of the trust were deemed to be "plan assets" and the availability of exemptive relief under the exemptions mentioned above or any other applicable exemption.

Special Considerations for Other Plan Investors

Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and foreign plans (as described in Section 4(b)(4) of ERISA) are not subject to the requirements of ERISA or Section 4975 of the Code; however, such plans may be subject to foreign, federal, state or local laws or regulations which affect their ability to invest in the Notes ("Similar Law"). Each purchaser of the SENs, by purchasing the SENs, will be deemed to have represented and warranted that either (a) it is not an employee benefit plan that is subject to any such Similar Law or (b) its acquisition, holding and disposition of the SENs Notes and ultimate acquisition and holding of the Amended Perpetual Notes will not constitute a non-exempt prohibited transaction under any such Similar Law. Any fiduciary of such a governmental, church or foreign plan considering an investment in the Notes should determine the need for, and, if necessary, the availability of, any exemptive relief under such laws or regulations.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in a purchase agreement dated April 14, 2010, between the SENs Issuer and the Initial Purchasers, relating to the SENs, the Initial Purchasers have agreed to purchase, and the SENs Issuer has agreed to sell to them, US$325,000,000 principal amount of SENs at the issue price set forth on the cover page of this offering memorandum.

Initial Purchasers	Principal Amount of SENs
Banco Itaú Europa, S.A.—London Branch................	US$162,500,000
HSBC Securities (USA) Inc.......................................	162,500,000
Total..	US$325,000,000

Banco Itaú Europa, S.A.—London Branch is not a broker-dealer registered with the U.S. Securities and Exchange Commission, and therefore may not make sales of any notes in the United States or to U.S. persons except in compliance with applicable U.S. laws and regulations. To the extent that Banco Itaú Europa, S.A.—London Branch intends to effect any sales of the notes in the United States, it will do so only through Itau USA Securities Inc., or one or more U.S. registered broker-dealers or otherwise as permitted by applicable U.S. law.

The purchase agreement provides that the obligations of the Initial Purchasers to purchase the SENs offered hereby are subject to certain conditions precedent and the Initial Purchasers will purchase all of the SENs offered by this offering memorandum if any of these SENs are purchased.

After the initial offering, the Initial Purchasers may change the offering price and other selling terms.

Globo has agreed in a refinancing facilitation agreement dated April 14, 2010, between Globo and Banco Itaú Europa, S.A.—London Branch and HSBC Securities (USA) Inc., to indemnify Banco Itaú Europa, S.A.—London Branch and HSBC Securities (USA) Inc. against some specified types of liabilities, including liabilities under the U.S. federal securities laws, and will contribute to payments Banco Itaú Europa, S.A.—London Branch and HSBC Securities (USA) Inc. may be required to make in respect of any of these liabilities.

The SENs have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in the United States, in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB that is also a QP, purchasing for its own account or for the account of a QIB that is also a QP or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any state of the United States and any other applicable jurisdiction, as further described in “Notice to Investors.” Terms used above have the meanings given to them by Regulation S and Rule 144A under the Securities Act.

In connection with sales outside the United States, the Initial Purchasers have agreed that except for sales described in the preceding paragraph, the Initial Purchasers will not offer, sell or deliver the SENs to, or for the account of, U.S. persons (i) as part of its distribution or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, and they will send to each dealer to whom they sell such SENs during such period a confirmation or other notice setting forth the restrictions on offers and sales of the SENs within the United States or to, or for the benefit of, U.S. persons.

Further, until the expiration of 40 days after the commencement of the offering, any offer or sale of the SENs within the United States by a broker-dealer may violate the registration requirements of the Securities Act, unless such offer or sale is made pursuant to Rule 144A under the Securities Act or another available exemption from the registration requirements thereof.

The SENs are a new issue of securities with no established trading market. The SENs Issuer has applied to list the SENs on the Official List of the Luxembourg Stock Exchange and to admit the SENs for trading on the Euro MTF Market. The Initial Purchasers may make a market in the SENs after completion of the offering, but will not be obligated to do so and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the SENs or that an active public market for the SENs will develop. If an active public trading market for the SENs does not develop, the market price and liquidity of the SENs may be adversely affected.

In connection with this offering, the Initial Purchasers may engage in transactions that stabilize, maintain or otherwise affect the price of the SENs. Specifically, the Initial Purchasers may bid for and purchase SENs in the open market for the purpose of pegging, fixing or maintaining the price of the SENs. In addition, if the Initial Purchasers create a short position in the SENs in connection with the offering by selling more SENs than are listed on the cover page of this offering memorandum, then the Initial Purchasers may reduce that short position by purchasing SENs in the open market. The Initial Purchasers may also impose penalty bids, which would permit the Initial Purchasers to reclaim a selling concession from a dealer when the notes originally sold by those Initial Purchasers are purchased in a covering transaction to cover short positions. In general, purchases of a security for the purpose of stabilizing or reducing a short position could cause the price of that security to be higher than it might otherwise have been in the absence of those purchases.

The Initial Purchasers and their affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for Globo, for which they received or will receive customary fees and expenses.

The Initial Purchasers or their affiliates may enter into derivative or structured transactions with clients, at their request, in connection with the SENs or the Amended Perpetual Notes. The Initial Purchasers or their affiliates may also purchase some of the SENs or the Amended Perpetual Notes to hedge their risk exposure in connection with such transactions. Also, the Initial Purchasers or their affiliates may acquire the SENs or the Amended Perpetual Notes for their own proprietary account. Such transactions may have an effect on demand, price and other terms of the offering.

Globo and the SENs Issuer have agreed in the purchase agreement and the refinancing facilitation agreement, respectively, subject to certain exceptions, that for a period of 90 days after the date of the Mandatory Exchange, neither Globo nor the SENs Issuer or any of Globo’s subsidiaries or other affiliates over which Globo exercises management or voting control, nor any person acting on Globo’s behalf will, without the prior written consent of the Initial Purchasers, offer, sell, contract to sell or otherwise dispose of any securities that are substantially similar to the SENs and the Amended Perpetual Notes.

The SENs Issuer delivered the SENs against payment for the SENs on April 20, 2010.

Certain Selling Restrictions

The SENs are offered for sale in those jurisdictions where it is lawful to make such offers. No action is being taken or is contemplated by Globo that would permit a public offering of the SENs or possession or distribution of any preliminary offering memorandum or offering memorandum or any amendment thereof, any supplement thereto or any other offering material relating to the SENs in any jurisdiction where, or in any other circumstance in which, action for those purposes is required. Accordingly, the SENs may not be offered or sold, directly or indirectly, and neither this offering memorandum nor any other offering material or advertisements in connection with the SENs may be distributed, published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction.

United Kingdom

The Initial Purchasers have represented and agreed that (a) they have only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) received by them in connection with the issue or sale of any SENs which are the subject of the offering contemplated by this offering memorandum in circumstances in which Section 21(1) of the FSMA does not apply to them and (b) they have complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to the SENs in, from or otherwise involving the United Kingdom.

Brazil

The SENs have not been, and will not be, registered with the CVM. The SENs may not be offered or sold in Brazil, except in circumstances that do not constitute a public offering or unauthorized distribution under Brazilian laws and regulations.

Cayman Islands

No invitation may be made to the public in the Cayman Islands to subscribe for the SENs unless at the time of invitation the SENs Issuer is listed on the Cayman Islands Stock Exchange.

Hong Kong

The Initial Purchasers have not (i) offered or sold, and will not offer or sell, in Hong Kong, by means of any document, the SENs other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong (the "Securities and Futures Ordinance") and any rules made under that Ordinance or (b) in other circumstances which do not result in the document being a "offering memorandum" as defined in the Companies Ordinance (Cap. 32 of Hong Kong) or which do not constitute an offer to the public within the meaning of that ordinance or (ii) issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the SENs which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the SENs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance or any rules made under that ordinance.

Singapore

This offering memorandum has not been registered as a offering memorandum with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended (the "Securities and Futures Act"). Accordingly, the SENs may not be offered or sold or made the subject of an invitation for subscription or purchase, nor may this offering memorandum, nor any other document or material in connection with the offer or sale or invitation for subscription or purchase of any SENs, be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person, or any person pursuant to Section 275 (1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act. Each of the following relevant persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased SENs, namely a person who is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the Trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor; should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust, as the case may be, shall not be transferable for 6 months after such corporation or such trust, as the case may be, has acquired the SENs under Section 275 of the Securities and Futures Act except: (i) to an institutional investor under Section 274 of the Securities and Futures Act, to a relevant person or to any person pursuant to Section 275 (1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act; (ii) where no consideration is given for the transfer; or (iii) by operation of law.

Japan

The SENs have not been and will not be registered under the Securities and Exchange Law of Japan (the "Securities and Exchange Law") and the Initial Purchasers have agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Short Selling and Stabilizing Transactions

In connection with the offering, the Initial Purchasers may purchase and sell the SENs in the open market. These transactions may include short sales, purchases to cover positions created by short sales and stabilizing transactions.

Short sales involve the sale by the Initial Purchasers of a greater principal amount of SENs than they are required to purchase in the offering. The Initial Purchasers may close out any short position by purchasing SENs in the open market. A short position is more likely to be created if the Initial Purchasers is concerned that there may be downward pressure on the price of the SENs in the open market prior to the completion of the offering.

Stabilizing transactions consist of various bids for or purchases of the SENs made by the Initial Purchasers in the open market prior to the completion of the offering.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or slowing a decline in the market price of the SENs. Additionally, these purchases, along with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the SENs. As a result, the price of the SENs may be higher than the price that might otherwise exist in the open market. These transactions may be effected in the over-the-counter market or otherwise. If these activities are commenced, they may be discontinued by the Initial Purchasers at any time.

NOTICE TO INVESTORS

Because of the following restrictions you are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of any of the notes.

Rule 144A Notes

Each purchaser of SENs pursuant to Rule 144A, by accepting delivery of this offering memorandum and acquiring SENs, will be deemed to have represented, agreed and acknowledged that:

(1) It is (a) a QIB that is also a QP, (b) not a broker-dealer which owns and invests on a discretionary basis less than U.S.$25 million in securities of unaffiliated issuers, (c) not a participant-directed employee plan, such as a 401(k) plan, (d) acquiring such SENs for its own account or for the account of a QIB that is also a QP, (e) aware, and each beneficial owner of such SENs has been advised, that the sale of such SENs to it is being made in reliance on Rule 144A, and it was not formed for the purpose of investing in the SENs Issuer.

(2) It will (a) together with each account for which it is purchasing, hold and transfer beneficial interests in the SENs in an aggregate principal amount that is not less than the minimum denomination of the SENs and (b) provide notice of the transfer restrictions described below to any subsequent transferees.

(3) The SENs and the Amended Perpetual Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in the United States in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB that, in the case of the SENs, is also a QP, purchasing for its own account or for the account of a QIB that, in the case of the SENs, is also a QP (subject to the further restrictions described in the legend set forth in paragraph (5) below) or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any state of the United States and any other applicable jurisdiction.

(4) The SENs Issuer has the right under the SENs Indenture to compel any beneficial owner that is a U.S. person and is not a QIB and a QP to sell its interest in the SENs, or may sell such interest on behalf of such owner. The SENs Issuer has the right to refuse to honor the transfer of an interest in the SENs to a U.S. person who is not a QIB and a QP.

(5) The SENs will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A)(1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS BOTH A QUALIFIED INSTITUTIONAL BUYER (A “QIB”) WITHIN THE MEANING OF RULE 144A AND A QUALIFIED PURCHASER (A “QP”) WITHIN THE MEANING OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “INVESTMENT COMPANY ACT”), THAT (I) IS NOT A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25 MILLION IN SECURITIES OF UNAFFILIATED ISSUERS, (II) IS NOT A PARTICIPANT-DIRECTED EMPLOYEE PLAN, SUCH AS A 401(K) PLAN, (III) IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT OR FOR ONE OR MORE ACCOUNTS, EACH OF WHICH IS A QIB THAT IS A QP, IN A PRINCIPAL AMOUNT OF NOT LESS THAN THE MINIMUM DENOMINATION FOR THE NOTES FOR THE PURCHASER AND FOR EACH SUCH ACCOUNT AND (IV) WAS NOT FORMED FOR PURPOSES OF INVESTING IN PONTIS LTD. (THE “ISSUER”), AND THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF WILL PROVIDE NOTICE OF THESE

TRANSFER RESTRICTIONS TO ANY SUBSEQUENT TRANSFEREE, OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE UNDER THE INDENTURE GOVERNING THIS NOTE OR ANY INTERMEDIARY. THE ISSUER HAS THE RIGHT UNDER THE INDENTURE GOVERNING THIS NOTE TO COMPEL ANY BENEFICIAL OWNER THAT IS A U.S. PERSON AND IS NOT A QIB AND A QP TO SELL ITS INTEREST IN THE NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER. THE ISSUER HAS THE RIGHT TO REFUSE TO HONOR A TRANSFER OF AN INTEREST IN THE NOTES TO A U.S. PERSON AND WHO IS NOT A QIB AND A QP. THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.

(6) The Amended Perpetual Notes, unless otherwise agreed between Globo and the Trustee in accordance with applicable law, will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A)(1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A, OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.

(7) The SENs offered in reliance on Rule 144A will be represented by the DTC Rule 144A Global SENs Note (and, subsequent to the Mandatory Exchange, the DTC Rule 144A Global Amended Perpetual Note). Before any interest in such DTC Rule 144A Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a DTC Regulation S Global Note, it will be required to provide the SENs Trustee or the Trustee, as applicable, with a written certification (in the form provided in the relevant indenture) as to compliance with applicable securities laws.

(8) (a) It is not a Plan or (b) to have (i) directed that the assets be invested in the Eligible Investments and the SENs Issuer to purchase the Perpetual Notes and consent to the amendment and restatement of the Perpetual Notes as described in the SENs Indenture, (ii) represented and warranted that none of its acquisition, holding and disposition of the SENs Notes and ultimate acquisition, holding and disposition of the Amended Perpetual Notes will constitute a non-exempt prohibited transaction under ERISA or Section 4975 of the Code because an exemption, all the conditions of which are met, is available and (iii) agreed that neither the SENs Issuer nor the Escrow Agent will be a fiduciary for purposes of ERISA with respect to any assets of investing Plans but rather a custodian.

(9) (a) It is not a plan subject to Similar Law or (b) its acquisition, holding and disposition of the SENs Notes and ultimate acquisition and holding of the Amended Perpetual Notes will not constitute a non-exempt prohibited transaction under any Similar Law.

The SENs Issuer, Globo, the Initial Purchasers, the SENs Trustee, the Trustee and others will rely upon the truth and accuracy of the foregoing representations, agreements and acknowledgements. If it is acquiring any notes for the account of one or more QIBs, each purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, agreements and acknowledgements on behalf of each such account.

Prospective purchasers are hereby notified that sellers of the notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S Notes

Each purchaser of SENs outside the United States pursuant to Regulation S and each subsequent purchaser of such SENs in resales prior to the expiration of the distribution compliance period, by accepting delivery of this offering memorandum and acquiring SENs, will be deemed to have represented, agreed and acknowledged that:

(1) It is, or at the time such SENs are purchased will be, the beneficial owner of such SENs and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the SENs Issuer or Globo or a person acting on behalf of such an affiliate.

(2) The SENs and the Amended Perpetual Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in the United States, (x) prior to the expiration of the distribution compliance period, in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believe is a QIB that is also a QP purchasing for its own account or the account of a QIB that is also a QP, and (y) thereafter, pursuant to an exemption from registration under the Securities Act, or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any state of the United States and any other applicable jurisdiction.

(3) The SENs will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A)(1) IN THE UNITED STATES, (X) PRIOR TO THE EXPIRATION OF THE DISTRIBUTION COMPLIANCE PERIOD, IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS BOTH A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A AND A QUALIFIED PURCHASER WITHIN THE MEANING OF THE INVESTMENT COMPANY ACT OF 1940, AND (Y) THEREAFTER, PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION.

(4) The Amended Perpetual Notes will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF

THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A)(1) IN THE UNITED STATES, PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION.

(5) The SENs offered in reliance on Regulation S will be represented by the DTC Regulation S Global SENs Note (and, subsequent to the Mandatory Exchange, the DTC Regulation S Global Amended Perpetual Note). Prior to the expiration of the distribution compliance period, before any interest in the DTC Regulation S Global SENs Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the DTC Rule 144A Global SENs Note, it will be required to provide the SENs Trustee with a written certification (in the form provided in the SENs Indenture) as to compliance with applicable securities laws.

(6) (a) It is not a Plan or (b) to have (i) directed that the assets be invested in the Eligible Investments and the SENs Issuer to purchase the Perpetual Notes and consent to the amendment and restatement of the Perpetual Notes as described in the SENs Indenture, (ii) represented and warranted that none of its acquisition, holding and disposition of the SENs Notes and ultimate acquisition, holding and disposition of the Amended Perpetual Notes will constitute a non-exempt prohibited transaction under ERISA or Section 4975 of the Code because an exemption, all the conditions of which are met, is available and (iii) agreed that neither the SENs Issuer nor the Escrow Agent will be a fiduciary for purposes of ERISA with respect to any assets of investing Plans but rather a custodian.

(7) (a) It is not a plan subject to Similar Law or (b) its acquisition, holding and disposition of the SENs Notes and ultimate acquisition and holding of the Amended Perpetual Notes will not constitute a non-exempt prohibited transaction under any Similar Law.

The SENs Issuer, Globo, the Initial Purchasers, the SENs Trustee, the Trustee and others will rely upon the truth and accuracy of the foregoing representations, agreements and acknowledgements.

LISTING AND GENERAL INFORMATION

1. The CUSIP, ISIN and Common Code numbers for the notes are as follows:

	SENs	
	DTC Rule 144A Global SENs Note	**DTC Regulation S Global SENs Note**
CUSIP	732650 AA4	G7170K AA5
ISIN	US732650AA41	USG717OKAA54
Common Code	050394271	050394107

	Amended Perpetual Notes	
	DTC Rule 144A Global Amended Perpetual Notes	**DTC Regulation S Global Amended Perpetual Notes**
CUSIP	37957T AG6	P47773 AK5
ISIN	US37957TAG67	USP47773AK54
Common Code	051306333	051306473

2. The Global Notes will be registered in the name of a nominee of DTC and deposited on behalf of the purchasers of the SENs represented thereby with a custodian for DTC for credit to the respective accounts of direct or indirect participants in DTC, including Euroclear or Clearstream.

3. Copies of Globo's latest annual audited consolidated financial statements and unaudited condensed consolidated quarterly financial statements may be obtained (free of charge) at the offices of the principal paying agent and any other paying agent, including any Luxembourg paying agent, and copies of the estatuto social (by-laws) of Globo, as well as the indentures and any amended and restated or supplemental indentures (including the form of notes), will be available (each, free of charge) at the offices of the principal paying agent and any other paying agent, including any Luxembourg paying agent. Globo does not publish annual and interim non-consolidated financial statements.

4. Except as disclosed in this offering memorandum, there has been no material adverse change in Globo's financial position since December 31, 2009, the date of the latest audited consolidated financial statements included elsewhere in this offering memorandum. There has been no material adverse change in the SENs Issuer's financial position since its date of incorporation.

5. Except as disclosed in this offering memorandum, Globo is not involved in any litigation or arbitration proceedings relating to claims or amounts that are material in the context of this offering, nor so far as Globo is aware is any such litigation or arbitration pending or threatened. The SENs Issuer is not involved in any litigation or arbitration proceedings relating to claims or amounts that are material in the context of this offering, nor so far as the SENs Issuer is aware is any such litigation or arbitration pending or threatened.

6. Ernst & Young has agreed to the inclusion of their reports in this offering memorandum in the form and context in which they are included.

7. The SENs Issuer has applied to list the SENs on the Official List of the Luxembourg Stock Exchange and to admit the SENs for trading on the Euro MTF Market. Application has been made to list the Amended Perpetual Notes on the Official List of the Luxembourg Stock Exchange and to admit the Amended Perpetual Notes for trading on the Euro MTF Market.

8. So long as the notes are listed on the Luxembourg Stock Exchange and the rules of this exchange so require, the SENs Issuer or Globo, as the case may be, shall appoint and maintain a paying agent in Luxembourg, where the notes may be presented or surrendered for payment or redemption, in the event that the Global Notes are exchanged for definitive certificated notes. In addition, in the event that the Global Notes are exchanged for definitive certificated notes, announcement of such exchange will be made in the manner provided under "Description of the SENs—Notices" and "Description of the Amended Perpetual Notes—Notices," as the case may

be, and such announcement will include all material information with respect to the delivery of the definitive certificated notes, including details of the paying agent in Luxembourg.

9. The issuance of the SENs was authorized by a resolution of the board of directors of the SENs Issuer, passed on April 6, 2010. The issuance of the Amended Perpetual Notes was authorized by a resolution of the special stockholders of Globo, passed on March 26, 2010.

10. Globo and the SENs Issuer are responsible for the offering memorandum and, to the best of Globo's and the SENs Issuer's knowledge, the information given in the offering memorandum is in accordance with the facts and contains no omissions likely to affect the import of the offering memorandum.

VALIDITY OF SECURITIES

The validity of the Amended Perpetual Notes will be passed upon for Globo by Debevoise & Plimpton LLP. Certain legal matters relating to the issuance of the notes will be passed upon by Cleary Gottlieb Steen & Hamilton LLP, New York, New York. Certain matters of Brazilian law relating to the Amended Perpetual Notes will be passed upon for Globo by Pinheiro Guimarães Advogados and for the Initial Purchasers by Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados. Certain matters of Cayman Islands law relating to the SENs will be passed upon by Walkers.

INDEPENDENT ACCOUNTANTS

The parent and consolidated financial statements of Globo as of and for the years ending December 31, 2009, 2008 and 2007 have been audited by Ernst & Young Auditores Independentes S.S., independent registered public accounting firm, as stated in their reports included herein.

ANNEX A—PRINCIPAL DIFFERENCES BETWEEN BRAZILIAN GAAP AND U.S. GAAP

Globo's financial statements are prepared in accordance with accounting practices adopted in Brazil ("Brazilian GAAP") which comprise the Brazilian Corporation Law (Law nº 6.404 of December 15, 1976, as amended by the laws No. 11.638 of December 28, 2007 and No. 11.941 of May 27, 2009) and the technical pronouncements issued by the Accounting Pronouncements Committee ("Comitê de Pronunciamentos Contábeis" or "CPC"). All companies incorporated as corporations ("Sociedades Anônimas"), such as Globo, are required to adopt them.

The main purpose of updating the Brazilian corporate law is to enable Brazilian companies to participate in the international convergence in accounting standards under the leadership of the International Accounting Standards Board ("IASB") which issues International Financial Reporting Standards ("IFRS"). These new laws allow the Brazilian Securities Commission ("Comissão de Valores Mobiliários" or "CVM") to issue new standards and procedures. Six Brazilian organizations from the private sector founded the Brazilian Accounting Pronouncements Committee ("Comitê de Pronunciamentos Contábeis" or "CPC"), which establishes new standards that are endorsed by the accounting agencies of the government, the regulation of the accounting profession and independent auditors.

Through 2008, the CPC issued fifteen technical pronouncements and two technical orientations which are based on IFRS, but not identical. The requirements are effective for fiscal years beginning on or after January 1, 2008. Globo's consolidated financial statements as of and for the year ended December 31, 2008 incorporate these standards but Globo's consolidated financial statements as of and for the year ended December 31, 2007 do not recognize these rules. Additionally, during 2009, the CPC issued several technical pronouncements and interpretations, effective beginning January 1, 2010

This comparison considers the rules applicable to Globo's consolidated financial statements as of and for the years ended December 31, 2009 and 2008.

Accounting Standards Codification

On October 2, 2009, the Financial Accounting Standards Board ("FASB") developed the FASB Accounting Standards Codification ("ASC" or the "Codification"). The Codification created a single source of authoritative non-governmental U.S. generally accepted accounting principles ("U.S. GAAP"). All previous level (a)-(d) U.S. GAAP standards issued by a standard setter are superseded. Level (a)-(d) U.S. GAAP refers to the previous accounting hierarchy. All other accounting literature not included in the Codification will be considered non-authoritative. References to the ASC herein include the new Codification and related topics.

Inflation Effects

Effective January 1, 1996, as a consequence of the low levels of inflation in the Brazilian economy, monetary restatement was abolished from the Corporate Law Method. In addition, pursuant to CVM Instruction No. 248 dated March 29, 1996, the Integral Restatement method is no longer required to be used by companies registered with the CVM. The Integral Restatement method, however, may be used at the option of the company and should be presented as supplemental information. Since 1997, Brazil is no longer recognized as a hyperinflationary economy, according to ASC No. 830-10-45 "Foreign Currency Matters" (SFAS No. 52).

Differences between Brazilian GAAP and U.S. GAAP

The following summary of the principal differences between Brazilian GAAP and U.S. GAAP relating to nonfinancial institutions does not purport to be complete and is subject to and qualified in its entirety by reference to the respective pronouncements of the Brazilian and U.S. accounting professions. The description of the U.S. accounting principles does not include any additional accounting adjustments or disclosures that might be required by the SEC. The effect of these differences on the financial statements of Globo has not been quantified.

Industry Standards for Entertainment Sector

There are no specific accounting pronouncements in Brazil covering broadcast television, motion picture and recording and music industries. Pronouncement CPC No. 4 – Intangibles, which is based on IFRS (IAS 38), does not recognize operations form the media industry. In Globo, film, live events and other exhibition rights are recorded at the acquisition cost and recognized when such rights become available or are paid, and are expensed as the films and events are aired or at the end of the contract term, whichever occurs first. Film costs include the unamortized cost of film and television series rights acquired from third parties pursuant to acquisition agreements. The film costs recognized for a given film as it is exhibited, throughout its contractual life cycle, is determined based upon the estimated revenues for each exhibition. Live events comprise mainly soccer championships transmission rights.

Under U.S. GAAP, the topics applicable to broadcasters, producers or distributors of films and licensors and licensees in the record and music industry are ASC No. 920, 926 and 928 “Entertainment—Broadcasters, Films and Music” (SFAS Nos. 63, 53 and 60), respectively. The content of these topics establish specific criteria for financial statement presentation of purchase commitments for acquisition of rights, methods of amortization of exhibition rights, criteria for valuation of license agreements, among others, and the minimum required disclosures in the financial statements of entities with operations in these industries. In the broad terms, Globo’s accounting practices are similar to U.S. GAAP.

Debt Restructuring

Under Brazilian GAAP, restructured loans are not distinguished from normal financing activities and any gain or loss arising from a debt restructuring flows through the statement of operations when the restructuring is consummated.

Under U.S. GAAP, ceasing making payments on outstanding debt and entering into negotiations with lenders and credit holders due to the lack of liquid resources and difficulties in obtaining alternate financing at reasonable interest rates to repay the principal and satisfy the obligations under the terms of Globo’s debt instruments and obtaining concessions by the creditors, including the acceptance of new notes or securities with extended maturity dates, accepting different interest rates and currency exposure as well as waiving certain rights under the debt arrangements constitutes a trouble debt restructuring that is accounted for in accordance with ASC No. 470 “Debt – Troubled Debt Restructurings by Debtor” (SFAS No.15). ASC No. 470 requires that the carrying amount of the outstanding debt be compared to the undiscounted aggregated future amount of cash flows determined according to the restructured terms of the debt. If the aggregated future amount of cash flows exceeds the carrying value of debt no gain on the restructuring is recognized and future interest expense is determined using an effective interest rate that equates the present value of the future cash payments specified by the new debt instruments with the carrying amount the outstanding debt. If no gain is determined, any deferred costs associated with the debt are expensed at the consummation of the transaction. If the aggregated future amount of cash flows is lower than the carrying amount of the debt a gain would be recognized on the restructuring and any costs incurred by the debtor would be deducted in measuring the gain on restructuring.

Consolidation and Proportional Consolidation

Consolidated financial statements are not required for private companies and the consolidation is not the primary information. Under Brazilian GAAP (Law No. 6.404 of December 15, 1976, as amended), consolidation of subsidiaries is required in the case of publicly traded companies if the aggregate amount of such investments in subsidiaries (valued by the equity method) exceeds 30% of the parent company’s shareholder’s equity.

As per CVM Instructions No. 247 of March 27, 1996, as amended by CVM Instructions Nos. 269/97 and 285/98, through November 30, 1996, consolidated financial statements should consolidate the following entities: (i) entities in which the company has voting rights that provide it with the ability to have the majority on social decisions and to elect the majority of the members of the Board; (ii) overseas branches; and (iii) companies under common control or controlled by shareholders’ agreements irrespective of the participation in voting stock joint ventures are to be accounted for under the proportional consolidation method. Pursuant to CVM Instruction No. 408 dated August 18, 2004 public companies will be required to consolidate special purposes entities for financial years ending after January 1, 2005 when the company is the primary beneficiary of the SPE. This specific Brazilian rule is similar to ASC No. 805-10-45 “Business Combinations—Foreign Currency Matters” (FASB Interpretation or FIN No. 46).

Under U.S. GAAP, the consolidated financial statements are presented as the primary rather than supplementary financial statements.

Under U.S. GAAP, the usual requirement for consolidation is the ownership of a majority voting interest. Therefore, as a general rule, the condition for consolidation is the ownership by one company, directly or indirectly, of over 50% of the outstanding voting shares of another company. Joint ventures are usually accounted for under the equity method of accounting. Proportional consolidation generally is not allowed under U.S. GAAP.

ASC Nº 810-10-15 “Consolidation—Variable Interest Entities” (FASB Interpretation or FIN No. 46), requires consolidation of “variable interest entities”. Variable interest entities are entities with the following characteristics: (a) the equity at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support provided by any parties, including equity holders; and (b) the equity investors lack one or more of the following essential characteristics of a controlling financial interest: (i) the direct or indirect ability through voting rights or similar rights to make decisions about the entity’s activities. The investors do not have that ability through voting rights or similar rights if no owners hold voting rights or similar rights; (ii) the obligation to absorb the expected losses of the entity, which makes it possible for the entity to finance its activities. The investors do not have that obligation if they are directly or directly protected from the expected losses or are guaranteed a return by the entity itself or by other parties involved with the entity; or (iii) the right to receive the expected residual returns of the entity, which is the compensation for the risk of absorbing the expected losses. The investors do not have that right if their return is capped by the entity’s governing documents or arrangements with other variable interest holders or the entity.

Equity Method of Accounting

Under U.S. GAAP, the equity method of accounting is applicable only to those investments based on U.S. GAAP underlying financial statements in which the company has a 20% to 50% ownership interest and significant influence over the operations of the investee and in joint ventures in which neither party has control. Investments under 20% are carried at cost or fair value. Under U.S GAAP, the equity method is not an appropriate substitute for consolidation and, where consolidated financial statements are required, non-consolidated financial statements generally are not reported.

Brazilian GAAP requires the disclosure of parent and consolidated financial statements. In the parent’s financial statements, subsidiaries are recognized by the equity method. The equity method is also applied if an investor has significant influence or voting interest greater than 20% of the outstanding voting capital of the investee. Also, if the parent company has less than 20% ownership interest in an investee and the company is controlled by another subsidiary, the equity method is applied. Permanent investments under 20% are carried at cost.

Under Brazilian GAAP, the investor should recognize a provision for losses on investments accounted for by the equity method when there is an intention to provide funding to investees or, formal or operational responsibility to cover the negative working capital. This recognition does not apply in case investees do not present stoppage evidence or necessity of funding provided by the investor. The loss must also be effective or definitive.

Under U.S. GAAP, a provision for unsecured liabilities is only recognized if a majority shareholder has a formal agreement with the investee’s creditors.

Business Combinations, Purchase Accounting and Goodwill

Under U.S. GAAP, in accordance with ACS No. 805 “Business Combinations” (SFAS No. 141), the purchase method is used. Under this method, the acquiring company records identifiable assets and liabilities acquired at fair values. After the assets and liabilities of the acquired company are adjusted to the fair value as of the acquisition date, if the purchase price exceeds the amount of such fair value, the excess is recorded as goodwill in the books of the acquiring company. Also, under, ACS No. 350 “Intangibles—Goodwill and Other” (SFAS No. 141 and SFAS No. 142), goodwill and other intangible assets with indefinite lives are not amortized. Instead, goodwill shall be tested for impairment annually. If the carrying amount of goodwill exceeds its fair value, an impairment losses shall be recorded in an amount equal to that excess. Under ACS No. 805 “Business Combination—Gain from Bargain Purchase” (SFAS No. 141), the excess of fair value on net assets acquired over the purchase price, referred to as gain from bargain purchase, was initially used to reduce noncurrent assets to zero, and any unallocated gain from bargain purchase is recognized as an extraordinary gain in the statement of operations.

Under Brazilian GAAP, combinations are not specifically addressed by one specific accounting pronouncement. Pursuant to Corporate Law 6,404/76 and CVM Instructions, the application of the purchase method is based on book values. Goodwill or negative goodwill recorded on the acquisition of a company is calculated as the difference between the cost of acquisition and the net book value. Since January 1, 2009, goodwill related to future profitability is no longer amortized and is evaluated for impairment. When considered appropriate, goodwill may be written-off immediately on acquisitions. Gain from bargain purchase may be recorded in income over a period consistent with the period over which the investee is expected to incur losses or otherwise is normally only realized upon disposal of the investment. In the Consolidated Financial Statements is presented as a non-current liability.

Cash and Cash Equivalents and Marketable Securities

Under Brazilian GAAP, pursuant to CPC Pronouncement No. 3—Statement of Cash Flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

Under U.S. GAAP, ACS No. 230 “Statement of Cash Flow” (SFAS No. 95) defines cash equivalents as short-term highly liquid investments that are both (i) readily convertible to known amounts of cash and (ii) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less qualify under that definition. Not all investments that qualify are required to be treated as cash equivalents, though. An enterprise shall establish a policy concerning which short-term, highly liquid investments that satisfy the definition above are treated as cash equivalents. An enterprise shall disclose its policy for determining which items are treated as cash equivalents.

For U.S. GAAP purposes, debt securities are classified under ACS No.230 Investments “Debt and Equity Securities” (SFAS No.115). Those investments are to be classified in three categories and accounted for as follows:

- Debt securities that the enterprise has the positive intent and ability to hold to maturity are classified as held-to-maturity securities and reported at amortized cost.
- Debt and equity securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and reported at fair value, with unrealized gains and losses included in earnings.
- Debt and equity securities not classified as either held-to-maturity securities or trading securities are classified as available-for-sale securities and reported at fair value, with unrealized gains and losses excluded from earnings and reported in a separate component of shareholders’ equity.

In 2008, CPC Pronouncement No. 14—Financial Instruments: Recognition, Measurement and Disclosure was issued, comprising a similar position.

In Brazilian non-financial companies which hold 100% of exclusively investment funds quotas, such investments are classified as securities for trading, appraised at market value, whose earnings are reflected in financial revenues. This accounting practice is based on the financial statements of the exclusively investment funds, prepared according to the rules of the Central Bank of Brazil ("Banco Central do Brasil" or "BACEN").

Inventories

Inventories are valued at the lower of cost or net realizable value. In Brazil, the actual cost of production can be determined by the first-in, first-out (FIFO) or average cost methods.

Under U.S. GAAP, inventories are stated at the lower of cost or market. In the U.S., the actual cost of production can be determined by the first-in, first-out (FIFO), the last-in, first-out (LIFO) or average cost methods. Additionally, written-down inventories must be charged against cost of sales.

Capitalization of Financing Costs During Construction or Production

For public companies in Brazil, the CVM requires that financial costs of borrowed funds incurred during the construction or acquisition period of qualified assets be capitalized as part of the cost of such assets and depreciated over the respective life of the productive assets. Capitalization normally includes foreign exchange losses.

Under U.S. GAAP, interest costs, excluding foreign exchange losses, incurred during the construction or acquisition period of qualified assets are capitalized as part of the cost of such assets and depreciated over the respective useful life of the asset.

Impairment of Long-Lived Assets

Under Brazilian GAAP, companies are required to determine if its assets are carried at no more than their recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. The value in use is obtained from a discounted future cash flow.

Under U.S. GAAP, in accordance with ACS No. 360-10-15-3 "Impairment or Disposal of Long-Lived Assets" (SFAS No. 144), a provision for impairments is recorded against long-lived assets when there is an indication, based on a review of undiscounted future cash flows, that the carrying value of an asset or a group of assets may not be recoverable.

Accrued Interest and Indexation Adjustments

Under Brazilian GAAP, accrued interest and indexation adjustments are presented with the principal amounts.

Under U.S. GAAP, accrued interest and indexation adjustments would be separately recorded.

Income Taxes

Under Brazilian GAAP, deferred income taxes are recognized in the accounting for income and expenses for timing differences between financial accounting and tax accounting. Under Brazilian GAAP, a deferred tax asset net of valuation allowance is recorded only if it is probable that the assets will be recovered by taxes payable on future profits.

Under U.S. GAAP, in accordance with ACS No. 740 "Income Taxes" (SFAS No. 109), deferred taxes are recognized by the liability method for temporary differences between the financial accounting and income tax basis of assets and liabilities and significant tax disclosures are required. Deferred tax benefits are recognized as assets.

A valuation allowance is recognized if, based on available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized.

Pension and Other Benefits

Deliberation CVM No. 371 was issued in 2000 and should be applied by plan sponsors to account for employee benefits including pension costs and other post-employment benefits. Under the standard, an actuarial method is used for determining defined benefit pension costs and other post-employment benefits and provides for the deferral of actuarial gains and losses.

ACS No. 715-30 “Compensation—Retirement Benefits—Definide Benefit Plans—Pension” (SFAS No. 158) requires employers to recognize the over funded or underfunded status of defined benefit postretirement plans as an asset or a liability and to recognize the changes in the funded status through comprehensive income. ACS No. 715-30 also requires that defined benefit plan assets and obligations be measured as of the fiscal year-end.

Comprehensive Income

Under U.S. GAAP, ACS No. 220 “Comprehensive Income” (SFAS No. 130) requires the disclosure of comprehensive income. Comprehensive income is comprised of net income and other comprehensive income (“OCI”) items. OCI refers to revenues, expenses, gains and losses that are included in comprehensive income but excluded from the net income. Examples of OCI include: Gain or Loss unrealized on Marketable Securities, Foreign Currency Translation Adjustment, the variation in that balance of the Pension Plan and some transactions with Financial Instruments.

Brazilian GAAP does not have this specific requirement. Nevertheless, this concept is applied byadjusting Shareholders’ Equity directly for the same items identified above under U.S. GAAP.

Segment Information

Under Brazilian GAAP, there is no legal requirement to present financial reporting for segments. However, the CVM considers this disclosure an improvement of accounting practices that should be adopted by Companies.

Under U.S. GAAP, ACS No. 280 “Segment Reporting” (SFAS No. 131) sets forth standards for reporting of revenue, operating profit or loss and identifiable assets, as defined, for industry segments and foreign and domestic operations which meet specified criteria according to the view of the business model used by the management.

Financial Instruments and Concentration of Credit Risk

Under Brazilian GAAP, for publicly held companies (as required by the CVM), financial instruments and derivatives may be accounted for at cost, contract value or marked with footnote disclosure of the type and amounts of financial instruments and derivatives.

U.S. GAAP accounting and disclosure is governed by ACS No. 815 “Derivative Hedging” (SFAS No. 133), establishes accounting disclosure for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities. This standard requires that an entity recognize all derivatives as either assets or liabilities and measure those instruments at fair value. If certain conditions are met, a derivative may be designated as: (i) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment; (ii) a hedge of the exposure to variable cash flows of a forecasted transaction; (iii) a hedge of the foreign currency exposure of a net investment in a foreign operation; (iv) an unrecognized firm commitment; (v) an available for sale security; or (vi) a foreign currency-denominated forecasted transaction.

The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation. Derivatives that are not designated, as part of a hedging relationship, must be adjusted to fair value through income. Certain conditions must be met in order to designate a derivative as a hedge. If the derivative is a hedge, depending on the nature of the hedge, the effective portion of the hedge's change in fair value is either: (i) offset against the change in fair value of the hedged asset, liability or firm commitment through income or (ii) held in equity until the hedged item is recognized in income. The ineffective portion of a hedge's change in fair value is immediately recognized in income.

Earnings per Share

Under Brazilian GAAP, disclosure of earnings per share for a corporation is computed based on the number of shares outstanding at the end of the year.

Under U.S. GAAP, in accordance with ACS No. 260 "Earnings per Share" (SFAS No. 128), the presentation of earnings per share on the face of the income statement is required for public companies, including earnings per share from continuing operations and net income per share and the per share effect of discontinued operations, extraordinary items and changes in accounting principles. A dual presentation is required: primary earnings per share and fully diluted earnings per share. Computation of earnings per share data should be based on the weighted average number of common share equivalents outstanding during each period presented.

Foreign Exchange Gain (Loss) from the Translation of Foreign Subsidiaries

The functional currency of Globo is the Brazilian reais, the same currency used for the preparation and presentation of Globo's consolidated financial statements.

Under Brazilian GAAP, CPC Pronouncement No. 2—Effects of Foreign Exchange Rates and Translation of Financial Statements, some foreign subsidiaries were considered an extension of Globo's operations and, therefore, the Brazilian reais were elected to be their functional currency. These subsidiaries are recognized by the equity method in Globo's consolidated financial statements. In the consolidated financial statements, non-monetary assets and capital accounts have been translated into Brazilian reais based on the exchange rate prevailing at the time the transactions occurred. Monetary assets and liabilities denominated in foreign currency were translated at the official exchange rates at each balance sheet date.

Other foreign subsidiaries have the majority of their transactions denominated in U.S. dollars. As a result, Globo elected to use the U.S. dollar as their functional currency. Accordingly, their balance sheet accounts were translated at the closing rates of each balance sheet date and the income statement accounts were translated using a monthly average rate. Capital accounts were translated based on the exchange rate prevailing at the time the transactions occurred. Gain or loss translation adjustments are recorded in the shareholders' equity.

U.S. GAAP does not rquire separation between independent or extension subsidiaries and all gains or losses from the translation of foreign subsidiaries usually are recorded directly to stockholders' equity as cumulative translation adjustments, a component of other comprehensive income.

Dividends and Interest on Capital

Under Brazilian GAAP, at each year-end, management is required to propose a dividend distribution from earnings and accrue for this in the financial statements. Under Brazilian GAAP, at each balance sheet date the directors are required to propose a dividend distribution from earnings, subject to ratification by the shareholders' meeting, and accrue for this in the financial statements. Brazilian corporations are allowed to attribute interest to shareholders' equity. The calculation is based on the shareholders' equity amounts as stated in the statutory accounting records and the interest rate applied may not exceed the long term interest rate ("TJLP") determined by the Brazilian Central Bank—BACEN. Also, such interest may not exceed the greater of 50% of net income for the year or 50% of retained earnings plus revenue reserves, determined in each case on the basis of the statutory financial statements. The amount of interest attributed to shareholders is deductible for corporate income tax purposes and applied towards the mandatory minimum dividend, being presented as a deduction from shareholders' equity.

Accordingly, the benefit to the Company, as opposed to making a dividend payment, is a reduction in income tax charge equivalent to the statutory rate applied to such amount. Income tax is imposed on interest payments at the rate of 15%.

Under U.S. GAAP, since proposed dividends may be ratified or modified at the annual Shareholders' Meeting, such dividends would not be considered as declared at the balance sheet date and would therefore not be accrued. However, interim dividends paid or interest credited to shareholders as capital remuneration under Brazilian legislation would be considered as declared for U.S. GAAP purposes.

Classification of Statement of Operations

Under Brazilian GAAP, financial income and expenses and equity in earnings of investees are normally included in operating profit.

Under U.S. GAAP, financial income and expenses and profit and equity in earnings of investees are excluded from operating profit. Extraordinary items are classified as a separate line item net of income tax effects.

Financial Statement Note Disclosure

Brazilian GAAP in general requires less information to be disclosed in financial statement footnotes than U.S. GAAP. Disclosures required under U.S. GAAP not typically found in Brazilian GAAP financial statements include:

- Details of guarantees provided to third parties;
- Irrevocable commitments such as take-or-pay or minimum sales contracts;
- Advertising expense and assets;
- Fair value of assets and liabilities; and
- Footnote disclosure of summarized financial statements of affiliated companies which meet certain levels of significance.

Brazilian GAAP requires a greater level of disclosure than U.S. GAAP for investments in subsidiaries, joint ventures and affiliates.

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Independent auditors' report

The Board of Directors and Shareholders of
Globo Comunicação e Participações S.A.
Rio de Janeiro—RJ

We have audited the accompanying balance sheets of Globo Comunicação e Participações S.A. and the accompanying consolidated balance sheets of Globo Comunicação e Participações S.A. and its subsidiaries as of December 31, 2009 and 2008, and the related statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements.

We conducted our audits in accordance with auditing standards generally accepted in Brazil, including: a) the planning of our work, taking into consideration the materiality of balances, the volume of transactions and the accounting and internal control systems of the Company and its subsidiaries; b) the examination, on a test basis, of the documentary evidence and accounting records supporting the amounts and disclosures in the financial statements; and c) an assessment of the accounting practices used and significant estimates made by management, as well as an evaluation of the overall financial statement presentation.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Globo Comunicação e Participações S.A. and the consolidated financial position of Globo Comunicação e Participações S.A. and its subsidiaries at December 31, 2009 and 2008, and the results of their operations, changes in their shareholders' equity and their cash flows for the years then ended, in accordance with the accounting practices adopted in Brazil.

Rio de Janeiro, March 12, 2010

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP 015.199/O-6-F-RJ

Paulo José Machado
Accountant CRC-1RJ 061.469/O-4

GLOBO COMUNICAÇÃO E PARTICIPAÇÕES S.A.

Balance sheets
December 31, 2009 and 2008
(In thousands of Brazilian reais)

		Parent Company		Consolidated	
	Note	2009	2008	2009	2008
Assets					
Current assets					
Cash and cash equivalents	3	**949,364**	743,227	**1,169,034**	1,078,210
Marketable securities	3	**1,952,403**	1,518,093	**2,135,048**	1,518,093
Accounts receivable		**849,690**	653,211	**1,042,053**	862,826
Allowances for doubtful accounts		**(22,102)**	(29,287)	**(33,031)**	(43,960)
Transmission and exhibition rights	4	**623,950**	425,492	**711,373**	514,838
Other		**232,371**	215,162	**388,684**	341,101
Total current assets		**4,585,676**	3,525,898	**5,413,161**	4,271,108
Non-current assets					
Long-term assets					
Accounts receivable from related parties	6	**315,553**	398,402	**1,367**	1,172
Transmission and exhibition rights	4	**145,320**	337,030	**148,444**	339,823
Marketable securities	3	**—**	40,986	**—**	40,986
Subscription rights	5	**43,370**	102,344	**42,408**	98,299
Legal deposits	13	**188,837**	138,817	**238,364**	186,119
Deferred income tax and social contribution	10	**527,222**	244,847	**580,602**	303,201
Other		**14,156**	22,953	**92,641**	81,830
Investments	7	**1,029,126**	734,164	**121,887**	2,157
Property, plant and equipment	8	**1,614,701**	1,619,161	**2,031,573**	1,895,317
Intangible assets	9	**1,031,233**	1,021,251	**1,268,869**	1,232,678
Total non-current assets		**4,909,518**	4,659,955	**4,526,155**	4,181,582
Total assets		**9,495,194**	8,185,853	**9,939,316**	8,452,690

GLOBO COMUNICAÇÃO E PARTICIPAÇÕES S.A.

Balance sheets (Continued)
December 31, 2009 and 2008
(In thousands of Brazilian reais)

	Note	Parent Company 2009	Parent Company 2008	Consolidated 2009	Consolidated 2008
Liabilities and shareholders' equity					
Current liabilities					
Debt	**11**	**16,660**	22,657	**38,909**	35,336
Accounts payable		**492,781**	437,696	**728,532**	709,018
Dividends	**6**	**636,096**	552,487	**640,234**	553,944
Advances from customers		**1,241,282**	793,238	**1,347,775**	877,155
Salaries and social benefits		**329,569**	285,678	**370,895**	325,834
Other		**108,686**	137,166	**197,212**	195,415
Total current liabilities		**2,825,074**	2,228,922	**3,323,557**	2,696,702
Non-current liabilities					
Debt	**11**	**1,014,073**	1,326,868	**1,159,893**	1,444,728
Accounts payable		**173,282**	174,418	**180,958**	176,705
Accounts payable to related parties		**519**	22,061	**6,923**	30,033
Provision for losses on investments	**7**	**385,375**	498,559	**1,086**	1,833
Provision for contingencies	**13**	**212,118**	442,338	**307,235**	578,068
Pension plan and benefits	**14**	**64,448**	67,711	**64,564**	68,044
Deferred income tax and social contribution	**10**	**154,273**	—	**155,010**	—
Other		**38,814**	62,356	**124,467**	107,594
Total non-current liabilities		**2,042,902**	2,594,311	**2,000,136**	2,407,005
Minority interests		**—**	—	**1,541**	31
Shareholders' equity	**12**				
Capital		**2,434,758**	2,434,758	**2,434,758**	2,434,758
Profit reserves		**2,206,849**	903,137	**2,193,713**	889,469
Cumulative translation adjustment		**(14,389)**	24,725	**(14,389)**	24,725
Total shareholders' equity		**4,627,218**	3,362,620	**4,614,082**	3,348,952
Total liabilities and shareholders' equity		**9,495,194**	8,185,853	**9,939,316**	8,452,690

See notes to the financial statements.

GLOBO COMUNICAÇÃO E PARTICIPAÇÕES S.A.

Statements of income
Years ended December 31, 2009 and 2008
(In thousands of Brazilian reais, except earnings per share)

	Note	Parent Company		Consolidated	
		2009	**2008**	**2009**	**2008**
Sales, advertising and services					
Third parties		**6,249,322**	5,798,492	**8,136,568**	7,434,405
Related parties	**6**	**259,233**	229,389	**1,244,552**	1,018,670
Taxes and other deductions		**(289,127)**	(257,464)	**(995,369)**	(851,536)
Net operating revenues		**6,219,428**	5,770,417	**8,385,751**	7,601,539
Cost of sales and services		**(4,065,685)**	(3,354,712)	**(4,938,597)**	(4,102,552)
Gross profit		**2,153,743**	2,415,705	**3,447,154**	3,498,987
Operating expenses					
Selling		**(768,502)**	(728,278)	**(1,046,023)**	(969,502)
General and administrative		**(695,490)**	(649,065)	**(1,066,664)**	(988,977)
Depreciation and amortization		**(45,999)**	(41,285)	**(62,371)**	(54,949)
Gain (loss) on sale of property, plant and equipment and intangible		**634**	795	**2,905**	(5,494)
Other operating expenses		**—**	—	**(1,783)**	2,379
Net operating income before financial and investments results		**644,386**	997,872	**1,273,218**	1,482,444
Financial income (expense), net	**15**	**230,563**	(123,377)	**357,408**	(246,631)
Investment results	**16**	**711,748**	241,416	**103,822**	76,845
Amortization of goodwill		**—**	(544,785)	**—**	(562,978)
Income before income tax and social contribution		**1,586,697**	571,126	**1,734,448**	749,680
Income tax and social contribution benefit (expense)	**10**	**317,015**	(97,726)	**169,191**	(252,953)
Net income before minority interest		**1,903,712**	473,400	**1,903,639**	496,727
Minority interest		**—**	—	**519**	(4)
Net income for the year		**1,903,712**	473,400	**1,904,158**	496,723
Earnings per share outstanding at the end of the year		**1,903.71**	473.40		

See notes to the financial statements.

GLOBO COMUNICAÇÃO E PARTICIPAÇÕES S.A.

Statements of changes in shareholders' equity
Years ended December 31, 2009 and 2008
(In thousands of Brazilian reais)

			Profit reserves				
	Capital	Revaluation reserve	Legal reserve	Retained earnings reserves	Cumulative translation adjustment	Retained earnings	Total
Balances at December 31, 2007	2,434,758	459	71,519	—	—	1,040,127	3,546,863
Write-off of deferred assets—Law 11638/07	—	—	—	—	—	(2,368)	(2,368)
Realization of revaluation reserve	—	(459)	—	—	—	459	—
Translation adjustment	—	—	—	—	24,725	—	24,725
Net income for the year	—	—	—	—	—	473,400	473,400
Dividends	—	—	—	—	—	(680,000)	(680,000)
Constitution of reserves (Note 12)	—	—	23,671	807,947	—	(831,618)	—
Balances at December 31, 2008	**2,434,758**	**—**	**95,190**	**807,947**	**24,725**	**—**	**3,362,620**
Translation adjustment (Note 2.b)	**—**	**—**	**—**	**—**	**(39,114)**	**—**	**(39,114)**
Net income for the year	**—**	**—**	**—**	**—**	**—**	**1,903,712**	**1,903,712**
Dividends (Note 12)	**—**	**—**	**—**	**(600,000)**	**—**	**—**	**(600,000)**
Constitution of reserves (Note 12)	**—**	**—**	**95,185**	**1,808,527**	**—**	**(1,903,712)**	**—**
Balances at December 31, 2009	**2,434,758**	**—**	**190,375**	**2,016,474**	**(14,389)**	**—**	**4,627,218**

See notes to the financial statements.

GLOBO COMUNICAÇÃO E PARTICIPAÇÕES S.A.

Statements of cash flows
Years ended December 31, 2009 and 2008
(In thousands of Brazilian reais)

	Parent Company		Consolidated	
	2009	**2008**	**2009**	**2008**
Cash flows from operating activities				
Income before income tax and social contribution	**1,586,697**	571,126	**1,734,448**	749,680
Adjustments to reconcile net income for the period and net cash provided by operating activities				
Depreciation and amortization	**199,852**	169,612	**256,997**	209,725
Equity gain net of provision for losses on investments	**(711,656)**	(165,820)	**(120,625)**	(1,413)
Goodwill amortization	**—**	544,785	**—**	562,978
Interest expense and monetary variation of assets and liabilities, net	**(171,847)**	463,853	**(258,813)**	465,685
Provision for contingencies	**(188,123)**	32,929	**(214,034)**	47,980
Allowance on assets	**3,906**	12,132	**13,310**	18,259
Gain on sale of property, plant and equipment and investment	**(725)**	(76,391)	**(1,297)**	(98,837)
Minority interests	**—**	—	**(519)**	4
	718,104	1,552,226	**1,409,467**	1,954,061
(Increase) decrease of assets and increase (decrease) of liabilities				
Accounts receivable	**(208,996)**	(39,320)	**(197,218)**	(5,640)
Transmission and exhibition rights	**(31,803)**	12,777	**(30,458)**	(19,928)
Recoverable taxes	**234,508**	89	**51,326**	(38,927)
Inventories	**28,213**	(44,411)	**33,837**	(62,055)
Tax obligation	**(6,800)**	(41,334)	**171,686**	(88,145)
Advances from advertisers and deferred revenues	**416,535**	90,672	**435,621**	12,655
Accounts payable	**127,005**	43,455	**47,203**	87,431
Dividends received	**261,342**	270,255	**—**	16,918
Other assets and liabilities	**(105,265)**	(34,515)	**(87,582)**	56,557
Cash provided by operating activities	**1,432,843**	1,809,894	**1,833,882**	1,912,927
Payments of debt interest	**(102,889)**	(99,667)	**(114,870)**	(114,880)
Payments of income tax and social contribution	**(60,910)**	(37,360)	**(227,148)**	(84,179)
Net cash provided by operating activities	**1,269,044**	1,672,867	**1,491,864**	1,713,868
Cash flows from investing activities				
Marketable securities	**(393,324)**	(833,206)	**(575,969)**	(723,926)
Investments	**29,055**	(703,178)	**(3,246)**	49,499
Proceeds from sale of investments	**—**	123,103	**(155)**	110,676
Subscription rights	**53,257**	33,600	**51,170**	31,996
Additions to property, plant and equipment	**(205,460)**	(221,921)	**(399,693)**	(337,519)
Proceeds from sale of property, plant and equipment	**3,539**	1,529	**4,358**	6,072
Intangible assets	—	(13,289)	**(5,878)**	(7,534)
Deferred cost	—	—	**—**	2,639
Advances for future capital increase	**(31,243)**	725,606	**—**	—
Net cash used in investing activities	**(544,176)**	(887,756)	**(929,413)**	(868,097)
Cash flows from financing activities				
Proceeds from new debt	**—**	—	**61,733**	29,993
Debt amortization	**—**	(102,108)	**(5,218)**	(101,277)
Related parties transactions	**2,154**	(111,629)	**(7,257)**	5,858
Dividends paid	**(520,885)**	(529,912)	**(520,885)**	(529,912)
Net cash used in financing activities	**(518,731)**	(743,649)	**(471,627)**	(595,338)
Increase in cash and cash equivalents	**206,137**	41,462	**90,824**	250,433
Cash and cash equivalents at the beginning of the year	**743,227**	701,765	**1,078,210**	827,777
Cash and cash equivalents at the end of the year	**949,364**	743,227	**1,169,034**	1,078,210

See notes to the financial statements.

Notes to financial statements
December 31, 2009 and 2008
(In thousands of Brazilian reais, except when specifically indicated)

1. Operating activities

Globo Comunicação e Participações S.A. ("Globo" or the "Company") comprises a group of television stations and Internet businesses. It is also engaged, through its subsidiaries and jointly controlled companies in Pay TV programming and distribution and Publishing, being the largest media company in Brazil.

The Broadcast TV business unit together with its own five broadcast television stations (Rio de Janeiro, São Paulo, Recife, Brasília and Belo Horizonte), its affiliated network of 117 stations is also known as "Rede Globo" ("Globo Network"). As of December 31, 2009, "Rede Globo" covered 99% (unaudited) of the estimated 54,8 million (unaudited) total television households in Brazil.

Rede Globo is one of the major producers of TV-content in the world, exhibiting more than 5,000 hours (unaudited) of in-house productions including dramas, journalism, sports, children's programs and other shows on free to air television. Approximately 77% (unaudited) of the programming exhibited by Rede Globo are produced by the Company, including approximately 83% (unaudited) of the prime-time (6:00 pm to 12:00 am) programming. The bulk of the Company's production activities takes place in studios and production facilities in and around Rio de Janeiro and São Paulo. The Projac production complex located in the outskirts of Rio de Janeiro serves as a comprehensive television production site tailored to the particular needs of the Company.

Projac's facilities are among the most technologically advanced television production studios in the world, leading to a continuous increase in the quality of the Company's programming. The Company also has studios and production facilities in São Paulo and other locations in Rio de Janeiro.

In Pay TV programming, the Company is the leader in national content through the "Globosat's Channels", which are distributed by various platforms of cable, DTH and MMDS.

The Company, through its subsidiary Editora Globo, is one of the largest publishing companies in the Brazilian market with 14 different magazine titles, which are released weekly or monthly, besides books and collections that are sold throughout Brazil.

The Company also has a strong position in the Brazilian internet audience, mainly in the entertainment, journalism and sports segments. In October 2009, the Company strengthened its internet strategy through the establishment of Mosaico Negócios de Internet S.A. In addition, the Company has a sound recording business unit focused on producing and selling soundtracks of the "telenovelas" produced by the Company.

Notes to financial statements (Continued)
December 31, 2009 and 2008
(In thousands of Brazilian reais, except when specifically indicated)

At December 31, 2009 and 2008, Globo held the following ownership in subsidiaries, joint control entities and affiliates:

	Ownership %			
	December 31, 2009			December 31, 2009
	Direct	Indirect	Total	Total
Fully consolidated entities				
Comercial Fonográfica RGE Ltda.	**99.99**	—	**99.99**	99.99
Delucila S.A. (investment sold in March 2009)	—	—	—	100.00
Distel Holding S.A.	**100.00**	—	**100.00**	100.00
Editora Globo S.A.	**97.66**	—	**97.66**	97.66
Editora Globo Livros Ltda.	**1.00**	**99.00**	**100.00**	—
Get Empreendimentos Temáticos Ltda. (Consolidated)	**100.00**	—	**100.00**	100.00
GLB Participações Ltda.	**100.00**	—	**100.00**	100.00
Globo Cabo Participações S.A.	—	**99.86**	**99.86**	99.86
Globo International Company Ltd. (Consolidated)	**100.00**	—	**100.00**	100.00
Globo Investments Ltd.	**100.00**	—	**100.00**	—
Globopar Overseas Ltd.	**100.00**	—	**100.00**	100.00
Globosat Programadora Ltda.	**100.00**	—	**100.00**	100.00
Interpro—International Promotions Ltda.	**100.00**	—	**100.00**	100.00
Mosaico Negócios de Internet S.A.	—	**64.00**	**64.00**	—
Net Brasil S.A.	**83.33**	**16.67**	**100.00**	100.00
Power Company S.A.	**100.00**	—	**100.00**	100.00
Prime Securities Trading Inc.	—	**100.00**	**100.00**	100.00
Sigem—Sistema Globo de Edições Musicais Ltda.	**99.05**	—	**99.05**	99.05
Sigla—Sistema Globo de Gravações Audiovisuais da Amazônia Ltda.	**100.00**	—	**100.00**	100.00
Sigla—Sistema Globo de Gravações Audiovisuais Ltda.	**100.00**	—	**100.00**	100.00
UGB Participações S.A.	**100.00**	—	**100.00**	100.00
Worldwide Financial Trading Limited	**100.00**	—	**100.00**	100.00
Zende—Serviços de Apoio e Logística Ltda.	**99.98**	—	**99.98**	99.98
Proportionally consolidated				
Canal Brazil S.A.	—	**50.00**	**50.00**	50.00
Endemol Globo S.A.	**50.00**	—	**50.00**	50.00
GB Empreendimentos e Participações S.A.	**8.17**	**8.83**	**17.00**	17.00
Net Serviços de Comunicação S.A. (Consolidated)	**1.25**	**5.65**	**6.90**	6.86
PB Brasil Entretenimento S.A.	—	**60.00**	**60.00**	60.00
Telecine Programação de Filmes Ltda.	**50.00**	—	**50.00**	50.00
USA Brasil Programadora Ltda.	—	**50.00**	**50.00**	50.00
Affiliates—equity method				
Sky Brasil Serviços Ltda.	**10.34**	**15.56**	**25.90**	25.90
TT2 Telecomunicações Ltda.	—	**60.00**	**60.00**	60.00

The activities and operations carried out by the Company's main subsidiaries, joint ventures and affiliated companies are summarized as follows:

(a) Distel Holding S.A. ("Distel")—Distel holds investments in Net Serviços de Comunicação S.A. ("Net Serviços"), Net Brasil S.A., GB Empreendimentos e Participações S.A., Sky Brasil Serviços Ltda. and Globo Cabo Participações S.A.

(b) GB Empreendimentos e Participações S.A. ("GB")—GB is a special purpose company and holds an ownership interest in Net Serviços. Globo, Embratel Participações S.A. ("Embrapar") and Empresa Brasileira de Telecomunicações S.A. ("Embratel") together own 99% of Net Serviços' common shares through GB and other subsidiaries. Globo controls, through GB, the majority of Net Serviços' outstanding voting shares. The Net Serviços shareholders agreements between Globo, Embrapar, Embratel and GB contain provisions relating to the transfer of shares of Net Serviços and the shares of GB, rights of refusal, and governance, including the rights of each of Globo, Embrapar, Embratel and GB to appoint members to Net Serviços' board of directors and board of officers, among other issues. See item (i).

(c) Globosat Programadora Ltda. ("Globosat")—Globosat is the leading producer of Pay TV programming in Brazil, including pay-per-view content and subscription channels that are sold to multiple system operators ("MSOs"). Globosat's content is available to cable, MMDS ("Multichannel Multipoint Distribution Service") and DTH ("Direct to Home") subscribers, and its channels are present in almost all of Net Serviços' and Sky Brasil Serviços Ltda.'s ("Sky Brasil") subscriber bases.

(d) Net Brasil S.A. ("Net Brasil")—Net Brasil acts as a purchasing agent of Brazilian content, including Globosat and Telecine Programação de Filmes Ltda. ("Telecine") programming, distributed to MSOs, such as Sky Brasil and Net Serviços, as well as other third-party operators. Net Brasil's activities include negotiating terms and conditions for distribution of programming by cable, MMDS and DTH television operators; providing trademark development and licensing; and developing new services and products for such operators.

(e) Editora Globo S.A. ("Editora Globo")—Editora Globo publishes magazines, books and collections, which are sold at newsstands, bookstores and other retailers, as well as through subscriptions and sales people.

(f) Interpro—International Promotions Ltda. ("Interpro")—Interpro exploits and produces the F1 and F3000 stock car racing events in Brazil.

(g) Endemol Globo S.A. ("Endemol Globo")—is a joint venture between Globo (50%) and Endemol Finance B.V. (50%). Endemol Globo is engaged in developing, distributing and producing audiovisual programs based on formats owned by the shareholders and licensed on a worldwide basis.

(h) Net Serviços—Net Serviços is a public company with significant activities in the distribution of subscription television signals through a network of cable subsidiaries and affiliates located in major Brazilian cities. Net Serviços also offers high-speed internet access services through its cable network, as well as telecommunications services.

(i) Telecine is a joint venture between Globo (50%), Paramount (12.5%), Metro Goldwyn Mayer ("MGM", 12.5%), Universal (12.5%) and Twentieth Century Fox ("Fox", 12.5%) (Paramount, MGM, Universal and Fox together are referred to as the "Studio Partners"). Telecine offers premier and basic movie channels to subscription television operators in Brazil distributed by Net Brasil. The eight Telecine channels mainly broadcast exclusive films produced and licensed by the Studio Partners.

(j) Sky Brasil operates Pay TV services through satellite (Direct to Home), through the use of mini-parabolic antennas in the Ku band. Sky Brasil operates the Sky System in Brazil with DirectTV Group.

Globo has the right, under certain circumstances, to exchange all or part of its interest in Sky Brasil for shares of DirecTV, or if DirecTV determines, cash or a combination of cash and shares, subject to the conditions established in the agreement. Also, Globo has certain approval rights consistent with its role as a strategic partner of Sky Brasil, including certain programming matters and extraordinary corporate transactions.

2. Basis of preparation and presentation of the financial statements

On December 28, 2007, Law 11638/07 was enacted and, on May 27, 2009, modified by the Law 11941/09, which changed, revoked and inserted certain provisions to the Brazilian Corporate Law. In connection with these changes and in order to align the accounting practices adopted in Brazil with the International Financial Accounting Standards ("IFRS"), the Brazilian Accounting Pronouncements Committee ("CPC") has issued several pronouncements during 2008 and 2009.

The financial statements (Parent Company and Consolidated) are the responsibility of the Company's management and have been prepared in accordance with the accounting practices adopted in Brazil, including the requirements of the Laws 11638/07 and 11941/09, and the following technical pronouncements issued by CPC and effective within 2009:

- Conceptual Framework for Preparation and Presentation of Financial Statements;
- CPC 01—Impairment of Assets;
- CPC 02—Effects of Foreign Exchange Rates and Translation of Financial Statements;
- CPC 03—Cash Flow Statement;
- CPC 04—Intangible Assets;
- CPC 05—Related Party Disclosures;
- CPC 06—Leases;
- CPC 08—Costs for the Issuance of Securities;
- CPC 12—Adjustments to Present Value;
- CPC 13—First Time Adoption of Law 11638/07 and MP 449/08;
- CPC 14—Financial Instruments: Recognition, Measurement and Disclosures; and
- OCPC 02—Clarifications for the 2008 Financial Statements.

Additionally, during 2009, CPC issued several technical pronouncements and interpretations, effective beginning January 1, 2010.

The pronouncements applicable for the Company are as follows:

Technical Pronouncements:

- CPC 15—Business Combination;

- CPC 16—Inventories;
- CPC 18—Investment in Associates;
- CPC 19—Investment in a Joint Venture;
- CPC 20—Borrowing Costs;
- CPC 22—Segment Information;
- CPC 23—Accounting Policies, Change of Estimates and Correction of Errors;
- CPC 24—Subsequent Events;
- CPC 25—Provisions, Contingent Liabilities and Contingent Assets;
- CPC 26—Presentation of Financial Statements;
- CPC 27—Property, Plant and Equipment;
- CPC 30—Revenues;
- CPC 31—Non-current Assets Available for Sale and Discontinued Operations;
- CPC 32—Income Taxes;
- CPC 33—Employee Benefits;
- CPC 36—Consolidated Financial Statements;
- CPC 38—Financial Instruments: Recognition and Measurement;
- CPC 39—Financial Instruments: Presentation;
- CPC 40—Financial Instruments: Disclosures; and
- CPC 43—First-time Adoption of Technical Pronouncements CPC 15 to CPC 43.

Technical Interpretations:

- ICPC 08—Recording of the proposal for the payment of dividends; and
- ICPC 10—Interpretation on the initial use of fixed asset and property for investment, from CPC Pronouncements 27, 28, 37 and 43.

The Company's management, in this transition phase, is assessing all standards and, based on a preliminary analysis, believes that there will be no significant impact to its 2010 financial statements, including the 2009 information that will be presented for comparative purposes.

Voluntarily, the Company could have adopted these pronouncements in 2009, yet would have to apply all of them retrospectively in 2008 for comparative purposes. The Company decided to apply them beginning 2010, as determined in the pronouncements.

(In thousands of Brazilian reais, except when specifically indicated)

The main accounting policies adopted by the Company in the preparation of the 2009 and 2008 financial statements are described below:

a) Basis of consolidation

The consolidation of the accounts consists of an aggregation of assets, liabilities, and income and expenses account balances, as per their nature, complemented by the following adjustments and eliminations:

- The effects of significant transactions carried out among the consolidated companies;
- The Parent Company's interest in the capital, reserves, and retained earnings or deficits of subsidiaries;
- The balances of loans, current accounts and other asset and liability accounts held among the consolidated companies;
- The interest of minority shareholders in the shareholders' equity (deficit) and results of operations of the consolidated companies, recorded as "minority interests".

All subsidiaries have the same fiscal year and same accounting practices of the Parent Company.

The reconciliation between the shareholders' equity at December 31, 2009 and 2008 and net income for the years ended December 31, 2009 and 2008 of the Parent Company and the consolidated financial statements is as follows:

	Shareholders' equity		**Net income**	
	2009	**2008**	**2009**	**2008**
Parent Company financial statements	**4,627,218**	3,362,620	**1,903,712**	473,400
Losses of Sky Brasil Serviços Ltda. in excess of investment amount	**(13,589)**	(13,589)	**—**	23,412
Other	**453**	(79)	**446**	(89)
Consolidated financial statements	**4,614,082**	3,348,952	**1,904,158**	496,723

(In thousands of Brazilian reais, except when specifically indicated)

The summary of the financial statements (*) of the joint control entities that are proportionally consolidated as of December 31, 2009 and 2008 are as follows:

	Net Serviços		GB		Telecine		Endemol Globo		USA Brasil		PB Brasil		Canal Brazil	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Assets														
Current assets	1,608,168	1,177,110	—	—	161,204	162,535	5,936	6,692	47,843	43,428	18,771	19,160	20,891	23,886
Non-current assets	6,618,775	4,998,030	752,000	610,965	12,484	29,351	939	736	3,187	5,251	3,651	2,880	11,524	9,526
Total	8,226,943	6,175,140	752,000	610,965	173,688	191,886	6,875	7,428	51,030	48,679	22,422	22,040	32,415	33,412
Liabilities and shareholders' equity														
Current liabilities	1,277,050	1,015,026	—	—	60,764	71,684	6,040	6,178	18,075	18,725	11,023	6,082	6,276	7,522
Non-current liabilities	3,528,308	2,516,717	126	108	3,596	10,038	17	432	1,695	1,818	—	—	109	60
Shareholders' equity	3,421,585	2,643,397	751,874	610,857	109,328	110,164	818	818	31,260	28,136	11,399	15,958	26,030	25,830
Total	8,226,943	6,175,140	752,000	610,965	173,688	191,886	6,875	7,428	51,030	48,679	22,422	22,040	32,415	33,412
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Net revenues	4,613,389	3,690,409	—	—	421,298	341,552	8,541	8,256	86,793	76,865	37,856	36,209	37,396	32,570
Cost of sales	(2,790,350)	(2,153,992)	—	—	(291,469)	(222,086)	(318)	(169)	(11,641)	(10,826)	(10,179)	(8,433)	(15,767)	(13,130)
Operating expenses	(1,165,209)	(1,163,907)	130,992	(51,393)	(69,181)	(49,208)	(1,903)	(4,340)	(20,662)	(18,467)	(6,549)	(6,253)	(8,247)	(7,473)
Net interest (expense) income	65,442	(318,527)	—	1,311	10,810	8,004	666	561	2,793	1,960	1,043	856	693	(239)
Income tax and social contribution	54,916	(148,989)	—	—	(22,364)	(26,218)	(1,216)	(1,184)	(19,271)	(16,216)	(7,343)	(7,600)	(4,335)	(3,951)
Net income (loss) for the year	778,188	(95,006)	130,992	(50,082)	49,094	52,044	5,770	3,124	38,012	33,316	14,828	14,779	9,740	7,777

(*) These amounts correspond to totals presented in the financial statements of these companies, and not only to the portion included in the consolidated financial statements of Globo.

b) Functional currency and presentation of foreign subsidiaries

The functional currency of the Parent Company is the Brazilian Reais, the same currency used for the preparation and presentation of the financial statements (Parent Company and Consolidated).

As set forth in CPC 02, the foreign subsidiaries Worldwide Financial Trading Limited, Power Company S.A., Delucila S.A., and Globopar Overseas Ltd. were considered an extension of the Parent Company's operations and, therefore, the Brazilian Reais was elected to be their functional currency. Non-monetary assets and capital accounts have been translated into Brazilian Reais based on the exchange rate prevailing at the time the transactions occurred. Monetary assets and liabilities denominated in foreign currency were translated at the official exchange rates at each balance sheet date. As required by CPC 02, these subsidiaries were presented in the Parent Company's figures in the 2008 financial statements. In 2009, CPC reissued this pronouncement and eliminated this requirement and, thus, these subsidiaries are recognized by equity method in the Parent Company's financial statements. The 2008 Parent Company's financial statements are being restated to reflect this change.

The foreign subsidiaries Globo International Company Ltd. (consolidated) and Prime Securities Trading Inc. have the majority of their transactions denominated in US dollars; therefore, the Company elected the US dollar as their functional currency. Accordingly, their balance sheet accounts were translated at the closing rates of each balance sheet date and the income statement accounts were translated using a monthly average rate. Capital accounts were translated based on the exchange rate prevailing at the time the transactions occurred. During 2009, the loss translation adjustment of R$ 39,114 (gain adjustment of R$ 24,725 in 2008) is recorded in the shareholders' equity.

c) Advertising, services, and other revenues, cost and expenses

Advertising, services and other revenues, as well as costs and expenses, are recorded on an accrual basis. The consolidated revenues also comprise programming revenues, connection fees, and magazine sales.

Broadcasting: The majority of revenues derive from advertisements, which are recognized as they are aired, net of estimated rebates, credits, rate adjustments and discounts.

Pay TV: Pay TV revenues include fees from subscription services, connection fees, pay-per-view, high-speed data and phone services. Revenue is recorded in the month the services are provided. The sign-on and hook-up revenue and the related direct selling expenses are deferred and amortized over the estimated average period that subscribers are expected to remain connected to the system. The internal network installation costs of Pay TV and high-speed data services at subscribers residences are comprised of direct labor, overheads and cable plant costs, not including signals and decoders, are charged to results of operations, as cost of services rendered, up to the limit of hook-up revenues less direct selling expenses. The installation costs over this limit are deferred for amortization within the period that the benefits are expected.

Programming: The programming revenues are recognized monthly on an accrual basis, in accordance with the subscribers' base and prices established in the contracts.

Publishing and Printing: Revenues consist of newsstand, bookstore and other retailers sales of magazines, books, cd-roms and fascicles to retail consumers. Subscription revenues are recognized upon the effective delivery of the units to the subscribers; and advertising revenues are recognized upon publication of advertisements.

Internet: Internet revenues derive primarily from subscriptions, advertising and e-commerce activities. Subscription and advertising revenues are recognized when the services are provided and the advertisements are displayed.

d) Current and non-current assets and liabilities

Assets and liabilities are classified as current when realizable or settled within the following 12 months including transactions with affiliates in the normal course of business. Current and non-current liabilities are stated at the amounts for which they would be settled at each balance sheet date, including interest accrued in accordance with contractual conditions.

e) Cash and cash equivalents and marketable securities

Cash equivalents are held for the purpose of meeting short term cash commitments and are readily convertible to a known amount of cash and subject to insignificant risks of changes in value. The amount classified as cash equivalents is determined based on the Company's cash flow projection and represents the funds committed to be used in the subsequent months. The marketable securities are short term investments held with the objective to be actively negotiated. Such investments are carried at cost plus interest up to the balance sheet date and by their market value on a market basis or estimates, and the gains and losses are recognized in the income statements.

f) Allowance for doubtful accounts

Allowance for doubtful accounts is recorded at amounts considered sufficient to cover probable losses on accounts receivable, considering the risks involved.

g) Transmission and exhibition rights

Transmission and exhibition rights are comprised of films, live events and other exhibition rights, and are recorded at the acquisition cost when such rights become available or when advances are made, whichever occurs first.

Film costs include the unamortized cost of film and television series rights acquired from third parties pursuant to acquisition agreements. The films amortization is determined based upon the estimated revenues for each exhibition throughout its contractual life cycle.

Live events comprise mainly soccer championships transmission rights and are amortized as aired.

The recovery of live events and film rights are revised on a title-by-title basis, and losses, if any, are recognized when it becomes known that a film or event will not be aired until the end of the contract term.

Casting rights are represented by the total amount of the contracts with artists and are allocated to programming production costs using the straight-line method over the contract term.

The production costs of completed and in process "telenovelas", mini-series, series and other television programming are also recorded as exhibition rights. These rights are expensed as the programs are aired. Programs are written-off when it is determined they will not be aired.

h) Investments

In the Parent Company's financial statements, investments are accounted for by the equity method. In the consolidated financial statements, the balance represents the investments in non-consolidated companies accounted for by equity method or cost method.

The foreign subsidiaries' financial statements are prepared based on accounting policies consistent with those adopted by the Company.

i) Goodwill

Goodwill comprises all goodwill recorded on the acquisition of investments and from corporate restructuring, attributed to the future profitability, net of accumulated amortization. Up to December 31, 2008, goodwill had been amortized on a straight-line basis and, in accordance with CPC 04, beginning January 1, 2009, the amortization of Goodwill was ceased and it will be only subjected to impairment analysis based on discounted cash flow projections, in accordance with CPC 01.

j) Property, plant and equipment

Property, plant and equipment are stated at acquisition or construction cost, less accumulated depreciation. Depreciation is provided using the straight-line method based on the rates mentioned in Note 8. Expenses for repairs and maintenance not considered to extend the useful life of the underlying asset are expensed as incurred. The Company reassesses annually whether there is any impairment indicator related to its assets in accordance with CPC 01.

k) Income tax and social contribution

Income tax and social contribution are calculated based on income, adjusted by additions and deductions as determined by the current tax legislation. The deferred income tax and social contribution reflect the effect of tax loss carryforwards, negative basis of social contribution and the net effects of temporary differences between the carrying amount of assets and liabilities for financial statement and income tax purposes, net of allowances. These temporary differences can be used to offset future taxable income. The Company evaluates annually the carrying value of deferred income tax and social contribution assets in relation to its operating performance and projected future taxable income and, when necessary reduces its amount to the expected realization value.

l) Advances from customers

Advances from customers include cash received in advance for advertisements primarily in connection with sponsorships of sports events, films and programs to be broadcasted in future periods. Also, the advances from subscribers of pay TV and magazines are recorded as liability and recognized in the results upon delivery of the service or product.

m) Assets and liabilities denominated in foreign currency or subject to indexation

Assets and liabilities denominated in foreign currency are converted into Brazilian Reais based on the official exchange rates at the balance sheet date. Assets and liabilities denominated in Brazilian Reais and subject to indexation are adjusted based on applicable indices. Exchange gains and losses and monetary variations are recorded as financial income or expenses.

n) Debt

Debt is adjusted for monetary and exchange rate variations and includes interest incurred up to the balance sheet date, based on contractual terms.

o) Barter transactions

Represent exchanges of advertising for products or services. Revenues from barter transactions are recognized when advertisements are broadcast, and expenses for products or services received in exchange are recorded when used. Accounts receivable or payable related to barter transactions are recorded on an accrual basis using the prevailing market value for similar transactions occurring in the normal course of business.

p) Advertising sales volume bonuses

Advertising sales volume bonuses are paid in accordance with the agreements with advertising agencies, according to each agency's sales performance. The advertising sales volume bonuses are recorded as selling expenses on an accrual basis based on management estimates.

q) Pension plan and benefits

Pension plan and benefits actuarial gains and losses determined by independent actuaries are recognized in the statement of income on an accrual basis.

r) Provision for contingencies

Provision for contingencies is recorded at amounts considered sufficient to cover probable losses based on the opinion of internal and external legal counsel.

s) Financial instruments

The Company determines the fair market value of financial instruments at the balance sheet date, including hedge and swap instruments, based on significant market values resulting from trading at securities markets. In cases where quoted market prices are not available, the fair value is based on estimates using present value and other valuation techniques.

t) Use of estimates

The preparation of the financial statements in conformity with accounting practices adopted in Brazil requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant items subject to these estimates and assumptions include the residual value and estimated useful lives of property and equipment, allowance for doubtful accounts, inventories, recoverability of deferred income tax and social contribution assets, provision for contingencies, goodwill and fixed assets impairment testing and fair value of financial instruments. Actual results may differ from these estimates. The Company reviews the estimates and assumptions quarterly or annually.

u) Statement of cash flows

The statement of cash flows is prepared under the indirect method.

Certain amounts from prior year have been reclassified to conform to the current year's presentation.

(In thousands of Brazilian reais, except when specifically indicated)

3. Cash and cash equivalents and marketable securities

	Parent Company		Consolidated	
	2009	**2008**	**209**	**2008**
Cash and banks	**39,938**	24,897	**102,048**	67,643
Cash equivalents				
Governments bonds	**197,480**	377,190	**197,480**	377,234
CDB (Certificates of bank deposits)	**585,038**	123,649	**593,959**	299,733
Investment funds	**—**	—	**141,741**	95,139
Repurchase agreement	**46,214**	173,565	**46,214**	173,565
Other	**80,694**	43,926	**87,592**	64,896
Total cash and cash equivalent	**949,364**	743,227	**1,169,034**	1,078,210
Current marketable securities				
Trading				
Government bonds	**574,305**	781,328	**574,305**	781,328
CDB	**851,559**	520,155	**968,137**	520,155
Repurchase agreement	**492,652**	216,610	**492,652**	216,610
Other	**33,887**	—	**99,954**	—
Total current	**1,952,403**	1,518,093	**2,135,048**	1,518,093
Non-current marketable securities				
Available for sale				
Debentures	—	40,986	—	40,986
Total non-current	—	40,986	—	40,986

The government bonds are comprised of LFT and LTN and are fixed-income investment, mainly made through exclusive investment funds, and are remunerated at Selic rate (Brazilian standard interest rate). LFTs are post-fixed remunerated and LTNs pre-fixed remunerated. Usually, the Company has swaps contracts to exchange the remuneration of its financial investments from pre-fixed into post-fixed remuneration.

The CDBs are remunerated at an average rate of 100% of the CDI (Interbank Deposit Certificate) fluctuation, are issued by first-line banks and most of them features daily liquidity. The CDB's are issued with guaranteed repurchase, post-fixed remuneration, valuated daily, registered with CETIP (clearinghouse) and with immediate and full portability.

The repurchase agreement is an agreement with a commitment by a seller, usually a first-line bank, to buy a security back from Globo at a specified price at a designated future date. Most of the balance refers to contracts issued with post-fixed rates (CDI) and collateralized by government bonds and debentures.

The debentures recorded at December 31, 2008 were partially repurchased by the issuer and the remaining balance of R$ 20,253 is recorded as current marketable securities, and will be repurchased until June 2010. These debentures pay interest corresponding to the Consumer Price Index (IPCA) plus 9% per year.

(In thousands of Brazilian reais, except when specifically indicated)

4. Transmission and exhibition rights

	Parent Company		Consolidated	
	2009	**2008**	**2009**	**2008**
Current				
Live events	**292,267**	124,115	**335,246**	170,538
In-house productions programming	**118,297**	145,024	**118,297**	145,024
Films	**137,699**	91,679	**172,112**	125,364
Casting rights	**69,416**	56,613	**69,416**	56,613
Other	**6,271**	8,061	**16,302**	17,299
	623,950	425,492	**711,373**	514,838
Non-current				
Live events	**37,062**	170,342	**37,062**	170,342
Films	**8,859**	49,624	**11,961**	52,417
Casting rights	**99,399**	117,064	**99,399**	117,064
Other	**—**	—	**22**	—
	145,320	337,030	**148,444**	339,823

In December 2006, the Company acquired the transmissions rights related to the 2010 and 2014 FIFA World Cup becoming the sole licensee in Brazil. These rights comprise several distribution platforms in Brazil, including television broadcast. The Company is committed to pay the total of US$ 340,000 thousand in installments over the next years until 2014 with its own cash flows. Up to December 31, 2009, the Company had already paid approximately R$ 127,000 (US$ 69,000 thousand) related to the 2010 World Cup, which are recorded as current assets under "live events".

5. Subscription rights

In 2001, as part of certain ownership reorganizations, Net Serviços succeeded Globo and its subsidiaries in the right of amortizing, for tax purposes, the goodwill contributed in the total amount of R$ 452,202. The amortization of the goodwill over an estimated period results in tax benefits for Net Serviços and its subsidiaries. Net Serviços issues shares (pro-rata, both common and preferred) up to the amount of the tax benefits realized. At the issuance of shares, all shareholders are given the right to purchase from Globo and subsidiaries their pro-rata shares in order to prevent dilution.

Up to December 31, 2009, Net Serviços has capitalized R$ 362,682 related to benefits realized since 2003, and the net balance at December 31, 2009 amounts to R$ 43,370 (R$ 102,344 at December 31, 2008).

6. Related party transactions

The main transactions carried out with related parties are summarized as follows:

a) Globo has transactions with consolidated investees and with unconsolidated related parties generally with respect to the use of advertising space in the ordinary course of business.

b) Globo sells advertising time to related companies, such as Infoglobo Comunicações Ltda. ("Infoglobo"), Editora Globo, Sky Brasil, Globosat and others. Certain sales are made through barter transactions.

c) Globo produces the content for the "Globonews" channel, a Pay TV channel whose distribution of exhibition rights is intermediated by Net Brasil. Globosat is responsible for the advertising commercialization for the Globonews channel. Each month, Globo pays to Globosat an amount equivalent to 27% of net revenues based on the advertising time aired on the Globonews channel as a commission. Globosat also provides technical services to Globo related to the Globonews channel in exchange for a monthly fee determined under a service agreement.

d) Globo produces content for "SPORTV", a Pay TV channel offered by Globosat, and sells certain programming to other Globosat's channels. Each month Globosat pays to Globo an amount agreed between the parties, and pays annually an additional amount based on advertising net revenue and audience.

e) Globo licenses some in-house production content to be used by some related parties, including the right to use the "Globo" trademark.

f) Editora Globo has joint sales agreement with Infoglobo's labels. In addition, Infoglobo provides magazine distribution services to Editora Globo subscribers in the state of Rio de Janeiro.

g) Globo and Globosat produce the majority of the Portuguese-language programming and channels distributed by Net Serviços and Sky Brasil on their Pay TV channels.

h) Globosat provides management and technical services to Canal Brazil S.A., USA Brasil Programadora Ltda., Net Brasil, Telecine and PB Brasil Entretenimento S.A. in exchange for a monthly fee determined under a service agreement. Globosat purchases and sells advertising time to affiliates such as Infoglobo, Editora Globo, USA Brasil Programadora Ltda., Telecine, Canal Brazil S.A., and others. Certain sales are made through barter transactions.

i) Globosat, Net Serviços, Sky Brasil and Net Brasil signed a consortium agreement to jointly use goods, rights and transmission resources and trade certain events in Pay-Per-View (PPV) programming.

j) Globo, through its internet division, Globo.com, provides internet and related technology services to related companies, such as Globosat, Infoglobo, Editora Globo and others. Such services are provided under a service agreement, in exchange for a monthly fee corresponding to the amount of service used.

As of December 31, 2009, the amounts due to and from related companies, arising from commercial transactions in the ordinary course of business, and classified as current accounts receivable and accounts payable, totaled R$ 57,041 and R$ 5,308 (R$ 40,568 and R$ 7,899 at December 31, 2008), respectively, in the Parent Company financial statements, and R$ 142,375 and R$ 27,900 (R$ 156,892 and R$ 35,369 at December 31, 2008), respectively, in the consolidated financial statements.

Dividends payable to shareholders total amounted to R$ 636,096 (R$ 557,090 at December 31, 2008), of which R$ 636,096 (R$ 552,487 at December 31, 2008) are recorded as current liabilities. During the year ended December 31, 2009 the Company paid R$ 520,885. On January 5, 2010, R$ 522,450 of the outstanding dividends at December 31, 2009 were paid.

Notes to financial statements (Continued)
December 31, 2009 and 2008
(In thousands of Brazilian reais, except when specifically indicated)

The amounts due to and from related companies classified as non-current assets at December 31, 2009 and 2008, are as follows:

	Parent Company					
	Accounts receivable (payable)		Advances for future capital increase		Total	
	2009	2008	2009	2008	2009	2008
Worldwide Financial Trading Limited	**264,790**	341,436	**—**	—	**264,790**	341,436
Power Company S.A.	**34,778**	44,654	**—**	—	**34,778**	44,654
Distel Holding S.A.	**—**	—	**35**	5	**35**	5
Interpro—International Promotions Ltda.	**—**	—	**7,000**	3,000	**7,000**	3,000
UGB Participações S.A.	**—**	2,292	**—**	—		2,292
Editora Globo S.A.	**46**	43	**910**	910	**956**	953
Globo Cabo Participações S.A.	**—**	—	**3,770**	2,530	**3,770**	2,530
GET Empreendimentos Temáticos Ltda.	**—**	—	**102**	2,781	**102**	2,781
Sigla S.G.G. Audiovisuais Ltda.	**—**	—	**3,342**	—	**3,342**	—
Other	**467**	444	**313**	307	**780**	751
Total non-current assets	**300,081**	388,869	**15,472**	9,533	**315,553**	398,402

	Consolidated					
	Accounts receivable (payable)		Advances for future capital increase		Total	
	2009	2008	2009	2008	2009	2008
Sky Brasil Serviços Ltda.	**249**	249	—	—	**249**	249
Other.	**1,118**	923	—	—	**1,118**	923
Total non-current assets	**1,367**	1,172	—	—	**1,367**	1,172

(In thousands of Brazilian reais, except when specifically indicated)

The revenues and net financial income (expense) with related companies for the years ended December 31, 2009 and 2008, are as follows:

	Parent Company			
	Operating revenues		Net financial income (expenses)	
	2009	2008	2009	2008
Globosat Programadora Ltda.	**109,551**	81,089	**—**	—
Net Brasil S.A.	**85,683**	69,359	**—**	—
Net Serviços de Comunicação S.A.	**9,127**	26,122	**—**	—
Editora Globo S.A.	**3,068**	3,703	**—**	—
Worldwide Financial Trading Limited	**—**	—	**(76,645)**	89,571
Power Company S.A.	**—**	—	**(9,875)**	15,073
Telecine Programação de Filmes Ltda.	**444**	—	**7,818**	(4,091)
Infoglobo Comunicações S.A.	**8,017**	6,017	**—**	(1,501)
Globo International Company Ltd.	**22,147**	18,374	**(1,311)**	1,674
Sky Brasil Serviços Ltda.	**19,481**	22,301	**—**	—
Other	**1,715**	2,424	**(1,383)**	(1,327)
	259,233	229,389	**(81,396)**	99,399

	Consolidated			
	Operating revenues		Net financial income (expenses)	
	2009	2008	2009	2008
Net Serviços de Comunicação S.A.	**928,157**	775,394	**—**	—
Sky Brasil Serviços Ltda.	**225,728**	175,933	**—**	—
Telecine Programação de Filmes Ltda.	**36,833**	22,776	**5,677**	(1,136)
Infoglobo Comunicações S.A.	**10,012**	7,939	**(682)**	(1,501)
Other	**43,822**	36,628	**(2,285)**	(370)
	1,244,552	1,018,670	**2,710**	(3,007)

7. Investments

The carrying value of investments consists of the following:

	Parent Company		Consolidated	
	2009	2008	2009	2008
Investments recorded by the equity method (*)	**1,027,990**	733,028	**119,626**	435
Other	**1,136**	1,136	**2,261**	1,722
	1,029,126	734,164	**121,887**	2,157

(*) At December 31, 2009, the investment remained in the consolidated balance is mainly related to Sky Brasil Serviços Ltda. At December 31, 2009 this associate presented a positive shareholders' equity and Globo recognized, by equity method, its interest in this associate.

(In thousands of Brazilian reais, except when specifically indicated)

The Parent Company investment and provision for losses for the year ended December 31, 2009, are as follows:

	December 31, 2008	Acquisition (disposal)	Gain on dilution	Translation adjustment	Dividends/ interest on capital	Equity gain (loss) and additions to (reversal of) provision for losses	December 31, 2009
Investments							
Globosat Programadora Ltda.	281,617	—	—	—	**(235,831)**	**294,912**	**340,698**
GB Empreendimentos e Participações S.A.	48,591	—	**138**	—	—	**10,736**	**59,465**
Globo International Company Ltd.	107,721	—	—	**(39,114)**	—	**89,783**	**158,390**
Telecine Programação de Filmes Ltda.	55,082	—	—	—	**(24,965)**	**24,547**	**54,664**
Delucila S.A.	33,923	**(31,510)**	—	—	—	**(2,413)**	—
Net Serviços de Comunicação S.A.	29,378	**3,492**	—	—	—	**9,702**	**42,572**
Globopar Overseas Ltd.	16,662	—	—	—	—	**(3,087)**	**13,575**
Distel Holding S.A.	144,132	—	—	—	—	**120,503**	**264,635**
Power Company S.A.	5,135	—	—	—	—	**(1,022)**	**4,113**
UGB Participações S.A.	—	**21,699**	—	—	—	**4,436**	**26,135**
Other	10,787	**884**	—	—	**(2,885)**	**54,957**	**63,743**
Total	733,028	**(5,435)**	**138**	**(39,114)**	**(263,681)**	**603,054**	**1,027,990**
Provision for losses on investments							
Worldwide Financial Trading Limited	(407,990)	—	—	—	—	**90,679**	**(317,311)**
Editora Globo S.A.	(38,222)	—	—	—	—	**13,511**	**(24,711)**
Sigla—Sistema Globo de Gravações Audiovisuais Ltda.	(13,162)	—	—	—	—	**13,162**	—
Sigla—Sistema Globo de Gravações Audiovisuais da Amazônia Ltda.	(25,747)	—	—	—	—	**(1,443)**	**(27,190)**
UGB Participações S.A.	(10,300)	—	—	—	—	**10,300**	—
Other	(3,138)	**4,582**	—	—	—	**(17,607)**	**(16,163)**
Total	(498,559)	**4,582**	—	—	—	**108,602**	**(385,375)**

The Company has advances for capital increase (see Note 6) for certain subsidiaries for which provisions for losses on investments were recorded.

(In thousands of Brazilian reais, except when specifically indicated)

The main investment transactions during 2009 and 2008 are summarized as follows:

On March 11, 2009, Net Serviços increased its capital by R$ 58,974, of which Globo's participation was R$ 5,716. As a result, the Company's ownership interest in Net Serviços increased from 1.14% at December 31, 2008 to 1.25% at December 31, 2009, and, on a consolidated basis, from 6.86% at December 31, 2008 to 6.90% at December 31, 2009.

On March 25, 2008, Globo sold its ownership interest in Globo Cochrane for approximately R$ 111,000, and recorded a gain of R$ 70,846.

On March 11, 2008, Net Serviços increased its capital by R$ 73,378, of which Globo's participation was R$ 39,778. As a result, the Company's ownership interest in Net Serviços increased from 0.56% at December 31, 2007 to 1.14% at December 31, 2008, and, on a consolidated basis, from 6.35% at December 31, 2007 to 6.86% at December 31, 2008.

8. Property, plant and equipment

		Parent Company			
		2009			2008
	Annual depreciation rate	Cost	Accumulated depreciation	Net	Net
Buildings and improvements	**4%**	**2,084,768**	**(1,071,638)**	**1,013,130**	1,046,932
Studio and transmission equipment	**20%**	**894,448**	**(623,934)**	**270,514**	257,727
Computer equipment and software	**20%**	**192,772**	**(133,118)**	**59,654**	67,911
Land	**—**	**143,358**	**—**	**143,358**	139,972
Construction in progress	**—**	**24,137**	**—**	**24,137**	38,352
Other	**5% to 20%**	**295,930**	**(192,022)**	**103,908**	68,267
Total		**3,635,413**	**(2,020,712)**	**1,614,701**	1,619,161

		Consolidated			
		2008			2008
	Annual depreciation rate	Cost	Accumulated depreciation	Net	Net
Buildings and improvements	**4%**	**2,089,001**	**(1,072,230)**	**1,016,771**	1,050,175
Studio and transmission equipment	**20%**	**1,008,754**	**(701,930)**	**306,824**	282,871
Computer equipment and software	**20%**	**243,410**	**(170,360)**	**73,050**	77,685
Pay TV transmission network	**10% to 20%**	**299,177**	**(174,481)**	**124,696**	104,118
Land	**—**	**164,908**	**(344)**	**164,564**	154,473
Construction in progress	**—**	**166,462**	**—**	**166,462**	96,315
Other	**4%to 20%**	**444,877**	**(265,671)**	**179,206**	129,680
Total		**4,416,589**	**(2,385,016)**	**(2,031,573)**	1,895,317

(In thousands of Brazilian reais, except when specifically indicated)

9. Intangible assets

The carrying value of intangible assets consists of the following:

	Parent Company		Consolidated	
	2009	**2008**	**2009**	**2008**
Goodwill net				
Corporate restructuring goodwill	**836,343**	836,343	**836,343**	836,343
Sky Brasil Serviços Ltda.	**50,864**	50,864	**56,471**	56,471
Net Serviços de Comunicação S.A. (*)	**32,042**	29,817	**190,134**	184,415
Other	**56,462**	55,870	**104,934**	85,271
Other intangibles assets	**55,522**	48,357	**80,987**	70,178
	1,031,233	1,021,251	**1,268,869**	1,232,678

(*) Net Serviços is listed on stock exchanges. Using the economic value as of February 09, 2010, available on Net Serviços' fourth quarter 2009 earnings release, in the amount of approximately R$ 7,500,000, the economic value of this investment based on Globo's total ownership would be approximately R$ 519,000.

As aforementioned, beginning January 1, 2009, the Company ceased the amortization of goodwill, which will be only subjected to impairment analysis as required by CPC 01- Impairment of Assets.

10. Income tax and social contribution

The current and deferred income tax and social contribution for the years ended December 31, 2009 and 2008 are comprised as follows:

	Parent Company		Consolidated	
	2009	**2008**	**2009**	**2008**
Current income tax	**(1,888)**	(32,134)	**(101,381)**	(105,546)
Current social contribution	**(11,222)**	(36,030)	**(54,432)**	(61,993)
Total current income tax and social contribution expense	**(13,110)**	(68,164)	**(155,813)**	(167,539)
Deferred income tax	**235,346**	(14,121)	**230,631**	(55,212)
Deferred social contribution	**94,779**	(15,441)	**94,373**	(30,202)
Total deferred income tax and social contribution benefit (expense)	**330,125**	(29,562)	**325,004**	(85,414)
Total benefit (expense) for the year	**317,015**	(97,726)	**169,191**	(252,953)

(In thousands of Brazilian reais, except when specifically indicated)

The changes in the deferred income tax and social contribution for the year ended December 31, 2009 are as follows:

	Parent Company			
	December 31, 2008	**Additional benefit (expense) recorded**	**Payment of taxes Law 11941/09 (*)**	**December 31, 2009**
Assets				
Deferred income tax				
Tax loss carryforwards	178,281	238,831	(202,023)	**215,089**
Temporary differences	—	109,950	—	**109,950**
Deferred social contribution				
Negative basis of social contribution	66,566	94,080	—	**160,646**
Temporary differences	—	41,537	—	**41,537**
Total deferred taxes assets	244,847	484,398	(202,023)	**527,222**
Deferred income tax and social contribution liabilities over temporary differences	—	(154,273)	—	**(154,273)**
Total deferred taxes liabilities	—	(154,273)	—	**(154,273)**
Net effect for the period		330,125		

(*) As mentioned in Note 13, the interest related to the processes included in the Law 11941/09

	Consolidated			
	December 31, 2008	**Additional benefit (expense) recorded**	**Payment of taxes Law 11941/09**	**December 31, 2009**
Assets				
Deferred income tax				
Tax loss carryforwards	215,539	220,806	(202,613)	**233,732**
Temporary differences	6,728	123,698	—	**130,426**
Deferred social contribution				
Negative basis of social contribution	79,054	88,500	—	**167,554**
Temporary differences	1,880	47,010	—	**48,890**
Total deferred taxes assets	303,201	480,014	(202,613)	**580,602**
Deferred income tax and social contribution liabilities over temporary differences	—	(155,010)	—	**(155,010)**
Total deferred taxes liabilities	—	(155,010)	—	**(155,010)**
Net effect for the period		325,004		

(In thousands of Brazilian reais, except when specifically indicated)

The Company also has R$ 2 billion of temporary differences related amortization of goodwill non-deductible temporarily over which no deferred tax assets are recorded, considering the uncertainty of when it will be realized.

Additionally, some subsidiaries have tax loss carryforwards and negative basis of social contribution of R$ 2,196,005 and R$ 2,538,852, respectively, over which no deferred taxes are recorded, since currently there is no expectation to recover these credits. Although the tax loss carryforwards have no statutory limit, the Company can only use an amount up to 30% of taxable income each year.

Management evaluates the carrying value of the deferred income tax and social contribution assets based on the Company's projected future taxable income, in order to adjust the valuation allowance, if applicable, to maintain this asset at the expected realization value. The Management estimates that the deferred income tax and social contribution assets will be realized in up to 10 years.

The reconciliation of the reported income tax and social contribution and the amount determined by applying the actual rate for the years ended December 31, 2009 and 2008, are as follows:

	2009			
	Parent Company		Consolidated	
	Income Tax	Social contribution	Income Tax	Social contribution
Income before income tax and social contribution	1,586,697	1,586,697	1,734,448	1,734,448
Income tax and social contribution at statutory rates	396,674	142,803	433,612	156,100
Adjustments to derive the effective rates				
Equity gain net of provision for losses on investments	(177,914)	(64,049)	(30,156)	(10,856)
Amortization of goodwill (a)	(114,738)	(40,931)	(114,738)	(40,931)
Tax benefits from political party and election programming	(55,297)	—	(55,297)	—
Deferred exchange rate variation	(8,578)	(3,088)	(8,671)	(3,121)
Offset of tax loss carryforwards and negative basis of social contribution	31,411	(2,847)	13,786	(8,085)
Other	(69,670)	(20,666)	(142,122)	(40,463)
Current income tax and social contribution	1,888	11,222	96,414	52,644
Subsidiaries' non-taxable losses	—	—	4,967	1,788
Current income tax and social contribution for the year	1,888	11,222	101,381	54,432

(a) Although the amortization of goodwill was ceased by CPC 13, the Law 11941/09 allowed the companies to keep the corresponding deductibility for tax purposes.

(In thousands of Brazilian reais, except when specifically indicated)

	2008			
	Parent Company		Consolidated	
	Income Tax	Social contribution	Income Tax	Social contribution
Income before income tax and social contribution	571,126	571,126	749,680	749,680
Income tax and social contribution at statutory rates	142,782	51,401	187,420	67,471
Adjustments to derive the effective rates				
Equity gain net of provision for losses on investments	(41,455)	(14,924)	(353)	(127)
Amortization of goodwill	10,496	(593)	10,496	(593)
Tax benefits from political party and election programming	(107,317)	—	(107,317)	—
Deferred exchange rate variation	41,395	14,902	61,006	21,957
Offset of tax loss carryforwards and negative basis of social contribution	(14,121)	(15,442)	(34,053)	(22,589)
Other	354	686	(38,931)	(13,946)
Current income tax and social contribution	32,134	36,030	78,268	52,173
Subsidiaries' non-taxable losses	—	—	27,278	9,820
Current income tax and social contribution for the year	32,134	36,030	105,546	61,993

Income tax and social contribution computed and paid by the Company, as well as their respective income tax and social contribution returns and accounting records, are subject to review by tax authorities only within certain periods of time, after which they are not subject to tax authority review.

11. Debt

The consolidated outstanding debt balance as of December 31, 2009 and 2008 are as follows:

	2009			2008		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Parent Company	**16,660**	**1,014,073**	**1,030,733**	22,657	1,326,868	1,349,525
Net Serviços de Comunicação S.A	**5,898**	**145,820**	**151,718**	4,002	116,722	120,724
Other	**16,351**	**—**	**16,351**	8,677	1,138	9,815
Total	**38,909**	**1,159,893**	**1,198,802**	35,336	1,444,728	1,480,064

(In thousands of Brazilian reais, except when specifically indicated)

The Parent Company's debt as of December 31, 2009 and 2008 are comprised as follows:

	2009			2008		
Description	Short-term	Long-term	Total	Total	Interest rate per year	Maturities
Local currency						
Bank loans	**1,856**	**99,943**	**101,799**	102,730	CDI + 1%	October 2012
Total	**1,856**	**99,943**	**101,799**	102,730		
Foreign currency *						
Perpetual Notes	**10,316**	**565,890**	**576,206**	773,371	9.375%	—
Senior Notes	**4,488**	**348,240**	**352,728**	473,424	7.25%	April 2022
Total	**14,804**	**914,130**	**928,934**	1,246,795		
Total	**16,660**	**1,014,073**	**1,030,733**	1,349,525		

(*) The Perpetual Notes and the Senior Notes have quarterly and semiannually call options starting on April 20, 2009 and on April 26, 2012, respectively.

The indexes associated with outstanding consolidated debt, as of December 31, 2009, are as follows:

	2009
CDI (Certificate of Interbank Deposit)..	**8.55% p.a.**
Dollar (PTAX Central Bank)	**R$ 1.7412**

12. Shareholders' equity

Globo's capital at December 31, 2009 and 2008, is represented by 1,000,000 shares, of which 333,335 are common shares and 666,665 are preferred shares, all without par value.

Under Globo's by-laws, only the holders of common shares are entitled to vote. Specific rights are guaranteed to the non-voting preferred shares, such as priority over the proceeds in the event of Globo's liquidation.

In accordance with the Corporate Law, the appropriation of the legal reserve was made at 5% of the net income, in the amount of R$ 95,185. (R$ 23,671 in 2008).

The Bylaws provide for the distribution of mandatory dividends of 25% of net income for the year, adjusted in compliance with article 202 of Law 6404/76. On December 28, 2009, the Shareholders' General Meeting approved the payment of R$ 600,000 (R$ 680,000 in 2008) of dividends related to prior year's Retained earnings reserve. The shareholders declined their right to the minimum mandatory dividend related to the 2009 net income.

Also, as required by Law 11638/07, the Company fully appropriated the retained earnings, in the amount of R$ 1,808,527, to retained earnings reserve.

(In thousands of Brazilian reais, except when specifically indicated)

13. Provision for contingencies

The Company is a defendant in several judicial tax, civil and labor proceedings for which certain legal deposits have been made. The judicial deposits made in connection with certain proceedings will be released only in the event of a favorable outcome for the Company. Based on the opinion of the Company's internal and independent legal counsel, Management recognizes provisions considered sufficient to cover probable losses resulting from such proceedings, as follows:

	Parent Company					
	2009			2008		
	Provision for Contingencies	**Legal Deposits**	**Net**	**Provision for contingencies**	**Legal Deposits**	**Net**
Tax related matters	**85,090**	**(85,090)**	**—**	312,671	(67,261)	245,410
Labor related claims	**81,729**	**(20,648)**	**61,081**	58,651	(15,366)	43,285
Civil related claims	**45,299**	**(45,299)**	**—**	71,016	(47,382)	23,634
Others	**—**	**(37,800)**	**(37,800)**	—	(8,808)	(8,808)
Total	**212,118**	**(188,837)**	**23,831**	442,338	(138,817)	303,521

	Consolidated					
	2009			2008		
	Provision for Contingencies	**Legal Deposits**	**Net**	**Provision for contingencies**	**Legal Deposits**	**Net**
Tax related matters	**144,646**	**(130,985)**	**13,661**	415,704	(83,799)	331,905
Labor related claims	**102,619**	**(25,077)**	**77,542**	76,685	(18,947)	57,738
Civil related claims	**59,970**	**(59,970)**	**—**	85,679	(58,637)	27,042
Others	**—**	**(22,332)**	**(22,332)**	—	(24,736)	(24,736)
Total	**307,235**	**(238,364)**	**68,871**	578,068	(186,119)	391,949

(In thousands of Brazilian reais, except when specifically indicated)

Changes in the Parent Company and consolidated contingencies are summarized as follows:

	Parent Company				
	2009				2008
	Tax proceedings and other	**Labor claims**	**Civil proceedings**	**Total**	**Total**
Balances at the beginning of the year	**312,671**	**58,651**	**71,016**	**442,338**	402,824
Additions net of reversals	**(222,181)**	**28,528**	**5,530**	**(188,123)**	32,929
Payments	**(5,400)**	**(5,450)**	**(34,146)**	**(44,996)**	(14,594)
Monetary correction	**—**	**—**	**2,899**	**2,899**	21,179
Balances at the end of the year	**85,090**	**81,729**	**45,299**	**212,118**	442,338

	Consolidated				
	2009				2008
	Tax proceedings and other	**Labor claims**	**Civil proceedings**	**Total**	**Total**
Balances at the beginning of the year	**415,704**	**76,685**	**85,679**	**578,068**	520,988
Additions net of reversals	**(258,086)**	**32,733**	**11,319**	**(214,034)**	47,980
Payments	**(14,940)**	**(7,863)**	**(41,504)**	**(64,307)**	(17,928)
Monetary correction	**1,722**	**1,045**	**4,462**	**7,229**	26,656
Effect related to the sale of Globo Cochrane's ownership	**—**	**—**	**—**	**—**	(3,127)
Effect related to increase in Net Serviços' ownership	**246**	**19**	**14**	**279**	3,499
Balances at the end of the year	**144,646**	**102,619**	**59,970**	**307,235**	578,068

In December 2009, the Brazilian tax authorities imposed a tax assessment and notified Globo to pay IRPJ and CSLL related mainly to the amount of goodwill recorded in excess upon the acquisition of investments in one of its subsidiaries in 2005, that were used for tax purposes in the calendar-years between 2005 and 2008. Globo has presented its administrative defense and is now waiting the judgment. As of December 31, 2009, the estimated contingency amount in connection with this assessment was, approximately, R$ 713.200. Globo, based on opinions of internal and independent legal counsel, believes that a favorable outcome is possible and, therefore, no provision has been recorded.

Globo and certain subsidiaries have been challenging the effects of Law 9718/98, which increased the calculation bases of PIS and COFINS. On November 9, 2005, the Brazilian Supreme Court adjudged leading cases favorable to the taxpayers, confirming that the first paragraph of third article of Law 9718/98 related to the PIS and COFINS calculation bases were unconstitutional. Also, on May 27, 2009, Law 11941/09 was enacted and its article 79 revoked the mentioned paragraph of Law 9718/98. Accordingly, the Company's internal and independent lawyers estimate that a favorable outcome for this case is practically certain and, therefore, the provision for this contingency, in the amount of approximately R$ 252,000 in the Parent Company's financial statements (approximately R$ 295,000 in the consolidated financial statements) was reversed in the second quarter of 2009.

(In thousands of Brazilian reais, except when specifically indicated)

In 1999, the Brazilian tax authorities imposed a tax assessment and notified TV Globo (the Brasília broadcast television station) to pay ICMS tax on communication services related to the broadcasting of advertisements. The Company has filed for its defense in the State Court, arguing that TV broadcasting companies are not subject to the ICMS tax. At December 31, 2009, the contingency amounted to approximately R$ 33,000 (R$ 31,000 at December 31, 2008). Based on the internal and independent legal counsel, management estimates the chances of a final, unfavorable outcome as possible and, therefore, no provision was recorded.

In 2005, 2006 and 2007 the Secretaria da Receita Previdenciária (National Social Security) imposed tax assessments upon Globo in the amount of approximately R$ 247,000 related to social security contributions ("INSS") in connection with payment of services rendered by certain legal entities within 1995 and 2002. Globo, based on the opinions of internal and independent legal counsel, believes that the probability of loss of these assessments are remote. Also, in 2007 and 2008 the Secretaria da Receita Previdenciária (National Social Security) imposed similar tax assessments upon Globo in the amount of approximately R$ 140,000 related to the years of 2003 to 2005. Globo, based on opinions of internal and independent legal counsel, believes that a favorable outcome is possible and, therefore, no provision has been recorded.

On June 12, 2008, Brazilian Supreme Court has issued a final decision (Stare decisis) that allows Brazilian Tax Authorities to conduct inspections only for the prior period of five years.

The civil matters consist of several copyright and damage claims filed against the Company.

Refinancing Tax Program—Law 11941/09

On May 27, 2009, Brazilian government enacted the Law 11941/09, which amended the tax legislation regarding the payment of tax debits due up to November 30, 2008. The law launched a Refinancing Tax Program and granted certain benefits, such as reduction of penalty and interest depending on the payment form.

Additionally, Law 11941/09 allows the companies to pay the interests through its tax loss carryforward and negative basis of social contribution.

The Company's management evaluated the benefits granted by the Law 11941/09 to adhere to this refinancing tax program and included the following matters in the refinancing program:

				Payment		
Description	**Tax debit amount (*)**	**Reduction of penalty and interest (**)**	**Total amount to be paid**	**Offset of deferred income tax**	**In cash**	**In installments**
Financial operations tax (IOF) (a).....	**9,544**	**(4,178)**	**5,366**	**(2,257)**	**3,109**	**—**
Withholding income tax (IRRF) (b)..	**854,669**	**(437,858)**	**416,811**	**(188,300)**	**228,511**	**—**
Others	**37,029**	**(10,829)**	**26,200**	**(11,466)**	**4,377**	**10,357**
Subtotal...	**901,242**	**(452,865)**	**448,377**	**(202,023)**	**235,997**	**10,357**
Tax liability already recorded			**(17,683)**			
Tax liability recorded in 2009...........			**430,694**			

(*) These amounts were calculated in accordance with the established criteria in the system of the Secretaria da Receita Federal do Brasil (Brazilian Tax Authority).

(In thousands of Brazilian reais, except when specifically indicated)

(**) According to Law 11941/09, assuming that the tax debt due will be paid in one installment, 100% of penalties are waived and the interests can be reduced by 45%.

(a) This refers to assessments related to lack of payments of financial operations tax over commercial transactions and cash transfers with subsidiaries and affiliates. The internal and external lawyers have estimated the probability of loss as possible and, thus, no provision had been recorded before.

(b) This refers to the assessment of withholding income tax (IRRF) on foreign remittances relating to acquisition of an international entity in 2001, in the amount of R$ 768,120, and other international remittances over which the withholding income taxes were not paid, in the amount of R$ 86,549. The Company's internal and independent legal counsel estimated the probability of loss as possible and , thus, no provision had been recorded before.

In the fourth quarter of 2009, upon recognition of this Refinancing Tax Program, the Company recorded a tax liability of approximately R$ 430,694, of which R$ 228,932 against operating expenses, R$ 196,230 against financial expenses, R$ 5,532 against income tax and social contribution expenses.

The Company also recognized a deferred income tax benefit of R$ 202,023, related to deferred income tax asset used to partially offset the tax liabilities. Thus, the net effect in the Company's income statements was approximately R$ 228,671 recorded in the fourth quarter of 2009.

14. Pension plan and benefits

The Company provides a monthly, lifetime pension and health insurance to a group of former employees. All participants are retired or fully eligible for immediate annuities and lifetime health insurance. Monthly income is paid on a non-insured basis through Unibanco Seguros e Previdência S.A.

The accrued actuarial liability as of December 31, 2009 and 2008, is as follows:

	2009			**2008**
	Current	**Non current**	**Total**	**Total**
Pension plan	**5,559**	**42,957**	**48,516**	51,531
Health and life insurance	**1,675**	**20,186**	**21,861**	23,651
Other	**6,665**	**1,305**	**7,970**	5,982
	13,899	**64,448**	**78,347**	81,164

The Pension Plan, Health and Life Insurance liabilities are appraised on an annual basis by an independent actuary. The Company also records other post-employment benefits provided on a temporary basis, which were estimated on a pay-as-you-go basis, corresponding to the best estimate for the following year expense. These benefits correspond to Illness Assistance, Health and Life Insurances to retired and dismissed employees. For the years ended in December, 31, 2009, and 2008 the net gain on actuarial liability recognized in the statement of income was R$ 4,367 and R$ 1,698 respectively.

The actuarial gains or losses recognized correspond to the portion of these gains or losses that exceed the greater of 10% of the Present Value of the Defined Benefit Obligation and 10% of the Fair Value of Plan Assets, amortized by the future average service of the participants of the plan. The Company has chosen to recognize the actuarial gains and losses that exceed the above-mentioned 10%-interval in the year subsequent to the appraisal of those gains and losses.

(In thousands of Brazilian reais, except when specifically indicated)

Change in the accrued actuarial liability:

	Pension plan	Health and life insurance	Other
Accrued actuarial liability at the beginning of the year	**51,531**	**23,651**	**5,982**
Expenses (gain) for the year	**1,209**	**194**	**1,988**
Employer contributions for the year	**(4,224)**	**(1,984)**	**—**
Accrued actuarial liability at the beginning of the year	**48,516**	**21,861**	**7,970**

Change in the defined benefit obligation:

	Pension plan	Health and life Insurance
Defined benefit obligation at the beginning of the year	**47,371**	**21,374**
Interest cost	**5,369**	**2,471**
Benefits paid	**(4,224)**	**(2,394)**
Actuarial (gain)/loss on obligation	**(4,920)**	**(2,572)**
Present value of the defined benefit obligation at the end of the year	**43,596**	**18,879**

Loss to be recognized in the subsequent year:

	Pension plan	Health and life insurance
Actuarial (gain) loss as of December, 31, 2009	**(4,920)**	**(2,982)**
Corridor not subject to amortization (10% of the largest between asset and liability)	**4,359**	**1,888**
Loss to be recognized the following year	**(561)**	**(1,094)**

Main actuarial assumptions adopted:

Actuarial liabilities discount rate	10.56% for 2009 and 10.24% for the following years
Long term inflation rate	4.3% for 2010 and 4.0% for the following years
Expected trend rate for medical expenses	8.47% for 2009 and 8.16% for the following years
Mortality table (healthy lives)	AT-83
Disabled Mortality	RRB-83
Disability Table	RRB-44
Turnover	Towers Perrin Modified

The Company also maintains a private pension plan program managed by Itaú Vida e Previdência S.A. on the basis of defined contributions fully funded by the sponsor and the beneficiaries. Contributions to the plan are made on an annual basis, and semi-annual advances may be made, the amounts of which are defined each year by the sponsor based on achievement of performance targets.

(In thousands of Brazilian reais, except when specifically indicated)

15. Financial income (expense), net

The financial income (expense) for the years ended December 31, 2009 and 2008 are comprised as follows:

	Parent Company			
	2009			2008
	Interest	Monetary and exchange variation	Total	Total
Financial income				
Interest income	**26,173**	**(40)**	**26,133**	247,491
Discounts obtained	**724**	**—**	**724**	1,387
Other	**256,142**	**(1,689)**	**254,453(*)**	7,546
Financial expense				
Interest expense from debt	**(100,282)**	**316,150**	**215,868**	(398,882)
Discounts granted	**(5,012)**	**—**	**(5,012)**	(7,458)
Other	**(225,543)**	**45,336**	**(180,207)(**)**	(72,860)
Net financial income (expense)—related parties (Note 6)	**15,957**	**(97,353)**	**(81,396)**	99,399
	(31,841)	**262,404**	**230,563**	(123,377)

	Consolidated			
	2009			2008
	Interest	Monetary and exchange variation	Total	Total
Financial income				
Interest income	**50,077**	**(1,788)**	**48,289**	268,736
Discounts obtained	**1,575**	**—**	**1,575**	1,839
Other	**291,728**	**6,754**	**298,482(*)**	37,818
Financial expense				
Interest expense from debt	**(115,400)**	**329,723**	**214,323**	(427,005)
Discounts granted	**(13,009)**	**—**	**(13,009)**	(15,096)
Other	**(240,340)**	**45,378**	**(194,962)(**)**	(109,916)
Net financial income (expense)—related parties (Note 6)	**1,522**	**(1,188)**	**2,710**	(3,007)
	(23,847)	**381,255**	**357,408**	(246,631)

(*) This refers mainly to the reversal of provision for contingencies as mentioned in Note 13.
(**) This refers mainly to the interests resulting from the Refinancing Tax Program mentioned in Note 13.

(In thousands of Brazilian reais, except when specifically indicated)

16. Investment results

	Parent Company		Consolidated	
	2009	2008	2009	2008
Equity gain net of provision for losses on investments	**711,656**	165,820	**120,625**	1,413
Disposal of Globo Cochrane	**—**	70,846	**—**	70,846
Gain (loss) on dilution of investments	**140**	452	**739**	(521)
Impairment of Goodwill of International Promotions Ltda	**—**	—	**(17,976)**	—
Other	**(48)**	4,298	**434**	5,107
	711,748	241,416	**103,822**	76,845

17. Financial instruments

The following is a summary of Globo's risk management strategies and the effect of these strategies on its financial statements.

a) Foreign currency

While most of the company's revenues are generated in Brazilian Reais, the Company has long-term debt and certain accounts payable and commitments to purchase programming rights denominated in foreign currency. As a consequence, the Company and its subsidiaries are exposed to the effects of exchange rate variations that could adversely impact their cash flows, financial position and operations, as follows:

	Parent Company		Consolidated	
	2009	2008	2009	2008
Debt denominated in US dollars	**928,934**	1,246,795	**1,013,547**	1,309,715
Accounts payable denominated in US Dollars	**98,095**	106,069	**134,035**	156,410
Currency exposed liabilities	**1,027,029**	1,352,864	**1,147,582**	1,466,125
Cash and cash equivalent denominated in US dollars	**(6,053)**	(8,072)	**(144,582)**	(101,060)
Other assets denominated in foreign currencies, mostly accounts receivable	**(10,854)**	(24,323)	**(61,923)**	(116,181)
Net currency exposed liabilities	**1,010,122**	1,320,469	**941,077**	1,248,884

The acquisition of the FIFA World Cup transmission rights of 2010 and 2014, as described in Note 4, increases the Company's foreign currency exposure.

a) Foreign currency

At December 31, 2009, with the objective to hedge its short term commitments in foreign currency, the Company had US dollar options, US dollar and Euro future and swap contracts. These derivatives are recorded at fair value in the Company's exclusive investments funds, and the gains and losses are recognized in the income statements.

At December 31, 2009, the US dollar call options amounted to US$ 225,000 thousand (US$ 102,000 thousand, at December 31, 2008), which decreases the currency exposure mentioned above. These options protect the Company's exchange rates exposure above the range between R$ 1.95 and R$ 2.30 for each dollar. Additionally, the Company sold US$ 35,000 thousand in put options, which may cap the Company's benefit if the exchange rate is lower than R$ 1.60 per dollar. There is no relevant exposure on the call options as management will exercise the options only when market exchange rates are higher than the mentioned fixed rates. Otherwise, the potential loss for the Company is the premium paid to purchase the options. For the year ended December 31, 2009, the dollar options generated a net financial loss of R$ 43,134 (gain of approximately R$ 45,300 in 2008).

At December 31, 2009, the US dollar future contracts amounted to US$ 31,500 thousand (US$ 41,500 thousand at December 31, 2008) and mature on February 1, 2010. These contracts generated a financial loss of approximately R$ 110,000 for the year ended December 31, 2009 (gain of approximately R$ 7,000 in 2008).

At December 31, 2009, the Euro future contracts amounted to EUR$ 15,750 thousand. These contracts generated a financial loss of approximately R$ 6,800 for the year ended December 31, 2009.

At December 31, 2009, the swap contracts amounted to US$ 50,000 thousand (US$ 30,000 thousand at December 31, 2008), for which the Company pays 118,60% of CDI and receives the US dollar variation against Brazilian Reais, plus 10,35% p.a. These contracts generated a financial loss of R$ 2,493 for the year ended December 31, 2009 (gain of approximately R$ 1,100 in 2008).

b) Interest rate risk

The Company and certain subsidiaries have local-currency-denominated debt subject to the fluctuation of CDI (interbank deposit rate) and TJLP (long term interest rate).

As aforementioned, the Company utilizes financial derivative instruments for cash management purposes. Also, the Company usually has swap contracts to exchange the remuneration of part of its financial investments from pre-fixed into post-fixed remuneration.

c) Concentration of credit risk

The concentration of credit risk associated with accounts receivable of the Company and its subsidiaries is not significant.

The Company maintains cash and cash equivalents with various financial institutions and as a policy, it limits the exposure to each institution.

d) Market value

i. Cash and cash equivalents, marketable securities, accounts receivable and accounts payable

The carrying amounts reported in the balance sheet approximate their fair market values.

ii. Fair market value of debt

(In thousands of Brazilian reais, except when specifically indicated)

	2009			
	Parent Company		Consolidated	
Description	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Local currency loans....................	**101,799**	**101,799**	**185,255**	**183,994**
Foreign currency loans	**928,934**	**932,634**	**1,013,547**	**1,019,022**
	1,030,733	**1,034,433**	**1,198,802**	**1,203,016**

The local currency debt is not actively traded and the interest rates are consistent with current market conditions; therefore the market values informed approximate their carrying values. The fair value of the foreign currency debt was calculated based on the secondary market with a market face value of 98,10% for the Perpetual Notes and 104,15% for the Senior Notes.

18. Insurance

Globo seeks coverage in the domestic and international insurance markets at levels commensurate with the Company's size and activities.

The Company has an "All Risks" insurance policy that provides protection for all significant assets owned by Globo or for those assets that are the Company's responsibility or are assigned to third parties, as well as against possible losses from advertising exhibition interruptions. The Company also has insurance against third-party liabilities arising from damages in the course of its activities and coverage for national and international transportation.

19. Subsequent event

On March 4, 2010 Globo and Grupo RBS entered into a Joint Venture to create a company to promote and organize events and fairs. This new company will be independent from their media companies. The new company is expected to receive investments of R$240,000 and its management will be independent from Globo and Grupo RBS, which will hold a 60% and 40% stake in the capital stock, respectively, in addition to appointing representatives for the Board of Directors.

Grupo RBS is a multimedia communication group, incorporated in Rio Grande do Sul and Santa Catarina, and operating a platform with 18 open network channels affiliated to Rede Globo, 2 community channels, one pay-TV channel, 25 radio stations, 8 newspapers and 4 Internet portals, among other businesses.

(In thousands of Brazilian reais, except when specifically indicated)

20. Additional Information (unaudited)

Consolidated statements of income for the three months ended December 31, 2009 and 2008:

	Consolidated	
	Three months ended December 31	
	2009	**2008**
Sales, advertising and services		
Third parties	**2,580,571**	2,170,237
Related parties	**322,920**	279,990
Taxes and other deductions	**(313,505)**	(256,754)
Net operating revenues	**2,589,986**	2,193,473
Cost of sales and services	**(1,644,491)**	(1,277,535)
Gross profit	**945,495**	915,938
Operating expenses		
Selling	**(337,510)**	(295,831)
General and administrative	**(383,040)**	(339,931)
Depreciation and amortization	**(14,720)**	(12,156)
Gain (loss) on sale of property, plant and equipment and intangible	**1,577**	(3,526)
Other operating income	**1,786**	2,745
Net operating income before net financial and investments results	**213,588**	267,239
Financial expense, net	**(186,636)**	(206,739)
Investment results	**102,437**	(2,243)
Amortization of goodwill	**—**	(130,746)
Operating income (loss)	**129,389**	(72,489)
Income tax and social contribution benefit (expense)	**328,715**	(74,883)
Net income (loss) before minority interest	**458,104**	(147,372)
Minority interest	**521**	(3)
Net income (loss) for the period	**458,625**	(147,375)

Report of independent auditors

The Board of Directors and Shareholders of
Globo Comunicação e Participações S.A.
Rio de Janeiro—RJ

1. We have audited the accompanying balance sheet of Globo Comunicação e Participações S.A. and the accompanying consolidated balance sheet of Globo Comunicação e Participações S.A. and its subsidiaries as of December 31, 2008, and the related statements of income, changes in shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements.

2. We conducted our audits in accordance with auditing standards generally accepted in Brazil, including: a) the planning of our work, taking into consideration the materiality of balances, the volume of transactions and the accounting and internal control systems of the Company and its subsidiaries; b) the examination, on a test basis, of the documentary evidence and accounting records supporting the amounts and disclosures in the financial statements; and c) an assessment of the accounting practices used and significant estimates made by management, as well as an evaluation of the overall financial statement presentation.

3. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Globo Comunicação e Participações S.A. and the consolidated financial position of Globo Comunicação e Participações S.A. and its subsidiaries at December 31, 2008, and the results of their operations, changes in their shareholders' equity and their cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil.

4. We have previously audited the financial statements of Globo Comunicação e Participações S.A. and the consolidated financial statements of Globo Comunicação e Participações S.A. and its subsidiaries as of December 31, 2007, comprising the balance sheet, the statements of income, of changes in shareholders' equity and of changes in financial position for the year then ended, including the statement of cash flows as additional information, on which we issued an unqualified report dated February 22, 2008. As mentioned in Note 2, beginning January 1, 2008, certain changes have been introduced to the accounting practices adopted in Brazil. The financial statements for the year ended December 31, 2007, presented in conjunction, except for the statement of changes in financial position, with the financial statements for year ended December 31, 2008, were prepared in accordance with the accounting practices adopted in Brazil effective up to December 31, 2007 and, as allowed by Technical Pronouncement—CPC 13—First Time Adoption of Law no. 11638/07 and Provisional Measure no. 449/08—were not restated for comparative purposes.

Rio de Janeiro, February 20, 2009

ERNST & YOUNG
Auditores Independentes S.S.
CRC—2SP 015.199/O-6—F—RJ

Paulo José Machado
Accountant CRC—1RJ 061.469/O—4

GLOBO COMUNICAÇÃO E PARTICIPAÇÕES S.A.

Balance sheets
December 31, 2008 and 2007
(In thousands of Brazilian Reais)

		Parent company		Consolidated	
	Note	**2008**	**2007**	**2008**	**2007**
Assets					
Current assets:					
Cash and cash equivalents	3	**750,251**	707,331	**1,078,210**	827,777
Marketable securities	3	**1,518,093**	725,874	**1,518,093**	903,847
Accounts receivable		**653,211**	637,824	**862,826**	873,321
Allowances for doubtful accounts		**(29,287)**	(29,176)	**(43,960)**	(44,298)
Transmission and exhibition rights	4	**425,492**	409,823	**514,838**	464,466
Deferred income tax and social contribution	10	**9,844**	9,844	**37,616**	51,374
Other		**141,378**	106,789	**270,748**	235,925
Total current assets		**3,468,982**	2,568,309	**4,238,371**	3,312,412
Non-current assets:					
Long-term assets:					
Accounts receivable from related parties	6	**12,307**	741,127	**1,172**	10,099
Transmission and exhibition rights	4	**337,030**	327,580	**339,823**	331,067
Marketable securities	3	**40,986**	—	**40,986**	—
Subscription rights	5	**102,344**	175,722	**98,299**	171,070
Deferred income tax and social contribution	10	**235,003**	264,565	**265,585**	339,718
Legal deposits		**8,808**	7,832	**24,736**	21,995
Other		**63,135**	63,661	**81,830**	79,376
Investments	7	**678,444**	526,960	**2,157**	2,171
Property, plant and equipment	8	**1,665,772**	1,613,960	**1,941,928**	1,852,401
Intangible assets	9	**974,640**	1,492,729	**1,186,067**	1,691,891
Total non-current assets		**4,118,469**	5,214,136	**3,982,583**	4,499,788
Total assets		**7,587,451**	7,782,445	**8,220,954**	7,812,200

GLOBO COMUNICAÇÃO E PARTICIPAÇÕES S.A.

Balance sheets (Continued)
December 31, 2008 and 2007
(In thousands of Brazilian Reais)

		Parent company		Consolidated	
	Note	**2008**	**2007**	**2008**	**2007**
Liabilities and shareholders' equity					
Current liabilities:					
Debt	11	**29,044**	125,522	**35,336**	133,413
Accounts payable		**437,696**	395,249	**709,018**	646,978
Dividends	6	**552,487**	349,674	**553,944**	349,674
Advances from customers		**719,395**	628,723	**806,802**	794,329
Salaries and social benefits		**285,678**	218,601	**325,834**	251,098
Taxes obligation		**83,465**	55,962	**125,248**	101,044
Other		**53,701**	56,746	**70,167**	62,870
Total current liabilities		**2,161,466**	1,830,477	**2,626,349**	2,339,406
Non-current liabilities:					
Debt	11	**1,326,868**	1,029,876	**1,444,728**	1,102,644
Accounts payable		**174,418**	170,448	**176,705**	172,451
Accounts payable to related parties	6	**29,114**	81,765	**30,033**	66,582
Provision for losses on investments	7	**90,569**	630,037	**1,833**	1,121
Provision for contingencies	13	**312,329**	318,479	**416,685**	401,630
Pension plan and benefits	14	**67,711**	70,272	**68,044**	70,388
Other		**62,356**	104,228	**107,594**	143,992
Total non-current liabilities		**2,063,365**	2,405,105	**2,245,622**	1,958,808
Minority interests		**—**	—	**31**	4,221
Shareholders' equity:	12				
Capital		**2,434,758**	2,434,758	**2,434,758**	2,434,758
Revaluation reserve		**—**	459	**—**	459
Legal reserve		**95,190**	71,519	**95,190**	71,519
Retained earnings		**—**	1,040,127	**—**	1,003,029
Profit reserves		**807,947**	—	**794,279**	—
Cumulative translation adjustment		**24,725**	—	**24,725**	—
Total shareholders' equity		**3,362,620**	3,546,863	**3,348,952**	3,509,765
Total liabilities and shareholders' equity		**7,587,451**	7,782,445	**8,220,954**	7,812,200

See notes to the financial statements.

GLOBO COMUNICAÇÃO E PARTICIPAÇÕES S.A.

Statements of income
Years ended December 31, 2008 and 2007
(In thousands of Brazilian Reais, except earnings per share)

		Parent Company		Consolidated	
	Note	**2008**	**2007**	**2008**	**2007**
Sales, advertising and services					
Third parties		**5,798,492**	5,122,374	**7,434,405**	6,560,004
Related parties	6	**229,389**	229,018	**1,018,670**	772,104
Taxes and other deductions		**(257,464)**	(228,846)	**(851,569)**	(665,540)
Net operating revenues		**5,770,417**	5,122,546	**7,601,506**	6,666,568
Cost of sales and services		**(3,354,712)**	(2,969,428)	**(4,068,457)**	(3,692,559)
Gross profit		**2,415,705**	2,153,118	**3,533,049**	2,974,009
Operating expenses					
Selling		**(728,278)**	(619,821)	**(1,049,751)**	(882,432)
General and administrative		**(649,258)**	(647,759)	**(946,211)**	(909,044)
Depreciation and amortization		**(41,285)**	(43,289)	**(54,949)**	(55,225)
Gain (loss) on sale of property, plant and equipment and intangible		**795**	1,841	**(5,486)**	(6,321)
Other operating income		**—**	—	**5,792**	(218)
Net operating income before financial and investments results		**997,679**	844,090	**1,482,444**	1,120,769
Financial income (expense), net	15	**(230,008)**	96,231	**(246,631)**	93,800
Investment results	16	**348,240**	222,156	**76,845**	79,909
Amortization of goodwill	9	**(544,785)**	(570,612)	**(562,978)**	(594,018)
Income before income tax and social contribution		**571,126**	591,865	**749,680**	700,460
Income tax and social contribution expense	10	**(97,726)**	(32,361)	**(252,953)**	(124,779)
Net income before minority interest		**473,400**	559,504	**496,727**	575,681
Minority interest		**—**	—	**(4)**	(844)
Net income for the year		**473,400**	559,504	**496,723**	574,837
Earnings per share outstanding at the end of the year		**473.40**	559.50		

See notes to the financial statements.

GLOBO COMUNICAÇÃO E PARTICIPAÇÕES S.A.

Statements of changes in shareholders' equity
Years ended December 31, 2008 and 2007
(In thousands of Brazilian Reais)

	Capital	Revaluation reserve	Cumulative translation adjustment	Legal reserve	Profit reserves	Retained earnings	Total
Balances at December 31, 2006	2,434,758	488	—	43,544	—	827,789	3,306,579
Realization of revaluation reserve	—	(29)	—	—	—	29	—
Net income for the year	—	—	—	—	—	559,504	559,504
Legal reserve	—	—	—	27,975	—	(27,975)	—
Dividends	—	—	—	—	—	(319,220)	(319,220)
Balances at December 31, 2007	**2,434,758**	**459**	**—**	**71,519**	**—**	**1,040,127**	**3,546,863**
Write-off of deferred assets—Law 11638/07 (Note 2.c)	**—**	**—**	**—**	**—**	**—**	**(2,368)**	**(2,368)**
Realization of revaluation reserve	**—**	**(459)**	**—**	**—**	**—**	**459**	**—**
Translation adjustment (Note 2.b)	**—**	**—**	**24,725**	**—**	**—**	**—**	**24,725**
Net income for the year	**—**	**—**	**—**	**—**	**—**	**473,400**	**473,400**
Dividends (Note 12)	**—**	**—**	**—**	**—**	**—**	**(680,000)**	**(680,000)**
Constitution of reserves (Note 12)	**—**	**—**	**—**	**23,671**	**807,947**	**(831,618)**	**—**
Balances at December 31, 2008	**2,434,758**	**—**	**24,725**	**95,190**	**807,947**	**—**	**3,362,620**

See notes to the financial statements.

GLOBO COMUNICAÇÃO E PARTICIPAÇÕES S.A.

Statements of cash flows
Years ended December 31, 2008 and 2007
(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	2008	**2007**	**2008**	**2007**
Cash flows from operating activities:				
Income before income tax and social contribution	**571,126**	591,865	**749,680**	700,460
Adjustments to reconcile net income for the period and net cash provided by operating activities:				
Depreciation and amortization	**169,612**	154,569	**209,725**	197,962
Equity gain net of provision for losses on investments	**(272,644)**	(214,926)	**(1,413)**	1,058
Goodwill amortization	**544,785**	570,612	**562,978**	594,018
Interest expense and monetary variation of assets and liabilities, net	**463,853**	41,304	**465,738**	(17,219)
Provision for contingencies	**32,929**	62,550	**47,980**	87,292
Allowance on assets	**12,132**	10,690	**18,259**	3,138
Gain on sale of property, plant and equipment and investment	**(76,391)**	(9,072)	**(98,837)**	(74,646)
Deferred income tax and social contribution	**—**	—	**(53)**	(4,289)
Minority interests	**—**	—	**4**	844
	1,445,402	1,207,592	**1,954,061**	1,488,618
Changes in assets and liabilities:				
Increase in accounts receivable	**(39,340)**	(88,099)	**(5,640)**	(64,281)
Decrease (increase) in transmission, exhibition and other rights	**12,777**	(80,337)	**(19,928)**	(90,399)
Decrease (increase) in recoverable taxes	**30**	33,517	**(38,927)**	24,853
(Increase) decrease in inventories	**(44,411)**	28,022	**(62,055)**	26,941
Decrease in tax obligation	**(41,334)**	(21,907)	**(88,145)**	1,895
Increase in advances from advertisers and deferred revenues	**90,672**	69,791	**12,655**	72,784
Increase in accounts payable	**45,665**	41,691	**87,431**	34,223
Dividends received	**270,255**	162,802	**16,918**	—
Other assets and liabilities	**(44,206)**	(83,896)	**56,557**	(51,273)
Cash provided by operating activities	**1,695,510**	1,269,166	**1,912,927**	1,443,361
Payments of debt interest	**(99,667)**	(115,492)	**(114,880)**	(145,625)
Payments of income tax and social contribution	**(37,360)**	(13,452)	**(84,179)**	(56,415)
Net cash provided by operating activities	**1,558,483**	1,140,232	**1,713,868**	1,241,321
Cash flows from investing activities:				
Increase in marketable securities	**(833,198)**	(335,079)	**(723,926)**	(502,592)
(Increase) decrease in investments	**(703,180)**	(22,684)	**49,499**	(863)
Proceeds from sale of investments	**123,103**	1,404	**110,676**	1,404
Decrease in subscription rights	**33,600**	63,881	**31,996**	68,592
Additions to property, plant and equipment	**(221,921)**	(193,622)	**(337,519)**	(282,839)
Proceeds from sale of property, plant and equipment	**1,529**	747	**6,072**	2,029
Increase in intangible assets	**(13,289)**	—	**(7,534)**	(3,988)
Decrease (increase) in deferred cost	**—**	—	**2,639**	(12,949)
Advance for future capital increase	**725,606**	(227,406)	**—**	—
Net cash used in investing activities	**(887,750)**	(712,749)	**(868,097)**	(731,206)
Cash flows from financing activities:				
Proceeds from new debt	**—**	411,370	**29,993**	434,918
Debt amortization	**(100,527)**	(269,189)	**(101,277)**	(465,789)
Net increase (decrease) in related parties transactions	**2,626**	(6,344)	**5,858**	(5,057)
Dividends paid	**(529,912)**	(48,126)	**(529,912)**	(48,126)
Net cash (used in) provided by financing activities	**(627,813)**	87,711	**(595,338)**	(84,054)
Increase in cash and cash equivalents	**42,920**	515,194	**250,433**	426,061
Cash and cash equivalents at the beginning of the year	**707,331**	192,137	**827,777**	401,716
Cash and cash equivalents at the end of the year	**750,251**	707,331	**1,078,210**	827,777

See notes to the financial statements.

1. Operating activities

Globo Comunicação e Participações S.A. ("Globo" or the "Company") comprises a group of television stations and Internet business and is engaged, through its subsidiaries and jointly controlled companies in Pay TV's programming and distribution and Publishing businesses, being the largest media company of Brazil.

The Broadcast TV business unit, together with its own five broadcast television stations (Rio de Janeiro, São Paulo, Recife, Brasília and Belo Horizonte), its affiliated network stations in 5.477 Brazilian cities and with its production and programming national center, is also known as "Rede Globo" ("Globo Network").

The Rede Globo is one of the major producers of TV-content in the world, exhibiting more than 5,000 hours (unaudited) on free to air television of in-house productions including dramas, journalism, sports, children's programs and other shows. Approximately 76% (unaudited) of the programming exhibited by the Rede Globo are produced by the Company, including approximately 86% (unaudited) of the prime-time (6:00 pm to 12:00 am) programming. The bulk of the Company's production activities takes place in studios and production facilities in and around Rio de Janeiro and São Paulo. The Projac production complex located in the outskirts of Rio de Janeiro serves as a comprehensive television production site tailored to the particular needs of the Company.

Projac's facilities are among the most technologically advanced television production studios in the world, leading to continuously increasing quality in the Company's programming. The Company also has studios and production facilities in São Paulo and Rio de Janeiro.

In the Pay TV programming segment, the Company is the leader in national content through the "Globosat's Channels" distributed by various platforms of cable, DTH and MMDS.

Additionally, the Company has a strong position in Brazilian internet audience mainly in the entertainment, news and sports segments.

Notes to financial statements (Continued)
December 31, 2008 and 2007
(In thousands of Brazilian Reais, except when specifically indicated)

At December 31, 2008 and 2007, Globo held the following ownership in subsidiaries and affiliates:

	Ownership %			
	December 31, 2008			December 31, 2007
	Direct	Indirect	Total	Total
Fully consolidated entities:				
Comercial Fonográfica RGE Ltda.	**99.99**	**—**	**99.99**	99.99
Distel Holding S.A.	**100.00**	**—**	**100.00**	100.00
DTH Comércio e Participações S.A. (see Note 7)	**—**	**—**	**—**	100.00
Editora Globo S.A.	**97.66**	**—**	**97.66**	97.66
Get Empreendimentos Temáticos Ltda. (Consolidated)	**100.00**	**—**	**100.00**	100.00
GLB Participações Ltda.	**100.00**	**—**	**100.00**	100.00
Globo Cabo Participações S.A.	**—**	**99.86**	**99.86**	99.86
Globo Cochrane Gráfica e Editora Ltda. (investment sold in March 2008)	**—**	**—**	**—**	95.02
Globo International Company Ltd. (Consolidated)	**100.00**	**—**	**100.00**	100.00
Globosat Programadora Ltda.	**100.00**	**—**	**100.00**	100.00
Interpro—International Promotions Ltda.	**100.00**	**—**	**100.00**	100.00
Net Brasil S.A.	**83.33**	**16.67**	**100.00**	100.00
Prime Securities Trading Inc.	**—**	**100.00**	**100.00**	100.00
Sigem—Sistema Globo de Edições Musicais Ltda.	**99.05**	**—**	**99.05**	99.05
Sigla—Sistema Globo de Gravações Audiovisuais da Amazônia Ltda.	**100.00**	**—**	**100.00**	100.00
Sigla—Sistema Globo de Gravações Audiovisuais Ltda.	**100.00**	**—**	**100.00**	100.00
UGB Participações S.A.	**100.00**	**—**	**100.00**	100.00
Zende—Serviços de Apoio e Logística Ltda.	**99.98**	**—**	**99.98**	99.98
Proportionally consolidated:				
Canal Brazil S.A.	**—**	**50.00**	**50.00**	50.00
Endemol Globo S.A.	**50.00**	**—**	**50.00**	50.00
GB Empreendimentos e Participações S.A.	**8.28**	**8.72**	**17.00**	17.00
Net Serviços de Comunicação S.A. (Consolidated)	**1.14**	**5.72**	**6.86**	6.35
PB Brasil Entretenimento S.A.	**—**	**60.00**	**60.00**	60.00
Telecine Programação de Filmes Ltda.	**50.00**	**—**	**50.00**	50.00
USA Brasil Programadora Ltda.	**—**	**50.00**	**50.00**	50.00
Affiliates—equity method:				
Sky Brasil Serviços Ltda.	**—**	**25.90**	**25.90**	25.90
TT2 Telecomunicações Ltda.	**—**	**60.00**	**60.00**	60.00

The activities and operations carried out by the Company's main subsidiaries, joint ventures and affiliated companies are summarized as follows:

(a) Distel Holding S.A. ("Distel")—Distel holds investments in Net Serviços de Comunicação S.A. ("Net Serviços"), Net Brasil S.A., GB Empreendimentos e Participações S.A. and Globo Cabo Participações S.A.

(b) GB Empreendimentos e Participações S.A. ("GB")—GB is a special purpose company and holds the controlling ownership interest in Net Serviços. Globo and Telèfonos de Mexico, S.A. de C.V.

("Telmex") through GB and other subsidiaries owns together 99% of Net Serviços common shares. Globo controls, through GB, the majority of Net Serviços outstanding voting shares. The Net Serviços shareholders' agreements between Globo, Telmex and GB contain provisions relating to, among other things, the transfer of shares of Net Serviços and the shares of GB, rights of refusal, and governance, including the right of each of Globo, Telmex and GB to appoint members to Net Serviços board of directors and board of officers. See item (i).

(c) Globosat Programadora Ltda. ("Globosat")—Globosat is the leading producer of Pay TV programming in Brazil, including pay-per-view content and subscription channels that are sold to multiple system operators ("MSOs"). Globosat's content is available to cable, MMDS (Multichannel Multipoint Distribution Service) and DTH (Direct to Home) subscribers, and its channels are present in almost all Net Serviços and Sky Brasil Serviços Ltda. ("Sky Brasil") subscriber bases.

(d) Net Brasil S.A. ("Net Brasil")—Net Brasil acts as a purchasing agent of Brazilian content, including Globosat and Telecine Programação de Filmes Ltda. ("Telecine") programming, distributed to MSOs, such as Sky Brasil and Net Serviços, as well as other third-party operators. Net Brasil's activities include negotiating terms and conditions for distribution of programming by cable, MMDS and DTH television operators; providing trademark development and licensing; and developing new services and products for such operators.

(e) Editora Globo S.A. ("Editora Globo")—Editora Globo publishes magazines, books and collections, which are sold through newsstands, bookstores, subscriptions and sales people.

(f) Globo Cochrane Gráfica e Editora Ltda. ("Globo Cochrane")—Globo Cochrane prints magazines, books and collections. As mentioned in Note 7, this investment was sold in March 2008.

(g) Interpro—International Promotions Ltda. ("Interpro")—Interpro exploit and produces the F1 and F3000 stock car racing events in Brazil.

(h) Endemol Globo S.A. ("Endemol Globo")—is a joint venture between Globo (50%) and Endemol Finance B.V. (50%). Endemol Globo is engaged in developing, distributing and producing audiovisual programs based on formats owned by the shareholders and licensed on a worldwide basis.

(i) Net Serviços—Net Serviços is a public company with significant activities in the distribution of subscription television signals through a network of cable subsidiaries and affiliates located in the largest cities in Brazil. Net Serviços also offers high-speed internet access services through its cable network, as well as telecommunications services.

(j) Telecine is a joint venture between Globo (50%) and Paramount (12.5%), Metro Goldwyn Mayer ("MGM") (12.5%), Universal (12.5%) and Twentieth Century Fox ("Fox") (12.5%) (Paramount, MGM, Universal and Fox are together referred to as the "Studio Partners"). Telecine offers film programming to subscription television operators in Brazil distributed by Net Brasil. The five Telecine channels mainly broadcast exclusive films produced and licensed by the Studio Partners.

(k) Sky Brasil operates Pay TV services through satellite (Direct to Home), through the use of mini-parabolic antennas in the Ku band. Sky Brasil operates the Sky System in Brazil with DirectTV Group.

Globo serves as the supplier of Brazilian programming content to Sky Brasil and has the right, under certain circumstances, to exchange all or part of its interest in Sky Brasil for shares of DirecTV, or if DirecTV determines, cash or a combination of cash and shares, subject to the conditions established in the agreement. Also, Globo has certain approval rights consistent with its role as a strategic partner of Sky Brasil, including certain programming matters and extraordinary corporate transactions.

(l) Sigla—Sistema Globo de Gravações Audiovisuais Ltda. ("Sigla")—Sigla was the main investment vehicle in the sound recording industry and produces and sells the soundtracks of the "telenovelas" produced by the Company. In July 2007, Sigla was partially spun-off and its operations are currently under Globo's operations.

2. Basis of preparation and presentation of the financial statements

The financial statements (Parent Company and Consolidated) are the responsibility of the Company's management and have been prepared in accordance with the accounting practices adopted in Brazil, comprising the technical pronouncements issued by the Accounting Pronouncements Committee (Comitê de Pronunciamentos Contábeis—CPC) and the Corporate Law.

On December 28, 2007, Law 11638/07 was enacted and, on December 4, 2008, modified by the Provisional Measure no. 449 ("MP 449/08"). The Law 11638/07 and MP 449/08 changed, revoked and inserted certain provisions to the Brazilian Corporate Law.

In accordance with the technical pronouncement—CPC 13—First Time Adoption of Law 11638/07 and MP 449/08, in the financial statements for the year ended December 31, 2008, the Company adopted for the first time all new provisions of Law 11638/07 and MP 449/08. The financial statements for the year ended December 31, 2007, presented in conjunction with the 2008 financial statements, were prepared in accordance with the accounting practices adopted in Brazil effective up to December 31, 2007, as allowed by CPC 13. This pronouncement permitted the companies not to apply the requirements of the technical pronouncement NPC 12—Accounting Practices, Changes in Accounting Estimates and Correction of Errors, in the first time adoption of Law 11638/07 and MP 449/08. Accordingly, the Company reflected the adjustments arising from the changes to accounting practices directly against retained earnings on January 1, 2008, and has not restated, for purposes of comparability, the 2007 financial statements, except for certain balance sheet reclassifications, as discussed ahead.

The effects, if any, from the changes to the accounting practices adopted in Brazil were measured and recognized in the Company's financial statements for the year ended December 31, 2008 or on January 1, 2008, based on the following pronouncements issued by CPC:

- Conceptual Framework for Preparation and Presentation of Financial Statements;
- CPC 01—Impairment of Assets;
- CPC 02—Effects of Foreign Exchange Rates and Translation of Financial Statements;
- CPC 03—Cash Flow Statement;
- CPC 04—Intangible Assets;
- CPC 05—Related Party Disclosures;
- CPC 06—Leases;
- CPC 08—Costs for the Issuance of Securities;
- CPC 12—Adjustments to Present Value;
- CPC 13—First Time Adoption of Law 11638/07 and MP 449/08;
- CPC 14—Financial Instruments: Recognition, Measurement and Disclosures; and
- OCPC 02—Clarifications for the 2008 Financial Statements.

The Company's financial statements were prepared considering the following exemptions allowed by CPC 13:

a) Exemption for the preparation of comparative financial statements:

As aforementioned, the 2007 financial statements were prepared based on the accounting practices effective up to December 31, 2007. As described bellow, certain reclassifications were made to the 2007 balance sheet accounts.

b) Exemption for classification of financial instruments on their original date of registration:

Although CPC 14 establishes that the classification of financial instruments shall be made at the time of their initial registration, for the purpose of the first time adoption of Law 11638/07 and MP 449/08, CPC 13 allows the classification on January 1, 2008, which was the Company's option.

c) Exemption for maintaining balances in deferred assets until their full amortization:

Although the Law 11638/07 and MP 449/08 eliminated the deferred assets account, the CPC 13 permitted the companies to maintain these balances until their full amortization (and subjected to annual impairment analysis, as required by CPC 01). The Company did not apply this exemption and wrote-off the outstanding deferred assets balance of R$ 2,368 against retained earnings on January 1, 2008. Also, on a consolidated basis, R$ 18,292 of deferred assets were reclassified to fixed assets. For comparative purposes, this reclassification was also made in the 2007 balances.

d) Exemption for calculating adjustment to present value:

The Company measured the effect of the present value based on overall calculations of outstanding balances of each group of accounts for monetary assets and liabilities, and applied discount rates based on market assumptions. No significant effect was identified and thus there was no present value adjustment recorded.

e) Neutrality for tax purposes of the first time adoption of Law 11638/07 and MP 449/08:

The company opted for the Transition Tax Regime (RTT) introduced by MP 449/08, under which the adjustments arising from the accounting practices changes should not affect the tax calculations. Accordingly, the Company's taxes must continue to be based on accounting practices effective up to December 31, 2007.

f) Exemption for amortization of goodwill:

The goodwill balances were amortized on a straight-line basis until December 31, 2008.

g) Exemption for first evaluation of economic useful life of fixed assets:

The Company will evaluate during 2009 the estimated economic useful life of its fixed assets in order to adjust, if needed, the depreciation rates. The changes, if any, will be accounted for prospectively.

(In thousands of Brazilian Reais, except when specifically indicated)

The effects on net income and shareholders' equity from the first time adoption of the Law 11638/07 and MP 449/08 were as follows:

	Parent Company		Consolidated	
	Shareholders' equity	Net income for the year	Shareholders' equity	Net income for the year
Balance per financial statements at December 31, 2008	**3,362,620**	**473,400**	**3,348,952**	**496,723**
Write-off of deferred assets	**2,368**	**—**	**2,368**	**—**
Deferred assets amortization	**(447)**	**(447)**	**(447)**	**(447)**
Balance per financial statements based on accounting practices in force at December 31, 2007	**3,364,541**	**472,953**	**3,350,873**	**496,276**

The comparability with prior year is also affected by the changes in ownership interest in Net Serviços. Net Serviços has been proportionally consolidated based on the ownership interest held, which was increased from 6.35% at December 31, 2007 to 6.86% at December 31, 2008.

The main accounting policies and basis of consolidation adopted by the Company are described below:

a) Basis of consolidation

The consolidation of the accounts consists of an aggregation of assets, liabilities, and income and expenses account balances, as per their nature, complemented by the following adjustments and eliminations:

- the effects of significant transactions carried out among the consolidated companies;
- the parent company's interest in the capital, reserves, and retained earnings or deficits of subsidiaries;
- the balances of loans, current accounts and other asset and liability accounts held among the consolidated companies;
- the interest of minority shareholders in the shareholders' equity (deficit) and results of operations of the consolidated companies, recorded as "minority interests".

All subsidiaries have the same fiscal year and same accounting practices of the parent company.

The reconciliation between the shareholders' equity at December 31, 2008 and December 31, 2007 and net income for the years ended December 31, 2008 and 2007 of the parent company and the consolidated financial statements is as follows:

	Shareholders' equity		Net income for the years	
	2008	2007	2008	2007
Parent company financial statements	**3,362,620**	3,546,863	**473,400**	559,504
Losses of DTH Comércio e Participações S.A. in excess of investment amount (*)	**(13,589)**	(37,001)	**23,412**	15,436
Other	**(79)**	(97)	**(89)**	(103)
Consolidated financial statements	**3,348,952**	3,509,765	**496,723**	574,837

(*) In July 2008, DTH Comércio e Participações S.A. was spun-off and merged into Globo and Distel. See Note 7.

(In thousands of Brazilian Reais, except when specifically indicated)

The summary of the financial statements (**) of the jointly controlled subsidiaries that are proportionally consolidated as of December 31, 2008 and 2007 are as follows:

	Net Serviços		GB		Telecine		Endemol Globo		USA Brasil		PB Brasil		Canal Brazil	
	2008	2007	2008	2007	2008	2007 (*)	2008	2007	2008	2007	2008	2007	2008	2007
Assets														
Current assets......	1,177,110	954,361	—	1	162,535	152,076	6,692	4,127	43,428	31,955	19,160	8,764	23,886	12,804
Non-current assets	4,998,030	4,279,711	610,965	648,537	29,351	20,860	736	326	5,251	3,323	2,880	1,124	9,526	9,686
Total...................	6,175,140	5,234,072	610,965	648,538	191,886	172,936	7,428	4,453	48,679	35,278	22,040	9,888	33,412	22,490
Liabilities and shareholders' equity														
Current liabilities.........	1,015,026	676,672	—	—	71,684	85,276	6,178	3,401	18,725	19,163	6,082	4,659	7,522	4,997
Non-current liabilities.........	2,516,717	1,818,997	108	89	10,038	7,540	432	234	1,818	1,541	—	—	60	9,198
Shareholders' equity..............	2,643,397	2,738,403	610,857	648,449	110,164	80,120	818	818	28,136	14,574	15,958	5,229	25,830	8,295
Total...................	6,175,140	5,234,072	610,965	648,538	191,886	172,936	7,428	4,453	48,679	35,278	22,040	9,888	33,412	22,490
	2008	2007	2008	2007	2008	2007 (*)	2008	2007	2008	2007	2008	2007	2008	2007
Net revenues	3,690,409	2,738,655	—	—	341,552	249,860	8,256	6,868	76,865	57,286	36,209	17,066	32,570	24,754
Cost of sales........	(2,153,992)	(1,640,972)	—	—	(222,086)	(166,831)	(169)	(131)	(10,826)	(10,320)	(8,433)	(5,977)	(13,130)	(11,477)
Operating expenses	(1,163,907)	(772,023)	(51,393)	(7,254)	(49,208)	(33,610)	(4,340)	(3,570)	(18,467)	(13,947)	(6,253)	(3,120)	(7,473)	(5,961)
Net interest (expense) income............	(318,527)	(99,069)	1,311	202,465	8,004	2,001	561	544	1,960	896	856	(55)	(239)	(952)
Income tax and social contribution	(148,989)	(52,336)	—	—	(26,218)	(15,530)	(1,184)	(1,008)	(16,216)	(10,280)	(7,600)	(2,693)	(3,951)	6,536
Net income (loss) for the year.................	(95,006)	174,255	(50,082)	195,211	52,044	35,890	3,124	2,703	33,316	23,635	14,779	5,221	7,777	12,900

(*) Audited by other independent auditors.

(**) These amounts correspond to totals presented in the financial statements of these companies, and not only to the portion included in the consolidated financial statements of Globo.

b) Functional currency and presentation of foreign subsidiaries

The functional currency of the Parent Company is the Brazilian Reais, the same currency used for the preparation and presentation of the financial statements (Parent Company and Consolidated).

As set forth in CPC 02, the foreign subsidiaries Worldwide Financial Trading Limited, Power Company S.A., Delucila S.A., and Globopar Overseas Ltd. were considered an extension of the Parent Company's operations and, therefore, the Brazilian Reais was elected to be their functional currency. Non-monetary assets and capital accounts have been translated into Brazilian Reais based on the exchange rate prevailing at the time the transactions occurred. Monetary assets and liabilities denominated in foreign currency were translated at the official exchange rates at each balance sheet date. These subsidiaries are presented in the parent company's financial statements as required by CPC 02. Also, as set forth in CPC 02, this accounting practice was accounted for as a change in Company's accounting practices and recorded retrospectively in 2007.

The foreign subsidiaries Globo International Company Ltd. (consolidated) and Prime Securities Trading Inc. have their independent operations and independent administrative, financial and operational personnel. The majority of these subsidiaries' transactions are denominated in US dollars; therefore, the Company elected the US dollar as their functional currency. Accordingly, their balance sheet accounts were translated at the rate at December 31, 2008 and the income statement accounts were translated using a monthly average rate. Capital accounts were translated based on the exchange rate prevailing at the time the transactions occurred. The translation adjustment of R$ 24,725 is recorded in the shareholders' equity. As set forth in CPC 02, this accounting practice was first adopted in 2008 and accounted for prospectively.

c) Advertising, services, and other revenues, cost and expenses

Advertising, services and other revenues, as well as costs and expenses, are recorded on an accrual basis. The consolidated revenues also comprise programming services to subscription TV operators, connection fees, and magazine sales.

Broadcasting: Substantially all revenues derive from advertisements, which are recognized as they are aired, net of estimated rebates, credits and rate adjustments and discounts.

Pay TV: Pay TV revenues include fees from subscription service, connection fees, pay-per-view, high-speed data and phone services. Revenue is recorded in the month the services are provided. The sign-on and hook-up revenue and the related direct selling expenses are deferred and amortized over six years, which represents the estimated average period that subscribers are expected to remain connected to the system. The internal network installation costs of Pay TV and high-speed data services at subscribers residences are comprised of direct labor, overheads and cable plant costs, not including signals and decoders, are charged to results of operations, as cost of services rendered, up to the limit of hook-up revenues less direct selling expenses. The installation costs over this limit are deferred for amortization within the period that the benefits are expected.

Programming: The programming revenues are recognized monthly on an accrual basis, in accordance with the subscribers' base and prices established in the contracts.

Publishing and Printing: Revenues consist of newsstands and bookstore sales of magazines, books, cd-roms and fascicles to retail consumers. Subscription revenues are recognized upon the effective delivery of the units to the subscribers; and advertising revenues are recognized upon publication of advertisements.

Internet: Internet revenues derive primarily from subscriptions, advertising and e-commerce activities. Subscription and advertising revenues are recognized when the services are provided and the advertisements are displayed. E-commerce revenues are recognized when the products are shipped to customers.

d) Current and non-current assets and liabilities

Assets and liabilities are classified as current when realizable or settled within the following 12 months including transactions with affiliates in the normal course of business. Current and non-current liabilities are stated at the amounts for which they would be settled at each balance sheet date, including interest accrued in accordance with contractual conditions.

e) Cash and cash equivalents and marketable securities

Cash equivalents are held for the purpose of meeting short term cash commitments and are readily convertible to a known amount of cash and subject to insignificant risks of changes in value. The amount classified as cash equivalents are determined based on the Company’s cash flow projection and represents the funds committed to be used in the subsequent months. The marketable securities are short term investments held with the objective to be actively negotiated. Such investments are carried at cost plus interest up to the balance sheet date and by their market value on a market basis or estimates, and the gains and losses are recognized in the income statements.

f) Allowance for doubtful accounts

Allowance for doubtful accounts is recorded at amounts considered sufficient to cover probable losses on accounts receivable, considering the risks involved.

g) Transmission and exhibition rights

Film, live events and other exhibition rights are recorded at the acquisition cost when such rights become available, and are expensed as the films and events are aired or at the end of the contract term, whichever occurs first. Film costs include the unamortized cost of film and television series rights acquired from third parties pursuant to acquisition agreements. The films amortization is determined based upon the estimated revenues for each exhibition throughout its contractual life cycle. Live events comprise mainly soccer championships transmission rights and are amortized as aired.

The recovery of live events and film rights are revised on a title-by-title basis, and losses, if any, are recognized when it becomes known that a film or event will not be aired until the end of the contract term. Casting rights represent advanced payments made in connection with exclusivity contracts with artists and are allocated to programming production costs using the straight-line method over the contract term.

The production costs of completed and in process “telenovelas”, mini-series, series and other television programming are also recorded as exhibition rights. These rights are expensed as the programs are aired. Programs are written-off when it is determined they will not be aired. Up to December 31, 2007, these exhibition rights were recorded as inventories and the Company changed this classification in 2008 in order to align it with the International Accounting Standards. Accordingly, for comparability purposes, the amount of R$ 100,938 recorded as inventories in 2007 was reclassified to exhibition rights.

h) Investments

In the parent company's financial statements, investments are accounted for by the equity method. In the consolidated financial statements, the balance represents the investments in non-consolidated companies accounted for by equity method or cost method. As mentioned in Note 2(b), the investments treated as extension of Company's operations are presented in the parent company's financial statements.

The foreign subsidiaries' financial statements are prepared based on accounting policies consistent with those adopted by the Company.

i) Goodwill

Goodwill comprises all goodwill recorded on the acquisition of investments and from corporate restructuring, attributed to the future profitability, net of accumulated amortization. Goodwill is amortized on a straight-line basis over a period no longer than 10 years. The Company reassesses annually the recoverability of goodwill based on discounted cash flow projections, in accordance with CPC 01. In accordance with CPC 04, beginning January 1, 2009, the amortization of Goodwill will be ceased and it will be only subjected to impairment analysis.

j) Property, plant and equipment

Property, plant and equipment are stated at acquisition or construction cost, less accumulated depreciation. Depreciation is provided using the straight-line method based upon the estimated economic useful lives of the asset at the rates mentioned in Note 8. Expenses for repairs and maintenance not considered to extend the useful life of the underlying asset are expensed as incurred. The Company reassesses annually the recoverability of its fixed assets in accordance with CPC 01.

k) Income tax and social contribution

Income tax and social contribution are calculated based on income, adjusted for additions and deductions as determined by the current tax legislation using the liability method. The deferred income tax and social contribution reflect the effect of tax loss carryforwards, negative basis of social contribution and the net effects of temporary differences between the carrying amount of assets and liabilities for financial statement and income tax purposes, net of allowances. These temporary differences can be used to offset future taxable income. The Company evaluates annually the carrying value of deferred income tax and social contribution assets in relation to its operating performance and projected future taxable income and, when necessary reduces its amount to the expected realization value.

l) Advances from customers

Advances from customers include cash received in advance for advertisements primarily in connection with sponsorships of sports events, films and programs to be broadcasted in future periods. Also, the advances from subscribers of pay TV and magazines are recorded as liability and recognized in the results upon delivery of the service or product.

m) Assets and liabilities denominated in foreign currency or subject to indexation

Assets and liabilities denominated in foreign currency are converted into Brazilian Reais based on the official exchange rates at the balance sheet date. Assets and liabilities denominated in Brazilian Reais and subject to indexation are adjusted based on applicable indices. Exchange gains and losses and monetary variations are recorded as financial income or expenses.

n) Debt

Debt is adjusted for the monetary and exchange rate variations and includes interest incurred up to the balance sheet date, based on contractual terms.

o) Barter transactions

Represent exchanges of advertising for products or services. Revenues from barter transactions are recognized when advertisements are broadcast, and expenses for products or services received in exchange are recorded when used. Accounts receivables or payables related to barter transactions are recorded on an accrual basis using the prevailing market value for similar transactions occurring in the normal course of business.

p) Advertising sales volume bonuses

Advertising sales volume bonuses are paid in accordance with the agreements with the advertising agencies, according to each agency sales performance. The advertising sales volume bonuses are recorded as selling expenses on an accrual basis based on management estimates.

q) Pension plan and benefits

Pension plan and benefits actuarial gains and losses determined by independent actuaries are recognized in the statement of income on an accrual basis.

r) Provision for contingencies

Provision for contingencies is recorded at amounts considered sufficient to cover probable losses based on the opinion of internal and external legal counsel.

s) Financial instruments

The Company determines the fair market value of financial instruments at the balance sheet date, including hedge and swap instruments, based on significant market values resulting from trading at securities markets. In cases where quoted market prices are not available, fair value is based on estimates using present value and other valuation techniques.

t) Use of estimates

The preparation of the financial statements in conformity with accounting practices adopted in Brazil requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant items subject to these estimates and assumptions include the residual value and estimated useful lives of property and equipment, allowance for doubtful accounts, inventories, recoverability of deferred income tax and social contribution assets, provision for contingencies, goodwill and fixed assets impairment testing and fair value of financial instruments. Actual results may differ from these estimates. The Company reviews the estimates and assumptions quarterly or annually.

u) Statement of cash flows

The statement of cash flows is prepared under the indirect method in accordance with CPC 03—Cash Flow Statement.

(In thousands of Brazilian Reais, except when specifically indicated)

3. Cash and cash equivalents and marketable securities

	Parent company		Consolidated	
	2008	**2007**	**2008**	**2007**
Cash and banks	**25,131**	311,780	**67,643**	387,592
Cash equivalents				
Governments bonds	**548,103**	301,401	**548,147**	306,825
CDB (Certificates of bank deposits)	**123,649**	43,009	**299,733**	75,700
Investments funds	**6,790**	21,655	**101,929**	18,956
Other	**46,578**	29,486	**60,758**	38,704
Total cash and cash equivalent	**750,251**	707,331	**1,078,210**	827,777
Current marketable securities				
Trading				
Governments bonds	**997,938**	624,401	**997,938**	639,464
CDB	**520,155**	93,303	**520,155**	255,099
Other	**—**	8,170	**—**	9,284
Total current	**1,518,093**	725,874	**1,518,093**	903,847
Non-current marketable securities				
Available for sale				
Debentures	**40,986**	—	**40,986**	—
Total non-current	**40,986**	—	**40,986**	—

The government bonds are comprised of LFT and LTN and are fixed-income investment, mainly made through exclusive investment funds, and are remunerated at Selic rate (Brazilian standard interest rate). LFTs are post-fixed remunerated and LTNs pre-fixed remunerated. The Company has swap contracts to exchange the remuneration of its financial investments from pre-fixed into post-fixed remuneration.

The CDBs are remunerated at an average rate of 100% of the CDI (Interbank Deposit Certificate) fluctuation (12.37% in 2008), are issued by first-line banks and most of them features daily liquidity. The CDBs are issued with guaranteed repurchase, post-fixed remuneration, valuated daily, registered with CETIP (clearinghouse) and with immediate and full portability.

The non-current portion of the marketable securities refers to debentures acquired in April 2008, which pays interest corresponding to the Consumer Price Index (IPCA) plus 9% per year. The repayment of these debentures will occur semiannually from April 2014 to April 2023. Although, there is no active market for these debentures, Company’s management believes that there is no relevant difference between its carrying amount and realization value.

(In thousands of Brazilian Reais, except when specifically indicated)

4. Transmission and exhibition rights

	Parent company		Consolidated	
	2008	**2007**	**2008**	**2007**
Current				
Live events	**124,115**	148,874	**170,538**	180,450
In-house productions programming	**145,024**	100,938	**145,024**	100,938
Films	**91,679**	84,212	**125,364**	102,401
Casting rights	**56,613**	68,595	**56,613**	68,595
Other	**8,061**	7,204	**17,299**	12,082
	425,492	409,823	**514,838**	464,466
Non-current				
Live events	**170,342**	93,270	**170,342**	95,130
Films	**49,624**	79,209	**52,417**	80,835
Casting rights	**117,064**	155,101	**117,064**	155,102
	337,030	327,580	**339,823**	331,067

In December 2006, the Company acquired the transmissions rights related to the 2010 and 2014 FIFA World Cup becoming the sole licensee in Brazil. These rights comprise several distribution platforms in Brazil, including television broadcast. The Company is committed to pay the total of US$ 340,000 thousand in installments over the next years until 2014 with its own cash flows. Up to December 31, 2008, the Company had already paid approximately R$ 94,000 (US$ 51,000 thousand), which are recorded as non-current assets under “live events”.

5. Subscription rights

In 2001, as part of certain ownership reorganizations, Net Serviços succeeded Globo and its subsidiaries in the right of amortizing, for tax purposes, the goodwill contributed in the total amount of R$ 452,202. The amortization of the goodwill over an estimated period results in tax benefits for Net Serviços and its subsidiaries. Net Serviços, each year, issues shares (pro-rata, both common and preferred) up to the amount of the tax benefits realized. At the issuance of shares, all shareholders are given the right to purchase from Globo and subsidiaries their pro-rata shares in order to prevent dilution. In March 2008 and 2007, Net Serviços increased its capital by R$ 73,378 and R$ 70,404, respectively, with the capitalization of capital reserves arising from the fiscal benefit of 2007 and 2006. For these capitalizations, other shareholders exercised their preemptive rights to prevent dilution and, therefore, Globo received proceeds totaling R$ 98,877.

Up to December 31, 2008, Net Serviços has capitalized R$ 303,708 related to benefits realized from 2003 to 2007, and the net balance at December 31, 2008 amounts to R$ 102,344.

6. Related party transactions

The nature of the intercompany transactions carried out among companies under common control is summarized as follows:

a) Globo has transactions with consolidated investees and with unconsolidated related parties generally with respect to the use of advertising space in the ordinary course of business.

b) Globo sells advertising time to related companies, such as Infoglobo Comunicações Ltda. (“Infoglobo”), Editora Globo, Sky Brasil, Sigla and others. Certain sales are made through barter transactions.

c) Globo produces the content for the “Globonews” channel, a Pay TV channel whose distribution of exhibition rights is intermediated by Net Brasil. Globosat is responsible for the advertising commercialization for the Globonews channel. Globo monthly pays, as a commission, to Globosat the amount equivalent to 27% of net revenues based on the advertising time aired on the Globonews channel. Also Globosat provides technical services to Globo related to the Globonews channel in exchange for a monthly fee determined under a service agreement.

d) Globo produces content for "SPORTV", a Pay TV channel offered by Globosat, and sells certain programming to other Globosat's channels. Globosat monthly pays to Globo an amount agreed between the parties, and annually pays an additional amount based on a percentage of the advertising net revenue and based on the audience.

e) Globo licenses some in-house production content to be used by some related parties, including the right to use the "Globo" trademark.

f) Editora Globo has joint sales agreement with Infoglobo's labels. In addition, Infoglobo provides magazine distribution services to Editora Globo subscribers in the state of Rio de Janeiro and São Paulo.

g) Globo and Globosat produce the majority of the Portuguese-language programming and channels distributed by Net Serviços and Sky Brasil on their Pay TV channels.

h) Globo Cochrane prints the majority of Editora Globo's magazines.

i) Globosat provides management and technical services to Canal Brazil S.A., USA Brasil Programadora Ltda., Net Brasil, Telecine and PB Brasil Entretenimento S.A. in exchange for a monthly fee determined under a service agreement. Globosat purchases and sells advertising time to affiliates such as Infoglobo, Editora Globo, USA Brasil Programadora Ltda., Telecine, Canal Brazil S.A., and others. Certain sales are made through barter transactions.

j) Globosat, Net Serviços, Sky Brasil and Net Brasil signed a consortium agreement to jointly use goods, rights and transmission resources and trade certain events in Pay-Per-View (PPV) programming.

k) As of December 31, 2008, the amounts due to and from related companies, arising from commercial transactions in the ordinary course of business, and classified as current assets and liabilities, totaled R$ 40,568 and R$ 7,899 (R$ 68,934 and R$ 5,713 at December 31, 2007), respectively, in the parent company financial statements, and R$ 156,892 and R$ 587,924 (R$ 130,590 and R$ 389,150 at December 31, 2007), respectively, in the consolidated financial statements.

l) Dividends payable to shareholders amounted to R$ 557,090 (R$ 406,953 at December 31, 2007), of which R$ 552,487 (R$ 349,674 at December 31, 2007) are recorded as current liabilities, and R$ 4,603 (R$ 57,279 at December 31, 2007) as non-current liabilities. In January 2009, R$ 399,600 of these dividends were paid.

Notes to financial statements (Continued)
December 31, 2008 and 2007
(In thousands of Brazilian Reais, except when specifically indicated)

The amounts due to and from related companies classified as non-current assets and liabilities at December 31, 2008 and 2007, are as follows:

	Parent company					
	Accounts receivable (payable)		Advances for future capital increase		Total	
	2008	2007	2008	2007	2008	2007
Distel Holding S.A.	—	—	5	728,073	5	728,073
Infoglobo Comunicações S.A.	—	4,361	—	—	—	4,361
Interpro—International Promotions Ltda.	—	—	3,000	—	3,000	—
UGB Participações S.A.	2,292	342	—	—	2,292	342
Editora Globo S.A.	43	43	910	910	953	953
Globo Cabo Participações S.A.	—	—	2,530	2,118	2,530	2,118
GET Empreendimentos Temáticos Ltda.	—	—	2,781	2,501	2,781	2,501
Other	439	382	307	2,397	746	2,779
Total non-current assets	2,774	5,128	9,533	735,999	12,307	741,127
Shareholders	(4,603)	(57,279)	—	—	(4,603)	(57,279)
Cardeiros Participações S.A.	—	—	(519)	(519)	(519)	(519)
Telecine Programação de Filmes Ltda.	(16,898)	(12,808)	—	—	(16,898)	(12,808)
Other	(7,094)	(11,159)	—	—	(7,094)	(11,159)
Total non-current liabilities	(28,595)	(81,246)	(519)	(519)	(29,114)	(81,765)

	Consolidated					
	Accounts receivable (payable)		Advances for future capital increase		Total	
	2008	2007	2008	2007	2008	2007
Infoglobo Comunicações S.A.	—	4,361	—	—	—	4,361
Canal Brazil S.A.	—	4,590	—	—	—	4,590
Sky Brasil Serviços Ltda.	249	254	—	—	249	254
Other	923	894	—	—	923	894
Total non-current assets	1,172	10,099	—	—	1,172	10,099
Shareholders	(4,609)	(57,285)	—	—	(4,609)	(57,285)
Cardeiros Participações S.A.	—	—	(519)	(519)	(519)	(519)
Telecine Programação de Filmes Ltda.	(8,735)	(6,404)	—	—	(8,735)	(6,404)
Other	(16,170)	(2,374)	—	—	(16,170)	(2,374)
Total non-current liabilities	(29,514)	(66,063)	(519)	(519)	(30,033)	(66,582)

(In thousands of Brazilian Reais, except when specifically indicated)

The revenues and net financial income (expense) with related companies for years ended December 31, 2008 and 2007, are as follows:

	Parent company			
	Operating revenues		Net financial income (expenses)	
	2008	2007	2008	2007
Globosat Programadora Ltda.	**81,089**	96,778	**—**	(6)
Net Brasil S.A.	**69,359**	52,942	**—**	—
Net Serviços de Comunicação S.A.	**26,122**	26,291	**—**	—
Sigla—Sistema Globo de Gravações Audiovisuais Ltda.	**—**	9,722	**—**	—
Editora Globo S.A.	**3,703**	4,328	**—**	—
Telecine Programação de Filmes Ltda.	**—**	198	**(4,091)**	2,652
Infoglobo Comunicações S.A.	**6,017**	5,306	**(1,501)**	2,300
Globo International Company Ltd.	**18,374**	14,768	**1,674**	(275)
Sky Brasil Serviços Ltda.	**22,301**	16,709	**—**	—
Other	**2,424**	1,976	**(1,914)**	(1,446)
	229,389	229,018	**(5,832)**	3,225

	Consolidated			
	Operating revenues		Net financial income (expenses)	
	2008	2007	2008	2007
Net Serviços de Comunicação S.A.	**775,394**	592,039	**—**	(131)
Sky Brasil Serviços Ltda.	**175,933**	133,196	**—**	—
Telecine Programação de Filmes Ltda.	**22,776**	17,607	**(1,136)**	1,327
Infoglobo Comunicações S.A.	**7,939**	7,347	**(1,501)**	2,256
Other	**36,628**	21,915	**(370)**	842
	1,018,670	772,104	**(3,007)**	4,294

7. Investments

The carrying value of investments consists of the following:

	Parent company		Consolidated	
	2008	2007	2008	2007
Investments recorded by the equity method	**677,308**	525,824	**435**	435
Other	**1,136**	1,136	**1,722**	1,736
	678,444	526,960	**2,157**	2,171

Notes to financial statements (Continued)
December 31, 2008 and 2007
(In thousands of Brazilian Reais, except when specifically indicated)

The parent company investment and provision for losses for the year ended December 31, 2008, are as follows:

	December 31, 2007	Acquisition (disposal)	Capital reduction	Gain on dilution	Translation adjustment	Dividends/ interest on capital	Equity gain (loss) and additions to (reversal of) provision for losses	December 31, 2008
Investments								
Globosat Programadora Ltda.	269,720	—	—	—	—	(243,039)	254,936	281,617
GB Empreendimentos e Participações S.A.	52,746	—	—	452	—	—	(4,607)	48,591
Globo International Company Ltd.	31,033	—	—	—	24,725	—	51,963	107,721
Telecine Programação de Filmes Ltda.	40,059	—	—	—	—	(12,816)	27,839	55,082
Net Serviços de Comunicação S.A.	14,567	16,080	—	—	—	—	(1,269)	29,378
Globo Cochrane Gráfica e Editora Ltda.	80,024	(29,521)	(50,009)	—	—	(2,902)	2,408	—
Distel Holding S.A.	—	162,794	—	—	—	—	(18,662)	144,132
Other	37,675	(12,424)	—	—	—	(1,562)	(12,902)	10,787
Total	525,824	136,929	(50,009)	452	24,725	(260,319)	299,706	677,308
Provision for losses on investments								
Distel Holding S.A.	(549,061)	566,530	—	—	—	—	(17,469)	—
Editora Globo S.A.	(45,471)	—	—	—	—	—	7,249	(38,222)
Sigla—Sistema Globo de Gravações Audiovisuais Ltda.	—	—	—	—	—	—	(13,162)	(13,162)
Sigla—Sistema Globo de Gravações Audiovisuais da Amazônia Ltda.	(24,096)	—	—	—	—	—	(1,651)	(25,747)
UGB Participações S.A.	(9,638)	—	—	—	—	—	(662)	(10,300)
Other	(1,771)	—	—	—	—	—	(1,367)	(3,138)
Total	(630,037)	566,530	—	—	—	—	(27,062)	(90,569)

The Company has advances for capital increase (see Note 6) for certain subsidiaries for which provisions for losses on investments were recorded.

(In thousands of Brazilian Reais, except when specifically indicated)

The parent company investment and provision for losses for the year ended December 31, 2007, are as follows:

	December 31, 2006	Acquisition	Capital contribution	Gain on dilution	Dividends/ Interest on capital	Equity gain (loss) and additions to (reversal of) provision for losses	December 31, 2007
Investments							
Globosat Programadora Ltda.	247,704	—	—	—	(142,619)	164,635	269,720
Globo Cochrane Gráfica e Editora Ltda.	82,929	—	—	—	(18,986)	16,081	80,024
GB Empreendimentos e Participações S.A.	36,031	—	—	1,138	—	15,577	52,746
Telecine Programação de Filmes Ltda.	32,118	—	—	—	(16,006)	23,947	40,059
Globo International Company Ltd.	45,734	—	—	—	—	(14,701)	31,033
Net Serviços de Comunicação S.A.	5,940	890	—	6,881	—	856	14,567
Other	38,855	78	—	—	(1,352)	94	37,675
Total	489,311	968	—	8,019	(178,963)	206,489	525,824
Provision for losses on investments							
Distel Holding S.A.	(573,784)	—	—	—	—	24,723	(549,061)
Editora Globo S.A.	(44,985)	—	—	—	—	(486)	(45,471)
Sigla—Sistema Globo de Gravações Audiovisuais Ltda.	(21,167)	—	33,379	—	—	(12,212)	—
Other	(31,917)	—	—	—	—	(3,588)	(35,505)
Total	(671,853)	—	33,379	—	—	8,437	(630,037)

The Company has advances for capital increase (see Note 6) for certain subsidiaries for which provisions for losses on investments were recorded.

The main investment transactions during 2008 are summarized as follows:

a) In October 2008, Globo made a capital contribution of R$ 729,324 in the subsidiary Distel Holding S.A. with an advance for future capital increase from this subsidiary.

b) On July 15, 2008, DTH Comércio e Participações S.A. was spun-off and its net worth was transferred to Globo and Distel, in the amount of R$ 12,427 and R$ 18,688, respectively. DTH Comércio e Participações S.A.'s assets were represented basically by goodwill of R$ 33,271 in Sky Brasil. There have been no effects in the consolidated balances.

c) On March 25, 2008, Globo sold its ownership interest in Globo Cochrane for approximately R$ 111,000, and recorded a gain of R$ 70,846.

d) As mentioned in Note 5, on March 11, 2008, Net Serviços increased its capital by R$ 73,378, of which Globo's participation was R$ 39,778. As a result, the Company's ownership interest in Net Serviços increased from 0.56% at December 31, 2007 to 1.14% at December 31, 2008, and, on a consolidated basis, from 6.35% at December 31, 2007 to 6.86% at December 31, 2008.

The main investment transactions during 2007 are summarized as follows:

a) In June 2007, following the approval by the Brazilian Regulatory Agency (Agência Nacional de Telecomunicações—Anatel), Net Serviços increased its capital by issuing 39,674,028 preferred shares, in the amount of R$ 1,323,923, through the merger of Vivax S.A.'s shares, which, on the date of the merger, were not held by Net Serviços. As result of this merger, Vivax S.A. became a wholly-owned subsidiary of Net Serviços. In connection with this capitalization, Globo's total interest in Net Serviços was diluted from 7.20% to 6.35% and, on a consolidated basis, recorded a gain of approximately R$ 74,700.

b) In July 2007, Sigla was partially spun-off and a portion of its assets and liabilities were merged into Globo and into Comercial Fonográfica RGE Ltda. ("RGE"). This merger does not affect the consolidated balances as Sigla and RGE were wholly-owned subsidiaries of Globo.

(In thousands of Brazilian Reais, except when specifically indicated)

8. Property, plant and equipment

		Parent company			
	Annual depreciation rate	December 31, 2008			December 31, 2007
		Cost	Accumulated depreciation	Net	Net
Buildings and improvements	4%	**2,055,235**	**(1,008,303)**	**1,046,932**	1,100,095
Studio and transmission equipment	20%	**820,097**	**(562,370)**	**257,727**	160,249
Computer equipment and software	20%	**370,689**	**(256,167)**	**114,522**	100,061
Land	—	**139,972**	**—**	**139,972**	138,445
Construction in progress	—	**38,352**	**—**	**38,352**	45,731
Other	5% to 20%	**247,255**	**(178,988)**	**68,267**	69,379
Total		**3,671,600**	**(2,005,828)**	**1,665,772**	1,613,960

		Consolidated			
	Annual depreciation rate	December 31, 2008			December 31, 2007
		Cost	Accumulated depreciation	Net	Net
Buildings and improvements	4%	**2,058,923**	**(1,008,748)**	**1,050,175**	1,105,693
Studio and transmission equipment	20%	**915,968**	**(633,097)**	**282,871**	205,036
Computer equipment and software	20%	**411,538**	**(287,242)**	**124,296**	120,462
Pay TV transmission network	10% to 20%	**252,890**	**(148,772)**	**104,118**	76,828
Land	—	**154,473**	**—**	**154,473**	151,760
Construction in progress	—	**96,315**	**—**	**96,315**	101,596
Other	4% to 20%	**372,054**	**(242,374)**	**129,680**	91,026
Total		**4,262,161**	**(2,320,233)**	**1,941,928**	1,852,401

9. Intangible assets

The carrying value of intangible assets consists of the following:

	Parent company		Consolidated	
	2008	2007	2008	2007
Goodwill net				
Corporate restructuring goodwill	**836,343**	1,328,401	**836,343**	1,328,401
Sky Brasil Serviços Ltda.	**50,864**	65,377	**56,471**	81,881
Net Serviços de Comunicação S.A. (*)	**29,817**	9,491	**184,415**	176,516
Other	**55,870**	87,736	**85,271**	95,553
Other intangibles assets	**1,746**	1,724	**23,567**	9,540
	974,640	1,492,729	**1,186,067**	1,691,891

(In thousands of Brazilian Reais, except when specifically indicated)

Changes in parent company intangible asset for the year ended December 31, 2008, are as follows:

	December 31, 2007	Acquisition	Disposal	Amortization	December 31, 2008
Corporate restructuring goodwill	1,328,401	**—**	**—**	**(492,058)**	**836,343**
Sky Brasil Serviços Ltda.	65,377	**13,289**	**—**	**(27,802)**	**50,864**
Net Serviços de Comunicação S.A. (*)	9,491	**23,698**	**—**	**(3,372)**	**29,817**
Other	89,460	**24**	**(10,315)**	**(21,553)**	**57,616**
Total	1,492,729	**37,011**	**(10,315)**	**(544,785)**	**974,640**

(*) Net Serviços is listed on stock exchanges. Using the economic value as of February 10, 2009, available on Net Serviços' fourth quarter 2008 earnings release, in the amount of approximately R$ 4,800,000, the economic value of this investment based on Globo's total ownership would be approximately R$ 329,000.

10. Income tax and social contribution

The deferred income tax and social contribution assets are summarized as follows:

	Parent company		Consolidated	
	2008	**2007**	**2008**	**2007**
Deferred income tax				
Tax loss carryforwards	**178,281**	192,402	**215,539**	254,649
Temporary differences (*)	**—**	—	**16,322**	34,372
	178,281	192,402	**231,861**	289,021
Deferred social contribution				
Negative basis of social contribution	**66,566**	82,007	**79,054**	103,360
Temporary differences (*)	**—**	—	**(7,714)**	(1,289)
	66,566	82,007	**71,340**	102,071
	244,847	274,409	**303,201**	391,092
Non-current	**(235,003)**	(264,565)	**(265,585)**	(339,718)
Current	**9,844**	9,844	**37,616**	51,374

(*) For the parent company, the temporary differences are comprised mainly of provision for contingencies, goodwill non-deductible temporarily and non-realized exchange rate variations for which the company does not record deferred tax assets considering the uncertainties of when they will be realized.

At December 31, 2008, Globo had tax loss carryforwards and negative basis of social contribution of R$ 1,542,715 and R$ 1,816,582, respectively. Also, the subsidiaries have tax loss carryforwards and negative basis of social contribution of R$ 2,322,028 and R$ 2,634,155, respectively. Although the tax loss carryforwards have no statutory limit, the Company can only use an amount up to 30% of taxable income each year.

Management evaluates the carrying value of the deferred income tax and social contribution assets based on the Company's projected future taxable income, in order to adjust the valuation allowance, if applicable, to maintain this asset at the expected realization value. Management estimates that the deferred income tax and social contribution assets will be realized in up to 10 years.

(In thousands of Brazilian Reais, except when specifically indicated)

The current and deferred income tax and social contribution expense for year ended December 31, 2008 and 2007 are comprised as follows:

	Parent company		Consolidated	
	2008	**2007**	**2008**	**2007**
Current income tax	**32,134**	10,447	**105,546**	51,018
Current social contribution	**36,030**	12,121	**61,993**	26,252
Total current income tax and social contribution expense	**68,164**	22,568	**167,539**	77,270
Deferred income tax	**14,121**	4,598	**55,212**	31,867
Deferred social contribution	**15,441**	5,195	**30,202**	15,642
Total deferred income tax and social contribution expense	**29,562**	9,793	**85,414**	47,509
Total expense for the year	**97,726**	32,361	**252,953**	124,779

The reconciliation of the reported income tax and social contribution and the amount determined by applying the actual rate for years ended December 31, 2008 and 2007, is as follows:

	December 31, 2008			
	Parent company		Consolidated	
	Income tax	Social contribution	Income tax	Social contribution
Income before income tax and social contribution	**571,126**	**571,126**	**749,680**	**749,680**
Income tax and social contribution at statutory rates	**142,782**	**51,401**	**187,420**	**67,471**
Adjustments to derive the effective rates:				
Equity gain net of provision for losses on investments	**(68,161)**	**(24,538)**	**(353)**	**(127)**
Amortization of goodwill	**10,496**	**(593)**	**10,496**	**(593)**
Tax benefits from political party and election programming	**(107,317)**	**—**	**(107,317)**	**—**
Deferred exchange rate variation	**60,992**	**21,957**	**61,006**	**21,957**
Offset of tax loss carryforwards and negative basis of social contribution	**(14,121)**	**(15,442)**	**(34,053)**	**(22,589)**
Non-deductible portion of pension plan	**(438)**	**(158)**	**(438)**	**(158)**
Other	**408**	**705**	**(38,493)**	**(13,788)**
Current income tax and social contribution	**24,641**	**33,332**	**78,268**	**52,173**
Subsidiaries' non-taxable losses	**7,493(*)**	**2,698(*)**	**27,278**	**9,820**
Current income tax and social contribution for the period	**32,134**	**36,030**	**105,546**	**61,993**

(*) Refer to the tax losses of the subsidiaries treated as Company's extension as mentioned in Note 2(b).

(In thousands of Brazilian Reais, except when specifically indicated)

	December 31, 2007			
	Parent company		Consolidated	
	Income tax	Social contribution	Income tax	Social contribution
Income before income tax and social contribution	591,865	591,865	700,460	700,460
Income tax and social contribution at statutory rates	147,966	53,268	175,115	63,041
Adjustments to derive the effective rates:				
Equity gain net of provision for losses on investments	(53,732)	(19,343)	265	95
Amortization of goodwill	7,328	(1,153)	8,430	(1,153)
Tax benefits from political party and election programming	(41,638)	—	(41,638)	—
Deferred exchange rate variation	(75,805)	(27,290)	(58,571)	(21,086)
Offset of tax loss carryforward and negative basis of social contribution	(4,598)	(5,195)	(13,666)	(8,459)
Non-deductible portion of pension plan	1,271	458	1,848	665
Exchange rate variation of subsidiaries' equity	—	—	(8,605)	(3,098)
Other	25,890	10,022	(25,970)	(8,765)
Current income tax and social contribution	6,682	10,767	37,208	21,240
Subsidiaries' non-taxable losses	3,765(*)	1,354(*)	13,810	5,012
Current income tax and social contribution for the year	10,447	12,121	51,018	26,252

(*) Refer to the tax losses of the subsidiaries treated as Company's extension as mentioned in Note 2(b).

Income tax and social contribution computed and paid by the Company, as well as their respective income tax and social contribution returns and accounting records, are subject to review by tax authorities only within certain periods of time, after which they are not subject to tax authority review.

11. Debt

The consolidated outstanding debt balance as of December 31, 2008 and 2007 is as follows:

	December 31, 2008			December 31, 2007		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Parent company	**29,044**	**1,326,868**	**1,355,912**	125,522	1,029,876	1,155,398
Other	**6,292**	**117,860**	**124,152**	7,891	72,768	80,659
Total	**35,336**	**1,444,728**	**1,480,064**	133,413	1,102,644	1,236,057

(In thousands of Brazilian Reais, except when specifically indicated)

The Parent Company's debt as of December 31, 2008 and 2007 is comprised as follows:

Description	December 31, 2008 Short-term	December 31, 2008 Long-term	December 31, 2008 Total	December 31, 2007 Total	Interest rate per year	Maturities
Local currency						
Bank loans	**2,787**	**99,943**	**102,730**	204,316	CDI + 1%	October 2012
Other	**—**	**—**	**—**	1,284	—	
Total	**2,787**	**99,943**	**102,730**	205,600		
Foreign currency *						
Perpetual Notes	**13,846**	**759,525**	**773,371**	586,167	9.375%	—
Senior Notes	**6,024**	**467,400**	**473,424**	358,825	7.25%	April 2022
Other	**6,387**	**—**	**6,387**	4,806	8.40%	September 2009
Total	**26,257**	**1,226,925**	**1,253,182**	949,798		
Total	**29,044**	**1,326,868**	**1,355,912**	1,155,398		

(*) The Perpetual Notes and the Senior Notes have quarterly and semiannually call options starting on April 20, 2009 and on April 26, 2012, respectively.

At December 31, 2008 and 2007, the Company's loans and notes are unsecured.

The main activities of the debt balances in 2008 and 2007 were:

- In January 2008, the Company pre-paid R$ 104,460 of its local currency debt.

- In March 2007, the Company pre-paid R$ 89,744 of its local currency debt.

- In April 2007, Globo issued a US$ 200,000 thousand aggregate principal amount of 7.25% Senior Notes. The proceeds from this offering were used to pay part of its local currency debt in the amount of R$ 405,700.

The indexes associated with outstanding consolidated debt, as of December 31, 2008, are as follows:

2008

	2008
CDI (Certificate of Interbank Deposit)	**13.62% p.a.**
Dollar (PTAX Central Bank)	**R$ 2.337**

(In thousands of Brazilian Reais, except when specifically indicated)

12. Shareholders' equity

Globo's capital at December 31, 2008 and 2007, is represented by 1,000,000 shares, of which 333,335 are common shares and 666,665 are preferred shares, all without par value.

Under Globo's by-laws, only the holders of common shares are entitled to vote. Specific rights are guaranteed to the non-voting preferred shares, such as priority over the proceeds in the event of Globo's liquidation.

In accordance with the Corporate Law, in 2008, the appropriation of the legal reserve was made at 5% of the net income, in the amount of R$ 23,671.

The Bylaws provide for the distribution of mandatory dividends of 25% of net income for the year, adjusted in compliance with article 202 of Law 6404/76. In 2008, the Shareholders' General Meeting approved the payment of R$ 680,000 of dividends related to prior year's retained earnings. The shareholders declined their right to the minimum mandatory dividend related to 2008 income. On January 5, 2009, R$ 399,600 of the outstanding dividends at December 31, 2008 were paid.

Also, as required by Law 11638/07, the Company fully appropriated the retained earnings, in the amount of R$ 807,947, to a profit reserve.

13. Provision for contingencies

The Company is a defendant in several judicial tax, civil and labor proceedings for which certain legal deposits have been made. The judicial deposits made in connection with certain proceedings will be released only in the event of a favorable outcome for the Company. Based on the opinion of the Company's in-house and outside legal counsel, Management recognizes provisions considered sufficient to cover probable losses resulting from such proceedings, as follows:

	Parent company					
	December 31, 2008			December 31, 2007		
	Provision for contingencies	Legal deposits	Net	Provision for contingencies	Legal deposits	Net
Tax related matters	**312,671**	**(67,261)**	**245,410**	**282,820**	(41,892)	240,928
Labor related claims	**58,651**	**(15,366)**	**43,285**	**46,441**	(11,009)	35,432
Civil related claims	**71,016**	**(47,382)**	**23,634**	**73,563**	(31,444)	42,119
Total	**442,338**	**(130,009)**	**312,329**	**402,824**	(84,345)	318,479

	Consolidated					
	December 31, 2008			December 31, 2007		
	Provision for contingencies	Legal deposits	Net	Provision for contingencies	Legal deposits	Net
Tax related matters	**415,704**	**(83,799)**	**331,905**	367,951	(66,261)	301,690
Labor related claims	**76,685**	**(18,947)**	**57,738**	64,014	(14,715)	49,299
Civil related claims	**85,679**	**(58,637)**	**27,042**	89,023	(38,382)	50,641
Total	**578,068**	**(161,383)**	**416,685**	520,988	(119,358)	401,630

(In thousands of Brazilian Reais, except when specifically indicated)

Changes in the parent company and consolidated contingencies are summarized as follows:

	Parent company				
	2008				**2007**
	Tax proceedings and other	**Labor claims**	**Civil proceedings**	**Total**	**Total**
Balances at the beginning of the year	**282,820**	**46,441**	**73,563**	**402,824**	359,321
Additions net of reversals	**24,580**	**12,756**	**(4,407)**	**32,929**	62,550
Payments	**(8,641)**	**(546)**	**(5,407)**	**(14,594)**	(44,996)
Monetary correction	**13,912**	**—**	**7,267**	**21,179**	21,251
Addition resulted from the merger of Sigla	**—**	**—**	**—**	**—**	4,698
Balances at the end of the period	**312,671**	**58,651**	**71,016**	**442,338**	402,824

	Consolidated				
	2008				**2007**
	Tax proceedings and other	**Labor claims**	**Civil proceedings**	**Total**	**Total**
Balances at the beginning of the year	367,951	64,014	89,023	520,988	471,763
Additions net of reversals	37,561	13,946	(3,527)	47,980	87,292
Payments	(8,641)	(1,257)	(8,030)	(17,928)	(60,008)
Monetary correction	18,440	161	8,055	26,656	26,902
Effect related to the sale of Globo Cochrane's ownership	(2,734)	(393)	—	(3,127)	—
Effect related to increase (dilution) in Net Serviços' ownership	3,127	214	158	3,499	(4,961)
Balances at the end of the period	415,704	76,685	85,679	578,068	520,988

Globo and certain subsidiaries have been challenging the effects of Law 9718/98, which changed the calculation bases of PIS and COFINS. A provision for this contingency in the amount of approximately R$ 252,000 is recorded in the parent company's financial statements (R$ 295,000 in the consolidated financial statements) at December 31, 2008. On November 9, 2005, the Brazilian Supreme Court adjudged leading cases favorable to the taxpayers, confirming that the first paragraph of third article of Law 9718/98 related to the PIS and COFINS calculation basis was unconstitutional. The Company will reverse the provision only when final favorable decision is obtained.

In 1999, the Brazilian tax authorities imposed a tax assessment and notified TV Globo (the Brasília broadcast television station) to pay ICMS tax on communication services related to the broadcasting of advertisements. The Company has filed for its defense in the State Court, arguing that TV broadcasting companies are not subject to the ICMS tax. At December 31, 2008, the contingency amounted to approximately R$ 31,000 (R$ 28,000 at December 31, 2007). Based on the internal and independent legal counsel, management estimates the chances of a final, unfavorable outcome as possible and, therefore, no provision was recorded.

In November 2006, the tax authorities filed an assessment against the Company of approximately R$ 615,000 in connection with withholding tax (IRRF) on foreign remittances relating to acquisition of an international entity in 2001. At December 31, 2008, this contingency amounted to approximately R$ 731,000. The Company understands that such transactions are not basis for withholding tax and believes, based on its internal and independent legal counsel, that a favorable outcome is possible and, therefore, no provision has been recorded.

(In thousands of Brazilian Reais, except when specifically indicated)

In 2005, 2006 and 2007 the Secretaria da Receita Previdenciária (National Social Security) imposed tax assessments upon Globo in the amount of approximately R$ 220,000 related to social security contributions ("INSS") in connection with payment of services rendered by certain legal entities within 1995 and 2002. Globo, based on opinions of internal and external legal counsel, believes that the probability of loss of these assessments are remote. Also, in 2007 and 2008 the Secretaria da Receita Previdenciária (National Social Security) imposed similar tax assessments upon Globo in the amount of approximately R$ 100,000 related to the years of 2003 to 2005. Globo, based on opinions of internal and external legal counsel, believes that a favorable outcome is possible and, therefore, no provision has been recorded.

On June 12, 2008, Brazilian Supreme Court has issued a final decision (Stare decisis) that allows Brazilian Tax Authorities to conduct inspections only for the prior period of five years.

The civil matters consist of several copyright and damage claims filed against the Company.

14. Pension plan and benefits

The Company provides a monthly, lifetime pension and health insurance to a group of former employees. All participants are retired or fully eligible for immediate annuities and lifetime health insurance. Monthly income is paid on a non-insured basis through Unibanco AIG Seguros e Previdência S.A.

The accrued actuarial liability as of December 31, 2008 and 2007, is as follows:

	2008			2007
	Curent	Non current	Total	Total
Pension Plan	5,715	45,816	51,531	51,624
Health and life insurance	1,756	21,895	23,651	22,499
Other	5,982	—	5,982	8,791
	13,453	67,711	81,164	82,914

The Pension Plan and Health and Life Insurance liabilities are appraised on an annual basis by an independent actuary. The Company also records other post-employment benefits provided on a temporary basis, which were estimated on a pay-as-you-go basis, corresponding to the best estimate for the following year expense. These benefits correspond to Illness Assistance, Health and Life Insurances to retired and dismissed employees. For the years ended in December, 31, 2008 and 2007, the net loss on actuarial liability recognized in the statement of income was R$ 1,698 and 1,821, respectively.

The actuarial gains or losses recognized correspond to the portion of these gains or losses that exceed the greater of 10% of the Present Value of the Defined Benefit Obligation and 10% of the Fair Value of Plan Assets, amortized by the future average service of the participants of the plan. The Company has chosen to recognize the actuarial gains and losses that exceed the above-mentioned 10%-interval in the year subsequent to the appraisal of those gains and losses.

(In thousands of Brazilian Reais, except when specifically indicated)

Change in the accrued actuarial liability:

	Pension plan	Health and life insurance	Other
Accrued actuarial liability at the beginning of the year	**51,624**	**22,499**	**8,791**
Expenses (gain) for the year	**4,375**	**2,263**	**(2,809)**
Employer contributions for the year	**(4,468)**	**(1,111)**	**—**
Accrued actuarial liability at the beginning of the year	**51,531**	**23,651**	**5,982**

Change in the defined benefit obligation:

	Pension plan	Health and life insurance
Defined benefit obligation at the beginning of the year	**46,055**	**23,026**
Interest on actuarial liabilities	**4,444**	**2,263**
Benefits paid during the year	**(4,468)**	**(1,667)**
Unrecognized actuarial loss (gain)	**1,340**	**(2,248)**
Employer contributions for the year	**(4,468)**	**(1,111)**
Present value of the defined benefit obligation at the end of the year	**47,371**	**21,374**

Loss to be recognized in the subsequent year:

	Pension plan	Health and life insurance
Actuarial (gain) loss as of December, 31, 2008	**(4,160)**	**(2,277)**
Corridor not subject to amortization (10% of the largest between asset and liability)	**4,737**	**2,137**
Loss to be recognized the following year	**—**	**(140)**

Main actuarial assumptions adopted:

Actuarial liabilities discount rate	12.04% for 2009 and 12.24% for the following years
Long term inflation rate	5.7% for 2009 and 4.0% for the following years
Expected trend rate for medical expenses	9.93% for 2009 and 8.16% for the following years
Mortality table (healthy lives)	AT-83
Disabled Mortality	RRB-83
Disability Table	RRB-44
Turnover	Towers Perrim Modified

The Company also maintains a private pension plan program managed by Unibanco AIG Seguros e Previdência S.A. on the basis of defined contributions fully funded by the sponsor and the beneficiaries. Contributions to the plan are made on an annual basis, and semi-annual advances may be made, the amounts of which are defined each year by the sponsor based on achievement of performance targets.

(In thousands of Brazilian Reais, except when specifically indicated)

15. Financial (expense) income, net

The financial income (expense) for the year ended December 31, 2008 and 2007 are comprised as follows:

	Parent company			
	2008			2007
	Interest	Monetary and exchange variation	Total	Total
Financial income				
Interest income	**246,882**	**(5,237)**	**241,645**	85,994
Discounts obtained	**1,387**	**—**	**1,387**	7,806
Other	**2,515**	**12,945**	**15,460**	1,402
Financial expense				
Interest expense of debt	**(95,834)**	**(303,370)**	**(399,204)**	55,821
Discount granted	**(7,458)**	**—**	**(7,458)**	(4,221)
Other	**(36,366)**	**(39,640)**	**(76,006)**	(53,796)
Net financial income (expense)—related parties (Note 6)	**(3,415)**	**21,895**	**23,651**	22,499
Other	**5,982**	**(2,417)**	**(5,832)**	3,225
	107,711	**(337,719)**	**(230,008)**	96,231

	Consolidated			
	2008			2007
	Interest	Monetary and exchange variation	Total	Total
Financial income				
Interest income	**272,569**	**(3,833)**	**268,736**	111,122
Discounts obtained	**1,839**	**—**	**1,839**	9,818
Other	**4,068**	**33,750**	**37,818**	1,233
Financial expense				
Interest expense of debt	**(107,426)**	**(319,579)**	**(427,005)**	42,191
Discount granted	**(15,096)**	**—**	**(15,096)**	(10,696)
Other	**(50,870)**	**(59,046)**	**(109,916)**	(64,162)
Net financial income (expense)—related parties (Note 6)	**(1,314)**	**(1,693)**	**(3,007)**	4,294
	103,770	**(350,401)**	**(246,631)**	93,800

16. Investment results

	Parent Company		Consolidated	
	2008	2007	2008	2007
Equity gain (loss) net of provision for losses on investments	**272,644**	214,926	**1,413**	(1,058)
Disposal of Globo Cochrane (Note 7)	**70,846**	—	**70,846**	—
Gain (loss) on dilution of investments	**452**	8,019	**(521)**	79,637
Other	**4,298**	(789)	**5,107**	1,330
	348,240	222,156	**76,845**	79,909

(In thousands of Brazilian Reais, except when specifically indicated)

17. Financial instruments

The following is a summary of Globo's risk management strategies and the effect of these strategies on its financial statements.

a) Foreign currency

While most of the Company's revenues are generated in Brazilian Reais, the Company has long-term debt and certain accounts payable and commitments to purchase programming rights denominated in foreign currency. As a consequence, the Company and its subsidiaries are exposed to the effects of exchange rate variations that could adversely impact their cash flows, financial position and operations, as follows:

	Parent Company		Consolidated	
	2008	**2007**	**2008**	**2007**
Debt in denominated US dollars	**1,253,182**	949,798	**1,309,715**	969,465
Accounts payable denominated in US Dollars	**106,069**	69,626	**156,410**	101,515
Currency exposed liabilities	**1,359,251**	1,019,424	**1,466,125**	1,070,980
Cash and cash equivalent denominated in US dollars	**(15,096)**	(8,588)	**(101,060)**	(17,804)
Other assets denominated in foreign currencies, mostly accounts receivable	**(64,564)**	(49,977)	**(116,181)**	(93,857)
Net currency exposed liabilities	**1,279,591**	960,859	**1,248,884**	959,319

The acquisition of the FIFA World Cup transmission rights of 2010 and 2014, as described in Note 4, increases the Company's foreign currency exposure.

At December 31, 2008, with the objective to hedge its short term commitments in US dollars, the Company had US dollar options, US dollar future and swap contracts.

At December 31, 2008, the US dollar options amounted to US$ 102,000 thousand (US$ 78,400 thousand, at December 31, 2007), which decreases the currency exposure mentioned above. These options fixed the exchange rates between R$ 1.85 and R$ 2.10 for each dollar. There is no relevant exposure as management will exercise the options only when market exchange rates are higher than the mentioned fixed rates. Otherwise, the potential loss for the Company is only the premium paid to purchase the options. For the year ended December 31, 2008, since there was a significant devaluation of the Brazilian currency, the dollar options generated a net financial gain of approximately R$ 45,300.

At December 31, 2008, the US dollar future contracts amounted to US$ 41,500 thousand. These contracts mature on February 2, 2009 and generated a financial gain of approximately R$ 7,000 for the year ended December 31, 2008.

At December 31, 2008, the swap contracts amounted to US$ 30,000 thousand, for which the Company pays 100% of CDI and receives the US dollar variation against Brazilian Reais, plus 7.95% p.a. These contracts mature on October 1, 2009 and generated a financial gain of approximately R$ 1,100 for the year ended December 31, 2008.

b) Interest rate risk

The Company and certain subsidiaries have local-currency-denominated debt subject to the fluctuation of CDI (interbank deposit rate) and TJLP (long term interest rate).

(In thousands of Brazilian Reais, except when specifically indicated)

The Company utilizes financial derivative instruments for cash management purposes. The Company has swap contracts to exchange the remuneration of part of its financial investments from pre-fixed into post-fixed remuneration.

c) Concentration of credit risk

The concentration of credit risk associated with accounts receivable of the Company and its subsidiaries is not significant.

The Company maintains cash and cash equivalents with various financial institutions and as a policy, it limits the exposure to each institution.

d) Market value

i. Cash and cash equivalents, marketable securities, accounts receivable and accounts payable

The carrying amounts reported in the balance sheet approximate their fair market values.

ii. Fair market value of debt

	December 31, 2008			
	Parent company		Consolidated	
Description	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Local currency loans	**102,730**	**102,730**	**170,349**	**170,735**
Foreign currency loans	**1,253,182**	**1,094,942**	**1,309,715**	**1,145,847**
	1,355,912	**1,197,672**	**1,480,064**	**1,316,582**

The local currency debt is not actively traded and the interest rates are consistent with current market conditions; therefore the market values informed approximate their carrying values. The fair value of the foreign currency debt was calculated based on the secondary market with a market face value of 84.53% for the Perpetual Notes and 91.28% for the Senior Notes.

18. Insurance (unaudited)

Globo seeks coverage in the domestic and international insurance markets at levels commensurate with the Company’s size and activities.

The Company has an “All Risks” insurance policy that provides protection for all significant assets owned by Globo or for those assets that are the Company’s responsibility or are assigned to third parties, as well as against possible losses from advertising exhibition interruptions. The Company also has insurance against third-party liabilities arising from damages in the course of its activities and coverage for national and international transportation.

(In thousands of Brazilian Reais, except when specifically indicated)

19. Additional information (unaudited)

Consolidated statements of income for the three months ended December 31, 2008 and 2007:

	Consolidated	
	Three months ended December 31	
	2008	**2007**
Sales, advertising and services		
Third parties	**2,170,237**	1,974,702
Related parties	**279,990**	216,330
Taxes and other deductions	**(256,754)**	(214,870)
Net operating revenues	**2,193,473**	1,976,162
Cost of sales and services	**(1,250,561)**	(1,078,173)
Gross profit	**942,912**	897,989
Operating expenses		
Selling	**(333,743)**	(269,704)
General and administrative	**(328,993)**	(333,142)
Depreciation and amortization	**(12,156)**	(14,777)
Loss on sale of property, plant and equipment and intangible	**(3,526)**	(785)
Other operating income (expenses)	**2,745**	(2,845)
Net operating income before net financial and investments results	**267,239**	276,736
Financial (expense) income, net	**(206,739)**	28,370
Investment results	**(2,243)**	12
Amortization of goodwill	**(130,746)**	(148,964)
Operating (loss) income	**(72,489)**	156,154
Income tax and social contribution expense	**(74,883)**	(37,709)
(Loss) net income before minority interest	**(147,372)**	118,445
Minority interest	**(3)**	(206)
(Loss) net income for the period	**(147,375)**	118,239

GLOBO COMUNICAÇÃO E PARTICIPAÇÕES S.A.
Balance sheets
March 31, 2010 and December 31, 2009
(In thousands of Brazilian reais)

		Parent Company		Consolidated	
	Note	**March 31, 2010**	**December 31, 2009**	**March 31, 2010**	**December 31, 2009**
Assets					
Current assets:					
Cash and cash equivalents	3	**716,714**	949,364	**889,438**	1,102,791
Marketable securities	3	**1,947,581**	1,952,403	**2,187,503**	2,201,291
Accounts receivable		**686,588**	849,690	**888,085**	1,042,053
Allowances for doubtful accounts		**(20,952)**	(22,102)	**(31,197)**	(33,031)
Transmission and exhibition rights	4	**951,104**	623,950	**1,212,919**	711,373
Other		**208,688**	232,371	**383,033**	388,684
Total current assets		**4,489,723**	4,585,676	**5,529,781**	5,413,161
Non-current assets:					
Long-term assets:					
Accounts receivable from related parties	6	**332,438**	315,553	**4,262**	1,367
Transmission and exhibition rights	4	**276,312**	145,320	**279,582**	148,444
Subscription rights	5	**43,370**	43,370	**42,328**	42,408
Legal deposits	13	**206,170**	188,837	**256,480**	238,364
Deferred income tax and social contribution	10	**522,685**	527,222	**575,106**	580,602
Other		**15,479**	14,156	**77,535**	92,641
Investments	7	**1,086,004**	1,029,126	**154,900**	121,887
Property, plant and equipment	8	**1,609,361**	1,614,701	**2,038,054**	2,031,573
Intangible assets	9	**1,035,444**	1,031,233	**1,274,696**	1,268,869
Total non-current assets		**5,127,263**	4,909,518	**4,702,943**	4,526,155
Total assets		**9,616,986**	9,495,194	**10,232,724**	9,939,316

GLOBO COMUNICAÇÃO E PARTICIPAÇÕES S.A.

Balance Sheets (Continued)
March 31, 2010 and December 31, 2009
(In thousands of Brazilian Reais)

		Parent Company		Consolidated	
	Note	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Liabilities and shareholders' equity					
Current liabilities:					
Debt	11	**25,770**	16,660	**49,275**	38,909
Accounts payable		**488,274**	492,781	**855,541**	728,532
Dividends	6	**99,910**	636,096	**100,602**	640,234
Advances from customers		**1,350,818**	1,241,282	**1,513,169**	1,347,775
Salaries and social benefits		**247,108**	329,569	**289,080**	370,895
Other		**145,382**	108,686	**232,092**	197,212
Total current liabilities		**2,357,262**	2,825,074	**3,039,759**	3,323,557
Non-current liabilities:					
Debt	11	**1,034,968**	1,014,073	**1,182,328**	1,159,893
Accounts payable		**201,515**	173,282	**208,594**	180,958
Accounts payable to related parties		**519**	519	**7,107**	6,923
Provision for losses on investments	7	**395,724**	385,375	**440**	1,086
Provision for contingencies	13	**225,633**	212,118	**322,290**	307,235
Pension plan and benefits		**64,786**	64,448	**64,786**	64,564
Deferred income tax and social contribution	10	**192,841**	154,273	**193,596**	155,010
Other		**34,992**	38,814	**116,812**	124,467
Total non-current liabilities		**2,150,978**	2,042,902	**2,095,953**	2,000,136
Minority interests		**—**	—	**1,315**	1,541
Shareholders' equity:	12				
Capital		**2,434,758**	2,434,758	**2,434,758**	2,434,758
Profit reserves		**2,206,849**	2,206,849	**2,193,241**	2,193,713
Retained earnings		**478,171**	—	**478,730**	—
Cumulative translation adjustment		**(11,032)**	(14,389)	**(11,032)**	(14,389)
Total shareholders' equity		**5,108,746**	4,627,218	**5,095,697**	4,614,082
Total liabilities and shareholders' equity		**9,616,986**	9,495,194	**10,232,724**	9,939,316

See notes to the financial statements.

GLOBO COMUNICAÇÃO E PARTICIPAÇÕES S.A.
Unaudited interim statements of income
Three-month periods ended March 31, 2010 and 2009
(In thousands of Brazilian reais, except earnings per share)

		Parent Company		Consolidated	
	Note	Three months ended March 31, 2010	Three months ended March 31, 2009	Three months ended March 31, 2010	Three months ended March 31, 2009
Sales, advertising and services					
Third parties		**1,609,042**	1,231,677	**2,048,091**	1,588,305
Related parties	6	**71,073**	52,233	**323,883**	292,438
Taxes and other deductions		**(78,102)**	(56,591)	**(228,365)**	(178,726)
Net operating revenues		**1,602,013**	1,227,319	**2,143,609**	1,702,017
Cost of sales and services		**(848,508)**	(785,226)	**(1,055,706)**	(941,960)
Gross profit		**753,505**	442,093	**1,087,903**	760,057
Operating expenses					
Selling		**(172,976)**	(151,738)	**(232,434)**	(207,051)
General and administrative		**(138,606)**	(118,289)	**(232,079)**	(196,950)
Depreciation and amortization		**(11,376)**	(11,308)	**(18,593)**	(15,202)
Gain on sale of property, plant and equipment and intangible		**477**	146	**338**	2,909
Other operating income (expenses)		**—**	—	**370**	(1,655)
Net operating income before financial and investments results		**431,024**	160,904	**605,505**	342,108
Financial income net	14	**18,403**	22,021	**7,835**	17,764
Investment results	15	**146,775**	126,357	**35,195**	4,475
Income before income tax and social contribution		**596,202**	309,282	**648,535**	364,347
Income tax and social contribution (expense)	10	**(118,031)**	(6,269)	**(170,060)**	(61,474)
Net income before minority interest		**478,171**	303,013	**478,475**	302,873
Minority interest		**—**	—	**255**	(1)
Net income for the period		**478,171**	303,013	**478,730**	302,872
Earnings per share outstanding at the end of the period		**478.17**	303.01		

See notes to the financial statements.

GLOBO COMUNICAÇÃO E PARTICIPAÇÕES S.A.
Unaudited interim statements of changes in shareholders' equity
Three-month periods ended March 31, 2010 and 2009
(In thousands of Brazilian reais)

		Profit reserves				
	Capital	Legal reserve	Retained earnings reserves	Cumulative translation adjustment	Retained earnings	Total
Balances at December 31, 2008	2,434,758	95,190	807,947	24,725	—	3,362,620
Translation adjustment	—	—	—	(958)	—	(958)
Net income for the period	—	—	—	—	303,013	303,013
Balances at March 31, 2009	**2,434,758**	**95,190**	**807,947**	23,767	**303,013**	**3,664,675**
Changes from April 1 to December 31, 2009	-	**95,185**	**1,208,527**	(38,156)	**(303,013)**	**962,543**
Balances at December 31, 2009	**2,434,758**	**190,375**	**2,016,474**	(14,389)	—	**4,627,218**
Translation adjustment (Note 2.b)	—	—	—	**3,357**	—	**3,357**
Net income for the period	—	—	—	—	**478,171**	**478,171**
Balances at March 31, 2010	**2,434,758**	**190,375**	**2,016,474**	**(11,032)**	**478,171**	**5,108,746**

See notes to the financial statements.

GLOBO COMUNICAÇÃO E PARTICIPAÇÕES S.A.
Unaudited interim statements of cash flows
Three-month periods ended March 31, 2010 and 2009
(In thousands of Brazilian reais)

	Parent Company		Consolidated	
	Three months ended March 31, 2010	**Three months ended March 31, 2009**	**Three months ended March 31, 2010**	**Three months ended March 31, 2009**
Cash flows from operating activities:				
Income before income tax and social contribution	**596,202**	309,282	**648,535**	364,347
Adjustments to reconcile net income for the period and net cash provided by operating activities				
Depreciation and amortization	**52,358**	48,479	**73,656**	60,815
Equity gain net of provision for losses on investments	**(146,775)**	(126,265)	**(35,195)**	(3,301)
Interest expense and monetary variation of assets and liabilities, net	**38,369**	22,333	**51,884**	25,657
Provision for contingencies	**16,723**	7,223	**19,664**	11,204
Allowance on assets	**2,798**	(904)	**6,404**	1,543
Gain on sale of property, plant and equipment and investment	**(477)**	(238)	**338**	2,218
Minority interests	**—**	—	**(255)**	1
	559,198	259,910	**765,031**	462,484
(Increase) decrease of assets and increase (decrease) of liabilities:				
Accounts receivable	**157,677**	95,017	**125,353**	65,456
Transmission and exhibition rights	**(441,006)**	(179,503)	**(615,453)**	(362,031)
Recoverable taxes	**38,086**	29,170	**10,543**	63,652
Inventories	**(17,509)**	(2,240)	**(18,108)**	652
Tax obligation	**(8,871)**	(35,502)	**17,866**	(39,101)
Advances from advertisers and deferred revenues	**97,926**	56,663	**153,784**	71,733
Accounts payable	**30,478**	59,392	**147,821**	139,049
Dividends received	**97,340**	54,891	**—**	—
Other assets and liabilities	**(118,726)**	(117,828)	**(125,797)**	(132,537)
Cash provided by operating activities	**394,593**	219,970	**461,040**	269,357
Payments of debt interest	**(13,424)**	(17,791)	**(15,469)**	(18,619)
Payments of income tax and social contribution	**(30,216)**	(11,062)	**(68,469)**	(41,954)
Net cash provided by operating activities	**350,953**	191,117	**377,102**	208,784
Cash flows from investing activities:				
Marketable securities	**4,823**	221,074	**13,788**	214,324
Investments	**45**	32,470	**—**	2,818
Subscription rights	**—**	53,257	**—**	50,408
Additions to property, plant and equipment	**(51,233)**	(33,702)	**(79,941)**	(64,986)
Proceeds from sale of property, plant and equipment	**481**	331	**—**	208
Intangible assets	**—**	—	**(6,058)**	788
Advances for future capital increase	**(762)**	(259)	**—**	—
Net cash used in investing activities	**(46,646)**	273,171	**(72,211)**	203,560
Cash flows from financing activities:				
Proceeds from new debt	**—**	—	**321**	1,423
Debt amortization	**—**	—	**(1,413)**	(1,431)
Related parties transactions	**(48)**	(741)	**19,757**	(11,966)
Dividends paid	**(536,909)**	(458,783)	**(536,909)**	(458,783)
Net cash used in financing activities	**(536,957)**	(459,524)	**(518,244)**	(470,757)
Increase in cash and cash equivalents	**(232,650)**	4,764	**(213,353)**	(58,413)
Cash and cash equivalents at the beginning of the period	**949,364**	743,227	**1,102,791**	1,078,210
Cash and cash equivalents at the end of the period	**716,714**	747,991	**889,438**	1,019,797

See notes to the financial statements.

1. Operating activities

Globo Comunicação e Participações S.A. ("Globo" or the "Company") comprises a group of television stations and Internet businesses. It is also engaged, through its subsidiaries and jointly controlled companies in Pay TV programming and distribution and Publishing, being the largest media company in Brazil.

The Broadcast TV business unit together with its own five broadcast television stations (Rio de Janeiro, São Paulo, Recife, Brasília and Belo Horizonte), its affiliated network of 117 stations is also known as "Rede Globo" ("Globo Network"). As of March 31, 2010, "Rede Globo" covered 99% (unaudited) of the estimated 54,8 million (unaudited) total television households in Brazil.

Rede Globo is one of the major producers of TV-content in the world, exhibiting more than 5,000 hours (unaudited) of in-house productions including dramas, journalism, sports, children's programs and other shows on free to air television. Approximately 77% (unaudited) of the programming exhibited by Rede Globo are produced by the Company, including approximately 83% (unaudited) of the prime-time (6:00 pm to 12:00 am) programming. The bulk of the Company's production activities takes place in studios and production facilities in and around Rio de Janeiro and São Paulo. The Projac production complex located in the outskirts of Rio de Janeiro serves as a comprehensive television production site tailored to the particular needs of the Company.

Projac's facilities are among the most technologically advanced television production studios in the world, leading to a continuous increase in the quality of the Company's programming. The Company also has studios and production facilities in São Paulo and other locations in Rio de Janeiro.

In Pay TV programming, the Company is the leader in national content through the "Globosat's Channels", which are distributed by various platforms of cable, DTH and MMDS.

The Company, through its subsidiary Editora Globo, is one of the largest publishing companies in the Brazilian market with 14 different magazine titles, which are released weekly or monthly, besides books and collections that are sold throughout Brazil.

The Company also has a strong position in the Brazilian internet audience, mainly in the entertainment, journalism and sports segments. In October 2009, the Company strengthened its internet strategy through the establishment of Mosaico Negócios de Internet S.A. In addition, the Company has a sound recording business unit focused on producing and selling soundtracks of the "telenovelas" produced by the Company.

Notes to unaudited condensed interim financial statements (Continued)
March 31, 2010
(In thousands of Brazilian Reais, except when specifically indicated)

At March 31, 2010 and 2009 and December 31, 2009, Globo held the following ownership in subsidiaries, joint controlled entities and affiliates:

	Ownership %				
	March 31, 2010			December 31, 2009	March 31, 2009
	Direct	Indirect	Total	Total	
Fully consolidated entities:					
Comercial Fonográfica RGE Ltda.	**99.99**	**—**	**99.99**	99.99	99.99
Delucila S.A. (investment sold in March 2009)	**—**	**—**	**—**	—	100.00
Distel Holding S.A.	**100.00**	**—**	**100.00**	100.00	100.00
Editora Globo S.A.	**97.66**	**—**	**97.66**	97.66	97.66
Editora Globo Livros Ltda.	**1.00**	**99.00**	**100.00**	100.00	—
Get Empreendimentos Temáticos Ltda. (Consolidated)	**100.00**	**—**	**100.00**	100.00	100.00
GLB Participações Ltda.	**100.00**	**—**	**100.00**	100.00	100.00
Globo Cabo Participações S.A.	**—**	**99.86**	**99.86**	99.86	99.86
Globo International Company Ltd. (Consolidated)	**100.00**	**—**	**100.00**	100.00	100.00
Globo Investments Ltd.	**100.00**	**—**	**100.00**	100.00	—
Globopar Overseas Ltd.	**—**	**—**	**—**	100.00	100.00
Globosat Programadora Ltda.	**100.00**	**—**	**100.00**	100.00	100.00
Interpro - International Promotions Ltda.	**100.00**	**—**	**100.00**	100.00	100.00
Mosaico Negócios de Internet S.A.	**—**	**64.00**	**64.00**	64.00	—
Net Brasil S.A.	**83.33**	**16.67**	**100.00**	100.00	100.00
Power Company S.A.	**100.00**	**—**	**100.00**	100.00	100.00
Prime Securities Trading Inc.	**—**	**100.00**	**100.00**	100.00	100.00
Sigem - Sistema Globo de Edições Musicais Ltda.	**99.05**	**—**	**99.05**	99.05	99.05
Sigla - Sistema Globo de Gravações Audiovisuais da Amazônia Ltda.	**100.00**	**—**	**100.00**	100.00	100.00
Sigla - Sistema Globo de Gravações Audiovisuais Ltda.	**100.00**	**—**	**100.00**	100.00	100.00
UGB Participações S.A.	**100.00**	**—**	**100.00**	100.00	100.00
Worldwide Financial Trading Limited	**100.00**	**—**	**100.00**	100.00	100.00
Zende - Serviços de Apoio e Logística Ltda.	**99.98**	**—**	**99.98**	99.98	99.98
Proportionally consolidated:					
Canal Brazil S.A.	**—**	**50.00**	**50.00**	50.00	50.00
Endemol Globo S.A.	**50.00**	**—**	**50.00**	50.00	50.00
GB Empreendimentos e Participações S.A.	**8.17**	**8.83**	**17.00**	17.00	17.00
Net Serviços de Comunicação S.A. (Consolidated)	**1.25**	**5.65**	**6.90**	6.90	6.90
PB Brasil Entretenimento S.A.	**—**	**60.00**	**60.00**	60.00	60.00
Telecine Programação de Filmes Ltda.	**50.00**	**—**	**50.00**	50.00	50.00
USA Brasil Programadora Ltda.	**—**	**50.00**	**50.00**	50.00	50.00
Affiliates – equity method:					
Sky Brasil Serviços Ltda.	**10.34**	**15.56**	**25.90**	25.90	25.90
TT2 Telecomunicações Ltda.	**—**	**60.00**	**60.00**	60.00	60.00

There were no significant changes in the activities and operations carried out by Company's subsidiaries, joint ventures and affiliated companies as detailed in the audited consolidated financial statements and footnotes for the year ended December 31, 2009.

(In thousands of Brazilian Reais, except when specifically indicated)

2. Basis of preparation and presentation of the financial statements

The unaudited condensed interim financial statements (Parent Company and Consolidated) are the responsibility of the Company's management and have been prepared in accordance with the accounting practices adopted in Brazil, consistent with those of the financial statements as of December 31, 2009.

During 2009, the Accounting Pronouncements Committee ("CPC") issued several accounting pronouncements and interpretations that changed the accounting practices adopted in Brazil. Those pronouncements were released to be effective in 2010, however, as permitted by Resolution no. 1.281/10 issued by the Federal Accountancy Board ("CFC"), the Company has not applied these new accounting pronouncements and is presenting the March 31, 2010 interim condensed financial statements in accordance with accounting practices adopted in Brazil effective up to December 31, 2009.

The Company's management is still assessing all standards and, based on a preliminary analysis, believes that there will be no significant impact to its 2010 financial statements.

These unaudited condensed interim financial statements and the accompanying notes do not include all the information and footnotes required by accounting practices adopted in Brazil for complete financial statements. Accordingly, they should be read in conjunction with financial statements for the year ended December 31, 2009 and the notes thereto.

The results of the three-month period ended March 31, 2010 are not necessarily indicative of the results that might be expected for the full year ending December 31, 2010.

The preparation of the financial statements in conformity with accounting practices adopted in Brazil requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant items subject to these estimates and assumptions include the residual value and estimated useful lives of property and equipment, allowance for doubtful accounts, inventories, recoverability of deferred income tax and social contribution assets, provision for contingencies, goodwill and fixed assets impairment testing and fair value of financial instruments. Actual results may differ from these estimates. The Company reviews the estimates and assumptions quarterly or annually.

The reconciliation between the shareholders' equity at March 31, 2010 and December 31, 2009 and net income for the periods ended March 31, 2010 and 2009 of the Parent Company and the consolidated financial statements is as follows:

	Shareholders' equity		**Net income**	
	March 31, 2010	**December 31, 2009**	**March 31, 2010**	**March 31, 2009**
Parent Company financial statements	**5,108,746**	4,627,218	**478,171**	303,013
Losses of Sky Brasil Serviços Ltda. in excess of investment amount	**(13,589)**	(13,589)	**—**	—
Other	**540**	453	**559**	(141)
Consolidated financial statements	**5,095,697**	4,614,082	**478,730**	302,872

(In thousands of Brazilian Reais, except when specifically indicated)

The summary of the financial statements (*) of the joint controlled entities that are proportionally consolidated as of March 31, 2010 and March 31, 2009 and December 31, 2009 are as follows:

	Net Serviços		GB		Telecine		Endemol Globo		USA Brasil		PB Brasil		Canal Brazil	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Assets														
Current assets	**1,711,820**	1,608,168	**—**	—	**165,936**	161,204	**2,573**	5,936	**41,269**	47,843	**15,304**	18,771	**21,037**	20,891
Non-current assets	**6,392,159**	6,618,775	**762,768**	752,000	**13,555**	12,484	**6,668**	939	**3,833**	3,187	**4,017**	3,651	**11,032**	11,524
Total	**8,103,979**	8,226,943	**762,768**	752,000	**179,491**	173,688	**9,241**	6,875	**45,102**	51,030	**19,321**	22,422	**32,069**	32,415
Liabilities and shareholders' equity														
Current liabilities	**1,108,528**	1,277,050	**—**	—	**53,580**	60,764	**3,968**	6,040	**17,334**	18,075	**4,020**	11,023	**3,922**	6,276
Non-current liabilities	**3,509,713**	3,528,308	**132**	126	**3,940**	3,596	**92**	17	**449**	1,695	**-**	-	**116**	109
Shareholders' equity	**3,485,738**	3,421,585	**762,636**	751,874	**121,971**	109,328	**5,181**	818	**27,319**	31,260	**15,301**	11,399	**28,031**	26,030
Total	**8,103,979**	8,226,943	**762,768**	752,000	**179,491**	173,688	**9,241**	6,875	**45,102**	51,030	**19,321**	22,422	**32,069**	32,415

	March 31		March 31		March 31		March 31		March 31		March 31		March 31	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Net revenues	**1,260,558**	**1,082,213**	**—**	**—**	**111,795**	**99,550**	**5,536**	**4,439**	**18,818**	**17,767**	**9,775**	**9,406**	**9,640**	**8,690**
Cost of sales	**(782,152)**	**(633,170)**	**—**	**—**	**(75,588)**	**(65,721)**	**(73)**	**(18)**	**(3,069)**	**(2,714)**	**(2,531)**	**(2,468)**	**(2,839)**	**(2,675)**
Operating expenses	**(315,042)**	**(299,225)**	**10,762**	**13,622**	**(18,169)**	**(13,901)**	**(506)**	**(461)**	**(3,117)**	**(3,586)**	**(1,593)**	**(1,537)**	**(1,843)**	**(1,600)**
Net interest (expense) income	**(76,637)**	**(32,342)**	**—**	**—**	**1,107**	**602**	**92**	**160**	**323**	**667**	**197**	**324**	**214**	**249**
Income tax and social contribution	**(22,574)**	**(35,930)**	**—**	**—**	**(6,502)**	**(7,007)**	**(686)**	**(575)**	**(3,896)**	**(4,024)**	**(1,946)**	**(1,927)**	**(1,752)**	**(1,595)**
Net income for the period	**64,153**	**81,546**	**10,762**	**13,622**	**12,643**	**13,523**	**4,363**	**3,545**	**9,059**	**8,110**	**3,902**	**3,798**	**3,420**	**3,069**

(*) These amounts correspond to totals presented in the financial statements of these companies, and not only to the portion included in the consolidated financial statements of Globo.

(In thousands of Brazilian Reais, except when specifically indicated)

3. Cash and cash equivalents and marketable securities

	Parent Company		Consolidated	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Cash and banks	**26,092**	39,938	**72,826**	102,048
Cash equivalents:				
Governments bonds	**6,775**	197,480	**6,775**	197,480
CDB (Certificates of bank deposits)	**441,663**	585,038	**476,803**	593,959
Investment funds	—	—	**90,437**	75,498
Repurchase agreements	**130,984**	46,214	**130,984**	46,214
Other	**111,200**	80,694	**111,613**	87,592
Total cash and cash equivalent	**716,714**	949,364	**889,438**	1,102,791
Current marketable securities:				
Trading:				
Government bonds	**583,047**	574,305	**583,047**	574,305
CDB	**1,035,490**	851,559	**1,130,385**	968,137
Investment funds	**20,211**	—	**82,917**	66,243
Repurchase agreements	**298,135**	492,652	**298,135**	492,652
Other	**10,698**	33,887	**93,019**	99,954
Total current	**1,947,581**	1,952,403	**2,187,503**	2,201,291

The government bonds are comprised of LFT and LTN and are fixed-income investment, mainly made through exclusive investment funds, and are remunerated at Selic rate (Brazilian standard interest rate). LFTs are post-fixed remunerated and LTNs pre-fixed remunerated. Usually, the Company has swaps contracts to exchange the remuneration of its financial investments from pre-fixed into post-fixed remuneration.

The CDBs are remunerated at an average rate of 100% of the CDI (Interbank Deposit Certificate) fluctuation, are issued by first-line banks and most of them features daily liquidity. The CDB's are issued with guaranteed repurchase, post-fixed remuneration, valuated daily, registered with CETIP (clearinghouse) and with immediate and full portability.

The repurchase agreements are agreements with a commitment by a seller, usually a first-line bank, to buy a security back from Globo at a specified price at a designated future date. Most of the balance refers to contracts issued with post-fixed rates (CDI) and collateralized by government bonds and debentures.

(In thousands of Brazilian Reais, except when specifically indicated)

4. Transmission and exhibition rights

	Parent Company		Consolidated	
	March 31, 2010	**December 31, 2009**	**March 31, 2010**	**December 31, 2009**
Current				
Live events	**640,257**	292,267	**862,685**	335,246
In-house productions programming	**135,437**	118,297	**135,437**	118,297
Films	**105,178**	137,699	**133,772**	172,112
Casting rights	**63,245**	69,416	**63,245**	69,416
Other	**6,987**	6,271	**17,780**	16,302
	951,104	**623,950**	**1,212,919**	**711,373**
Non-current				
Live events	**88,185**	37,062	**88,185**	37,062
Films	**29,492**	8,859	**30,917**	11,961
Casting rights	**158,635**	99,399	**158,635**	99,399
Other	—	—	**1,845**	22
	276,312	**145,320**	**279,582**	**148,444**

In December 2006, the Company acquired the transmissions rights related to the 2010 and 2014 FIFA World Cup becoming the sole licensee in Brazil. These rights comprise several distribution platforms in Brazil, including television broadcast. The Company is committed to pay the total of US$ 340,000 thousand in installments until 2014 with its own cash flows. Up to March 31, 2010, the Company had already paid approximately R$ 307,000 (US$ 168,000 thousand) related to the 2010 and 2014 World Cup, which are recorded as current and non-current assets under “live events”.

5. Subscription rights

In 2001, as part of certain ownership reorganizations, Net Serviços succeeded Globo and its subsidiaries in the right of amortizing, for tax purposes, the goodwill contributed in the total amount of R$ 452,202. The amortization of the goodwill over an estimated period results in tax benefits for Net Serviços and its subsidiaries. Net Serviços issues shares (pro-rata, both common and preferred) up to the amount of the tax benefits realized. At the issuance of shares, all shareholders are given the right to purchase from Globo and subsidiaries their pro-rata shares in order to prevent dilution.

Up to March 31, 2010, Net Serviços has capitalized R$ 362,682 related to benefits realized since 2003, and the net balance at March 31, 2010 amounts to R$ 43,370 (R$ 43,370 at December 31, 2009).

6. Related party transactions

The nature of the intercompany transactions carried out with related parties has not changed in comparison with the preceding year. As of March 31, 2010, the amounts due to and from related companies, arising from commercial transactions in the ordinary course of business, and classified as current accounts receivable and accounts payable, totaled R$ 27,824 and R$ 10,944 (R$ 57,041 and R$ 5,308 at December 31, 2009), respectively, in the Parent Company financial statements, and R$ 125,368 and R$ 30,889 (R$ 142,375 and R$ 27,900 at December 31, 2009), respectively, in the consolidated financial statements.

Dividends payable to shareholders total amounted to R$ 99,910 (R$ 636,096 at December 31, 2009), and are recorded as current liabilities. During the period ended March 31, 2010 the Company paid R$ 536,909.

(In thousands of Brazilian Reais, except when specifically indicated)

The amounts due to and from related companies classified as non-current assets at March 31, 2010 and December 31, 2009, are as follows:

	Parent Company					
	Accounts receivable (payable)		Advances for future capital increase		Total	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Worldwide Financial Trading Limited	**286,787**	264,790	**—**	—	**286,787**	264,790
Power Company S.A.	**35,855**	34,778	**—**	—	**35,855**	34,778
Distel Holding S.A.	**—**	—	**35**	35	**35**	35
Interpro – International Promotions Ltda.	**—**	—	**—**	7,000	**—**	7,000
Globo Cabo Participações S.A.	**—**	—	**3,770**	3,770	**3,770**	3,770
Sigla S.G.G. Audiovisuais Ltda.	**—**	—	**3,792**	3,342	**3,792**	3,342
Other	**561**	513	**1,638**	1,325	**2,199**	1,838
Total non-current assets	**323,203**	300,081	**9,235**	15,472	**332,438**	315,553

	Consolidated					
	Accounts receivable (payable)		Advances for future capital increase		Total	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Sky Brasil Serviços Ltda.	**249**	249	**—**	—	**249**	249
Endemol Globo S.A.	**2,959**	38	**—**	—	**2,959**	38
Other	**1,054**	1,080	**—**	—	**1,054**	1,080
Total non-current assets	**4,262**	1,367	**—**	—	**4,262**	1,367

The operating revenues and net financial income (expense) with related companies for the three-month periods ended March 31, 2010 and 2009, are as follows:

	Parent Company			
	Operating revenues		Net financial income (expenses)	
	2010	2009	2010	2009
Globosat Programadora Ltda.	**32,568**	16,995	**—**	—
Net Brasil S.A.	**28,288**	19,875	**—**	—
Worldwide Financial Trading Limited	**—**	—	**7,268**	526
Power Company S.A.	**—**	—	**1,078**	180
Telecine Programação de Filmes Ltda.	**36**	—	**—**	1,057
Infoglobo Comunicações S.A.	**1,336**	1,837	**—**	—
Globo International Company Ltd.	**4,984**	6,289	**217**	(189)
Sky Brasil Serviços Ltda.	**1,912**	2,889	**—**	—
Other	**1,949**	4,348	**(354)**	(112)
	71,073	52,233	**8,209**	1,462

	Consolidated			
	Operating revenues		Net financial income (expenses)	
	2010	2009	2010	2009
Net Serviços de Comunicação S.A.	**160,460**	137,609	**—**	—
Sky Brasil Serviços Ltda.	**143,287**	133,352	**—**	—
Telecine Programação de Filmes Ltda.	**6,763**	8,095	**—**	—
Infoglobo Comunicações S.A.	**1,424**	2,321	**(55)**	(222)
Other	**11,949**	11,061	**2,356**	(1,109)
	323,883	292,438	**2,301**	(1,331)

(In thousands of Brazilian Reais, except when specifically indicated)

7. Investments

The carrying value of investments consists of the following:

	Parent Company		Consolidated	
	March 31, 2010	**December 31, 2009**	**March 31, 2010**	**December 31, 2009**
Investments recorded by the equity method (*)	**1,084,868**	1,027,990	**152,809**	119,626
Other	**1,136**	1,136	**2,091**	2,261
	1,086,004	1,029,126	**154,900**	121,887

(*) At March 31, 2010, the investment remained in the consolidated balance is mainly related to the associate Sky Brasil Serviços Ltda. Which is recognized by equity method.

Notes to unaudited condensed interim financial statements (Continued)
March 31, 2010
(In thousands of Brazilian Reais, except when specifically indicated)

The Parent Company investment and provision for losses for the three-month periods ended March 31, 2010, are as follows:

	December 31, 2009	Acquisition (disposal)	Translation adjustment	Dividends/ interest on capital	Equity gain (loss) and additions to (reversal of) provision for losses	March 31, 2010
Investments						
Globosat Programadora Ltda.	340,698	—	—	(95,831)	95,092	339,959
GB Empreendimentos e Participações S.A.	59,465	—	—	—	879	60,344
Globo International Company Ltd.	158,390	—	3,357	—	20,646	182,393
Telecine Programação de Filmes Ltda.	54,664	—	—	—	6,322	60,986
Net Serviços de Comunicação S.A.	42,572	—	—	—	793	43,365
Globopar Overseas Ltd.	13,575	—	—	(14,728)	1,153	—
Distel Holding S.A.	264,635	—	—	—	22,443	287,078
Power Company S.A.	4,113	—	—	—	130	4,243
UGB Participações S.A.	26,135	(44)	—	—	(449)	25,642
Sky Brasil Serviços Ltda.	47,758	—	—	—	13,248	61,006
Other	15,985	—	—	—	3,867	19,852
Total	1,027,990	(44)	3,357	(110,559)	164,124	1,084,868
Provision for losses on investments						
Worldwide Financial Trading Limited	(317,311)	—	—	—	(9,670)	(326,981)
Editora Globo S.A.	(24,711)	—	—	—	(6,055)	(30,766)
Sigla – Sistema Globo de Gravações Audiovisuais da Amazônia Ltda.	(27,190)	—			(330)	(27,520)
Other	(16,163)	7,000	—	—	(1,294)	(10,457)
Total	(385,375)	7,000	—	—	(17,349)	(395,724)

The Company has advances for capital increase (see Note 6) for certain subsidiaries for which provisions for losses on investments were recorded.

(In thousands of Brazilian Reais, except when specifically indicated)

The main investment transactions during 2010 as follows:

On March 4, 2010 Globo and Grupo RBS entered into a Joint Venture to create a company to promote and organize events and fairs. This new company will be independent from their media companies. The new company is expected to receive investments of R$240,000 and its management will be independent from Globo and Grupo RBS, which will hold a 60% and 40% stake in the capital stock, respectively, in addition to appointing representatives for the Board of Directors.

8. Property, plant and equipment

		Parent Company			
	Annual depreciation rate	March 31, 2010			December 31, 2009
		Cost	Accumulated depreciation	Net	Net
Buildings and improvements	4%	**2,093,655**	**(1,087,733)**	**1,005,922**	1,013,130
Studio and transmission equipment	20%	**920,499**	**(645,092)**	**275,407**	270,514
Computer equipment and software	20%	**198,643**	**(138,846)**	**59,797**	59,654
Land	—	**143,403**	**—**	**143,403**	143,358
Construction in progress	—	**21,599**	**—**	**21,599**	24,137
Other	5% to 20%	**298,604**	**(195,371)**	**103,233**	103,908
Total		**3,676,403**	**(2,067,042)**	**1,609,361**	1,614,701

		Consolidated			
	Annual depreciation rate	March 31, 2010			December 31, 2009
		Cost	Accumulated depreciation	Net	Net
Buildings and improvements	4%	**2,137,514**	**(1,088,759)**	**1,048,755**	1,016,771
Studio and transmission equipment	20%	**1,105,282**	**(727,478)**	**377,804**	306,824
Computer equipment and software	20%	**252,828**	**(177,446)**	**75,382**	73,050
Pay TV transmission network	10% to 20%	**307,406**	**(180,845)**	**126,561**	124,696
Land	—	**164,977**	**—**	**164,977**	164,564
Construction in progress	—	**42,305**	**—**	**42,305**	166,462
Other	4% to 20%	**475,536**	**(273,266)**	**202,270**	179,206
Total		**4,485,848**	**(2,447,794)**	**2,038,054**	2,031,573

(In thousands of Brazilian Reais, except when specifically indicated)

9. Intangible assets

The carrying value of intangible assets consists of the following:

	Parent Company		Consolidated	
	March 31, 2010	**December 31, 2009**	**March 31, 2010**	**December 31, 2009**
Goodwill net				
Corporate restructuring goodwill	**836,343**	836,343	**836,343**	836,343
Sky Brasil Serviços Ltda.	**50,864**	50,864	**56,471**	56,471
Net Serviços de Comunicação S.A. (*)	**32,042**	32,042	**190,134**	190,134
Other	**56,462**	56,462	**104,934**	104,934
Other intangibles assets	**59,733**	55,522	**86,814**	80,987
	1,035,444	1,031,233	**1,274,696**	1,268,869

(*) Net Serviços is listed on stock exchanges. Using the economic value as of April 27, 2010, available on Net Serviços' first quarter 2010 earnings release, in the amount of approximately R$ 7,300,000, the economic value of this investment based on Globo's total ownership would be approximately R$ 504,000.

10. Income tax and social contribution

The current and deferred income tax and social contribution for the years ended March 31, 2010 and 2009 are comprised as follows:

	Parent Company		Consolidated	
	March 31, 2010	**March 31, 2009**	**March 31, 2010**	**March 31, 2009**
Current income tax	**(50,495)**	(2,949)	**(88,081)**	(32,435)
Current social contribution	**(24,431)**	(1,416)	**(37,834)**	(11,679)
Total current income tax and social contribution expense	**(74,926)**	(4,365)	**(125,915)**	(44,114)
Deferred income tax	**(33,914)**	(1,297)	**(34,668)**	(12,686)
Deferred social contribution	**(9,191)**	(607)	**(9,477)**	(4,674)
Total deferred income tax and social contribution expense	**(43,105)**	(1,904)	**(44,145)**	(17,360)
Total expense for the period	**(118,031)**	(6,269)	**(170,060)**	(61,474)

(In thousands of Brazilian Reais, except when specifically indicated)

The changes in the deferred income tax and social contribution for the three-month periods ended March 31, 2010 are as follows:

	December 31, 2009	Additional benefit (expense) recorded	March 31, 2010
Assets			
Deferred income tax			
Tax loss carryforwards.......	215,089	**(43,268)**	**171,821**
Temporary differences.......	109,950	**37,713**	**147,663**
Deferred social contribution			
Negative basis of social contribution.......	160,646	**(10,471)**	**150,175**
Temporary differences.......	41,537	**11,489**	**53,026**
Total deferred taxes assets.......	527,222	**(4,537)**	**522,685**
Deferred income tax and social contribution liabilities over temporary differences.......	(154,273)	**(38,568)**	**192,841**
Total deferred taxes liabilities.......	(154,273)	**(38,568)**	**192,841**
Net effect for the period.......		**(43,105)**	

(*) As mentioned in Note 13, the interest related to the processes included in the Law 11941/09

	Consolidated			
	December 31, 2009	Additional benefit (expense) recorded	Payment of taxes - Law 11941/09	March 31, 2010
Assets				
Deferred income tax				
Tax loss carryforwards.......	233,732	**(32,190)**	**63**	**201,605**
Temporary differences.......	130,426	**25,877**	**—**	**156,303**
Deferred social contribution				
Negative basis of social contribution...	167,554	**(6,462)**	**—**	**161,092**
Temporary differences.......	48,890	**7,216**	**—**	**56,106**
Total deferred taxes assets.......	580,602	**(5,559)**	**63**	**575,106**
Deferred income tax and social contribution liabilities over temporary differences.......	(155,010)	**(38,586)**	**—**	**(193,596)**
Total deferred taxes liabilities.......	(155,010)	**(38,586)**	**63**	**193,596**
Net effect for the period.......		**(44,145)**		

The Company also has approximately R$ 2 billion of temporary differences related amortization of goodwill non-deductible temporarily over which no deferred tax assets are recorded, considering the uncertainty of when it will be realized.

(In thousands of Brazilian Reais, except when specifically indicated)

Additionally, some subsidiaries have tax loss carryforwards and negative basis of social contribution of R$ 2,895,420 and R$ 4,203,345, respectively, over which no deferred taxes are recorded, since currently there is no expectation to recover these credits. Although the tax loss carryforwards have no statutory limit, the Company can only use an amount up to 30% of taxable income each year.

Management evaluates the carrying value of the deferred income tax and social contribution assets based on the Company's projected future taxable income, in order to adjust the valuation allowance, if applicable, to maintain this asset at the expected realization value. The Management estimates that the deferred income tax and social contribution assets will be realized in up to 10 years.

The reconciliation of the reported income tax and social contribution and the amount determined by applying the actual rate for the three-month periods ended March 31, 2010 and 2009, are as follows:

		2010			
		Parent Company		**Consolidated**	
		Income tax	**Social contribution**	**Income tax**	**Social contribution**
Income before income tax and social contribution		**596,202**	**596,202**	**648,535**	**648,535**
Income tax and social contribution at statutory rates		**149,051**	**53,658**	**162,134**	**58,368**
Adjustments to derive the effective rates:					
Equity gain net of provision for losses on investments		**(36,694)**	**(13,210)**	**(8,799)**	**(3,167)**
Amortization of goodwill	(a)	**(28,685)**	**(10,233)**	**(28,685)**	**(10,233)**
Tax benefits from political party and election programming		**(8,006)**	**—**	**(8,006)**	**—**
Offset of tax loss carryforwards and negative basis of social contribution		**(43,268)**	**(10,471)**	**(32,190)**	**(6,462)**
Other		**18,097**	**4,687**	**1,928**	**(1,284)**
Current income tax and social contribution		**50,495**	**24,431**	**86,382**	**37,222**
Subsidiaries' non-taxable losses		**—**	**—**	**1,699**	**612**
Current income tax and social contribution for the period		**50,495**	**24,431**	**88,081**	**37,834**

(a) Although the amortization of goodwill was ceased by CPC 13, the Law 11941/09 allowed the companies to keep the corresponding deductibility for tax purposes.

	2009			
	Parent Company		**Consolidated**	
	Income tax	**Social contribution**	**Income tax**	**Social contribution**
Income before income tax and social contribution	309,282	309,282	364,347	364,347
Income tax and social contribution at statutory rates	77,320	27,835	91,087	32,791
Adjustments to derive the effective rates:				
Equity gain net of provision for losses on investments	(31,566)	(11,364)	(826)	(297)
Amortization of goodwill	(28,619)	(10,209)	(28,619)	(10,209)
Tax benefits from political party and election programming	(6,499)	—	(6,499)	—
Deferred exchange rate variation	(2,703)	(973)	(3,536)	(1,296)
Offset of tax loss carryforward and negative basis of social contribution	(1,376)	(607)	(10,874)	(3,994)
Other	(3,608)	(3,266)	(6,514)	(4,674)

(In thousands of Brazilian Reais, except when specifically indicated)

Current income tax and social contribution	2,949	1,416	34,219	12,321
Subsidiaries' non-taxable losses	—	—	(1,784)	(642)
Current income tax and social contribution for the period	2,949	1,416	32,435	11,679

Income tax and social contribution computed and paid by the Company, as well as their respective income tax and social contribution returns and accounting records, are subject to review by tax authorities only within certain periods of time, after which they are not subject to tax authority review.

11. Debt

The consolidated outstanding debt balance as of March 31, 2010 and December 31, 2009 are as follows:

	March 31, 2010			December 31, 2009		
	Short-term	**Long-term**	**Total**	**Short-term**	**Long-term**	**Total**
Parent Company	**25,770**	**1,034,968**	**1,060,738**	16,660	1,014,073	1,030,733
Net Serviços de Comunicação S.A	**7,630**	**147,360**	**154,990**	5,898	145,820	151,718
Other	**15,875**	**—**	**15,875**	16,351	—	16,351
Total	**49,275**	**1,182,328**	**1,231,603**	38,909	1,159,893	1,198,802

The Parent Company's debt as of March 31, 2009 and December 31, 2009 are comprised as follows:

	March 31, 2010			2009	Interest rate	
Description	**Short-term**	**Long-term**	**Total**	**Total**	**per year**	**Maturities**
Local currency						
Bank loans	**4,171**	**99,943**	**104,114**	101,799	CDI + 1%	October 2012
Total	**4,171**	**99,943**	**104,114**	101,799		
Foreign currency *						
Perpetual Notes	**10,552**	**578,825**	**589,377**	576,206	9.375%	—
Senior Notes	**11,047**	**356,200**	**367,247**	352,728	7.25%	April 2022
Total	**21,599**	**935,025**	**956,624**	928,934		
Total	**25,770**	**1,034,968**	**1,060,738**	1,030,733		

(*) The Perpetual Notes and the Senior Notes have quarterly and semiannually call options starting on April 20, 2009 and on April 26, 2012, respectively.

On April 20, 2010 the Company entered in to an agreement to refinance the 9.375% Senior Perpetual Notes on July 20, 2010. These notes will be amended to US$ 325,000 thousand 6.25% / 9.375% Step-up Perpetual Notes, which are non-callable until July 20, 2015, then callable at par. The Amended Perpetual Notes will accrue interest of 6.25% per annum until July 20, 2015 and, thereafter, will accrue interest of 9.375% per annum. These notes will pay interest quarterly commencing on October 20, 2010, and will have no fixed final maturity date; it will be repaid only in the event that Globo redeems them or upon acceleration due to an event of default.

The indexes associated with outstanding consolidated debt, as of March 31, 2010, are as follows:

	2010
CDI (Certificate of Interbank Deposit)	**8.61% p.a.**
Dollar (PTAX Central Bank)	**R$ 1.7810**

(In thousands of Brazilian Reais, except when specifically indicated)

12. Shareholders' equity

Globo's capital at March 31, 2010 and December 31, 2009, is represented by 1,000,000 shares, of which 333,335 are common shares and 666,665 are preferred shares, all without par value.

Under Globo's by-laws, only the holders of common shares are entitled to vote. Specific rights are guaranteed to the non-voting preferred shares, such as priority over the proceeds in the event of Globo's liquidation.

13. Provision for contingencies

The Company is a defendant in several judicial tax, civil and labor proceedings for which certain legal deposits have been made. The judicial deposits made in connection with certain proceedings will be released only in the event of a favorable outcome for the Company. Based on the opinion of the Company's internal and independent legal counsel, Management recognizes provisions considered sufficient to cover probable losses resulting from such proceedings, as follows:

	Parent Company					
	March 31, 2010			December 31, 2009		
	Provision for contingencies	Legal deposits	Net	Provision for contingencies	Legal deposits	Net
Tax related matters......	**99,095**	**(99,095)**	**—**	85,090	(85,090)	—
Labor related claims....	**84,078**	**(21,102)**	**62,976**	81,729	(20,648)	61,081
Civil related claims	**42,460**	**(42,460)**	**—**	45,299	(45,299)	—
Other	**—**	**(43,513)**	**(43,513)**	—	(37,800)	(37,800)
Total...........................	**225,633**	**(206,170)**	**19,463**	212,118	(188,837)	23,831

	Consolidated					
	March 31, 2010			December 31, 2009		
	Provision for contingencies	Legal deposits	Net	Provision for contingencies	Legal deposits	Net
Tax related matters......	**159,949**	**(142,781)**	**17,168**	144,646	(130,985)	13,661
Labor related claims....	**105,346**	**(25,829)**	**79,517**	102,619	(25,077)	77,542
Civil related claims	**56,995**	**(56,995)**	**—**	59,970	(59,970)	—
Other	**—**	**(30,875)**	**(30,875)**	—	(22,332)	(22,332)
Total...........................	**322,290**	**(256,480)**	**65,810**	307,235	(238,364)	68,871

Changes in the Parent Company and consolidated contingencies are summarized as follows:

	Parent Company				
	March 31, 2010				December 31, 2009
	Tax proceedings and other	Labor claims	Civil proceedings	Total	Total
Balances at the beginning of the period	**85,090**	**81,729**	**45,299**	**212,118**	442,338
Additions net of reversals	**14,005**	**2,591**	**127**	**16,723**	(188,123)
Payments..	**—**	**(242)**	**(4,451)**	**(4,693)**	(44,996)
Monetary correction..............................	**—**	**—**	**1,485**	**1,485**	2,899
Balances at the end of the period	**99,095**	**84,078**	**42,460**	**225,633**	212,118

(In thousands of Brazilian Reais, except when specifically indicated)

	Consolidated				
	March 31, 2010				December 31, 2009
	Tax proceedings and other	Labor claims	Civil proceedings	Total	Total
Balances at the beginning of the period	**144,646**	**102,619**	**59,970**	**307,235**	578,068
Additions net of reversals	**15,156**	**3,291**	**1,217**	**19,664**	(214,034)
Payments	**—**	**(857)**	**(6,017)**	**(6,874)**	(64,307)
Monetary correction	**147**	**293**	**1,825**	**2,265**	7,229
Effect related to increase in Net Serviços' ownership	**—**	**—**	**—**	**—**	279
Balances at the end of the period	**159,949**	**105,346**	**56,995**	**322,290**	307,235

In December 2009, the Brazilian tax authorities imposed a tax assessment and notified Globo to pay IRPJ and CSLL related mainly to the amount of goodwill recorded in excess upon the acquisition of investments in one of its subsidiaries in 2005, that were used for tax purposes in the calendar-years between 2005 and 2008. Globo has presented its administrative defense and is now waiting the judgment. As of March 31, 2010, the estimated contingency amount in connection with this assessment was, approximately, R$ 720,000. Globo, based on opinions of internal and independent legal counsel, believes that a favorable outcome is possible and, therefore, no provision has been recorded.

In 1999, the Brazilian tax authorities imposed a tax assessment and notified TV Globo (the Brasília broadcast television station) to pay ICMS tax on communication services related to the broadcasting of advertisements. The Company has filed for its defense in the State Court, arguing that TV broadcasting companies are not subject to the ICMS tax. At March 31, 2010, the contingency amounted to approximately R$ 35,000 (R$ 33,000 at December 31, 2009). Based on the internal and independent legal counsel, management estimates the chances of a final, unfavorable outcome as possible and, therefore, no provision was recorded.

In 2005, 2006 and 2007 the Secretaria da Receita Previdenciária (National Social Security) imposed tax assessments upon Globo in the amount of approximately R$ 247,000 related to social security contributions ("INSS") in connection with payment of services rendered by certain legal entities within 1995 and 2002. Globo, based on the opinions of internal and independent legal counsel, believes that the probability of loss of these assessments are remote. Also, in 2007 and 2008 the Secretaria da Receita Previdenciária (National Social Security) imposed similar tax assessments upon Globo in the amount of approximately R$ 140,000 related to the years of 2003 to 2005. Globo, based on opinions of internal and independent legal counsel, believes that a favorable outcome is possible and, therefore, no provision has been recorded.

On June 12, 2008, Brazilian Supreme Court has issued a final decision (Stare decisis) that allows Brazilian Tax Authorities to conduct inspections only for the prior period of five years.

The civil matters consist of several copyright and damage claims filed against the Company.

(In thousands of Brazilian Reais, except when specifically indicated)

14. Financial income (expense), net

The financial income (expense) for the three-month periods ended March 31, 2010 and 2009 are comprised as follows:

	Parent Company			
	March 31, 2010			March 31, 2009
	Interest	Monetary and exchange variation	Total	Total
Financial income				
Interest income	**60,843**	**—**	**60,843**	43,856
Discounts obtained	**166**	**—**	**166**	74
Other	**540**	**527**	**1,067**	2,748
Financial expense				
Interest expense from debt	**(22,795)**	**(20,635)**	**(43,430)**	(17,794)
Discounts granted	**(1,424)**	**—**	**(1,424)**	(71)
Other	**(5,526)**	**(1,502)**	**(7,028)**	(8,254)
Net financial income (expense) – related parties (Note 6)	**1,881**	**6,328**	**8,209**	1,462
	33,685	**(15,282)**	**18,403**	22,021

	Consolidated			
	March 31, 2010			March 31, 2009
	Interest	Monetary and exchange variation	Total	Total
Financial income				
Interest income	**66,855**	**116**	**66,971**	52,105
Discounts obtained	**210**	**—**	**210**	206
Other	**1,403**	**2,188**	**3,591**	5,984
Financial expense				
Interest expense from debt	**(26,854)**	**(22,570)**	**(49,424)**	(23,064)
Discounts granted	**(4,615)**	**—**	**(4,615)**	(3,272)
Other	**(7,425)**	**(3,774)**	**(11,199)**	(12,864)
Net financial income (expense) - related parties (Note 6)	**2,301**	**—**	**2,301**	(1,331)
	31,875	**(24,040)**	**7,835**	17,764

15. Investment results

	Parent Company		Consolidated	
	2010	2009	2010	2009
Equity gain net of provision for losses on investments	**146,775**	126,265	**35,195**	3,301
Gain (loss) on dilution of investments	**—**	138	**—**	138
Other	**—**	(46)		1,036
	146,775	126,357	**35,195**	4,475

(In thousands of Brazilian Reais, except when specifically indicated)

16. Financial instruments

The following is a summary of Globo's risk management strategies and the effect of these strategies on its financial statements.

a) Foreign currency

While most of the Company's revenues are generated in Brazilian Reais, the Company has long-term debt and certain accounts payable and commitments to purchase programming rights denominated in foreign currency. As a consequence, the Company and its subsidiaries are exposed to the effects of exchange rate variations that could adversely impact their cash flows, financial position and operations, as follows:

	Parent Company		Consolidated	
	March 31, 2010	**December 31, 2009**	**March 31, 2010**	**December 31, 2009**
Debt denominated in US dollars	**956,624**	928,934	**1,043,849**	1,013,547
Accounts payable denominated in US Dollars	**149,380**	98,095	**186,995**	134,035
Currency exposed liabilities	**1,106,004**	1,027,029	**1,230,844**	1,147,582
Cash and cash equivalent denominated in US dollars	**(6,195)**	(6,053)	**(166,110)**	(144,582)
Other assets denominated in foreign currencies, mostly accounts receivable	**(10,841)**	(10,854)	**(61,103)**	(61,923)
Net currency exposed liabilities	**1,088,968**	1,010,122	**1,003,631**	941,077

The acquisition of the FIFA World Cup transmission rights, as described in Note 4, increases the Company's foreign currency exposure.

At March 31, 2010, with the objective to hedge its short term commitments in foreign currency, the Company had US dollar options, US dollar and Euro future and swap contracts. These derivatives are recorded at fair value in the Company's exclusive investments funds, and the gains and losses are recognized in the income statements.

At March 31, 2010, the US dollar call options amounted to US$ 128,500 thousand (US$ 225,000 thousand, at December 31, 2009), which decreases the currency exposure mentioned above. These options protect the Company's exchange rates exposure above the range between R$ 1.95 and R$ 2.30 for each dollar. Additionally, the Company sold US$ 35,000 thousand in put options, which may cap the Company's benefit if the exchange rate is lower than R$ 1.60 per dollar. There is no relevant exposure on the call options as management will exercise the options only when market exchange rates are higher than the mentioned fixed rates. Otherwise, the potential loss for the Company is the premium paid to purchase the options. For the three-month period ended March 31, 2010, the dollar options generated a net financial loss of R$ 2,353 (loss of approximately R$ 4,000 for the three-month period ended March 31, 2009).

At March 31, 2010, the US dollar future contracts amounted to US$ 10,000 thousand (US$ 31,500 thousand at December 31, 2009) and mature on May 3, 2010. These contracts generated a financial gain of approximately R$ 2,300 for the three-month period ended March 31, 2010 (loss of approximately R$ 17,000 for the three-month period ended March 31, 2009).

At March 31, 2010, the Euro future contracts amounted to EUR$ 15,750 thousand. These contracts generated a financial loss of approximately R$ 2,400 for the three-month period ended March 31, 2010.

At March 31, 2010, the swap contracts amounted to US$ 50,000 thousand (US$ 50,000 thousand at December 31, 2009), for which the Company pays 118,60% of CDI and receives the US dollar variation against Brazilian Reais, plus 10,35% p.a. These contracts generated a financial gain of R$ 4,013 for the three-month period ended March 31, 2010 (gain of R$ 3,000 for the three-month period ended March 31, 2009).

(In thousands of Brazilian Reais, except when specifically indicated)

b) Interest rate risk

The Company and certain subsidiaries have local-currency-denominated debt subject to the fluctuation of CDI (interbank deposit rate) and TJLP (long term interest rate).

As aforementioned, the Company utilizes financial derivative instruments for cash management purposes. Also, the Company usually has swap contracts to exchange the remuneration of part of its financial investments from pre-fixed into post-fixed remuneration.

c) Concentration of credit risk

The concentration of credit risk associated with accounts receivable of the Company and its subsidiaries is not significant.

The Company maintains cash and cash equivalents with various financial institutions and as a policy, it limits the exposure to each institution.

d) Market value

i. Cash and cash equivalents, marketable securities, accounts receivable and accounts payable

The carrying amounts reported in the balance sheet approximate their fair market values.

ii. Fair market value of debt

	March 31, 2010			
	Parent Company		**Consolidated**	
Description	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Local currency loans..........	**104,114**	**104,114**	**187,754**	**186,971**
Foreign currency loans	**956,624**	**984,634**	**1,043,849**	**1,075,268**
	1,060,738	**1,088,748**	**1,231,603**	**1,262,239**

The local currency debt is not actively traded and the interest rates are consistent with current market conditions; therefore the market values informed approximate their carrying values. The fair value of the foreign currency debt was calculated based on the secondary market with a market face value of 101,55% for the Perpetual Notes and 105,35% for the Senior Notes.

17. Insurance

Globo seeks coverage in the domestic and international insurance markets at levels commensurate with the Company's size and activities.

The Company has an "All Risks" insurance policy that provides protection for all significant assets owned by Globo or for those assets that are the Company's responsibility or are assigned to third parties, as well as against possible losses from advertising exhibition interruptions. The Company also has insurance against third-party liabilities arising from damages in the course of its activities and coverage for national and international transportation.

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