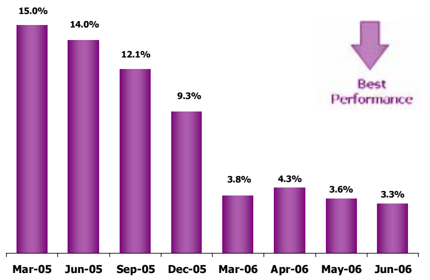
Fact Sheet 2Q06

VIVO is the south hemisphere's largest wireless communication group and the tenth largest worldwide. Created in 2003 is leader in its market, with market share of 31.09%. Operates in 19 Brazilian states and the Federal District, an area equivalent of 7 million km² or 86% of the national territory. VIVO shares are traded on the São Paulo Stock Exchange (BOVESPA) and ADRs on the New York Stock Exchange (NYSE).

ANATEL – Improvement in the standards
June 2006



The Mobile Telephone Business in Brasil

The Mobile Telephone Business ended the period with a total 91.8 million lines, reporting 6.4% growth in relation to December 2005. The Brazilian client base is divided in 80.5% of prepaid clients and 19.5% post-paid.

Net additions in the Brazilian market in the second quarter of 2006 totaled 4.2 millions. Mobile penetration reached 49.2% in June.

Consequent of a better quality in the rendered services, VIVO presented a reduction in the percentage of non-compliance to the ANATEL standards, thus reaching only 3.3% in June 2006.

Tickers	VIVO
Common Shares (Bovespa)	VIVO 3
Preferred Shares (Bovespa)	VIVO 4
ADR (NYSE)	VIV

Capital Structure	VIVO
Free Float - Common Shares	10.7%
Free Float - Preferred Shares	52.0%
Free Float - Total	36.9%
Treasury Shares	0.3%
Controlling Group	62.8%
Common Shares - Total	524,931,665
Preferred Shares - Total	917,186,080

VIVO Consolidated Financial Statements

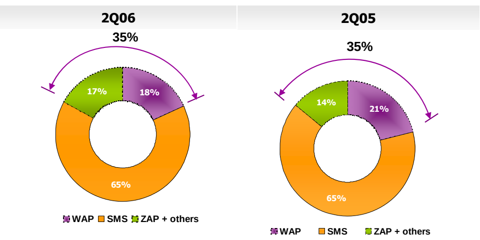
R$ millions	2Q06	1Q06	%Δ	2Q05	%Δ
Net Operating Revenue	2,598.3	2,577.0	0.8%	2,879.3	-9.8%
Net Service Revenues	2,184.1	2,261.7	-3.4%	2,360.0	-7.5%
Net Handset Revenues	414.2	315.3	31.4%	519.3	-20.2%
Operating Costs	(2,292.0)	(1,859.9)	23.2%	(2,280.0)	0.5%
Personnel	(155.3)	(155.7)	-0.3%	(151.5)	2.5%
Cost of services rendered	(418.2)	(434.0)	-3.6%	(381.6)	9.6%
Cost of goods solds	(546.8)	(432.6)	26.4%	(829.8)	-34.1%
Selling expenses	(1,002.4)	(711.3)	40.9%	(809.3)	23.9%
General & administrative expenses	(145.5)	(129.0)	12.8%	(126.6)	14.9%
Other operating revenue (expenses)	(23.8)	2.7	n.a.	18.8	n.a.
Ebitda	306.3	717.1	-57.3%	599.3	-48.9%
Ebitda Margin	11.8%	27.8%	-16.0 p.p.	20.8%	-9.0 p.p.
Net Financial Income	(213.6)	(186.3)	14.7%	(246.3)	-13.3%
Net Income	(493.1)	(179.3)	175.0%	(252.7)	95.1%
Gross Debt	4,686.4	5,482.6	-14.5%	n.a.	n.a.
Net Debt	4,333.9	4,464.4	-2.9%	n.a.	n.a.
Capex	335.7	281.3	19.3%	419.0	-19.9%

VIVO Consolidated Operating Performance

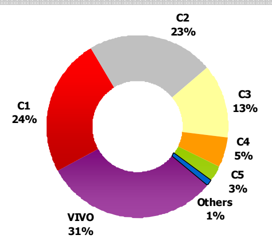
	2Q06	1Q06	%Δ	2Q05	%Δ
Total number of customers (thousand)	**28,525**	**30,138**	**-5.4%**	**28,446**	**0.3%**
Post Paid	5,268	5,761	**-8.6%**	5,511	-4.4%
Pre Paid	23,257	24,377	**-4.6%**	22,935	1.4%
Market Share (*)	**40.6%**	**43.5%**	**-2.9 p.p.**	**47.4%**	**-6.8 p.p.**
Net additions (thousand)	**(1,613)**	**333**	**n.a.**	**1,487**	**n.a.**
Market Share of Net Additions	**-185.6%**	**16.0%**	**-201.6 p.p.**	**27.4%**	**-213.0 p.p.**
Penetration (*)	**52.9%**	**50.9%**	**2.0 p.p.**	**44.6%**	**8.3 p.p.**
SAC (R$)	**128**	**125**	**2.4%**	**171**	**-25.1%**
Monthly Churn	**4.6%**	**1.8%**	**2.8 p.p.**	**1.7%**	**2.9 p.p.**
ARPU (R$/month)	**24.1**	**25.4**	**-5.1%**	**28.6**	**-15.7%**
Total MOU (minutes)	**66**	**68**	**-2.9%**	**79**	**-16.5%**

(*) source Anatel

Data Services

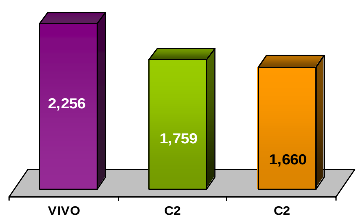


Brazil Market Share– June 2006

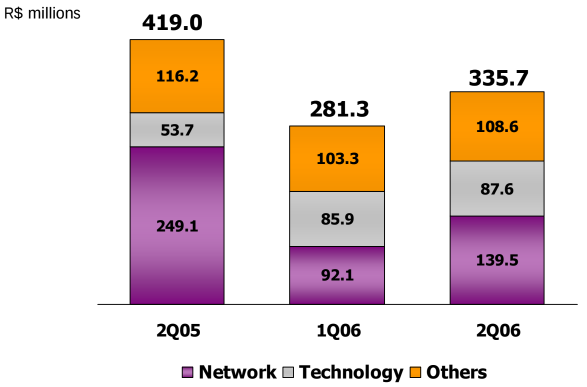


Source: Anatel

Number of Municipalities Covered



Investments



Indebtness

	Currency				
Lenders (R$ Millions)	**R$**	**URTJLP***	**UMBND****	**US$**	**Yen**
Financial institutions	1,676.5	220.5	38.6	2,149.1	582.8
Fixcel – TCO's Acquisition	18.9	-	-	-	-
Total	**1,695.4**	**220.5**	**38.6**	**2,149.1**	**582.8**
Exchange rate used		1.948814	0.042460	2.164300	0.018920
Payment Schedule - Long Term					
2007	118.2	37.1	7.3	636.8	159.8
as from 2007	1,519.2	69.1	12.4	103.5	161.3
Total	**1,637.4**	**106.2**	**19.7**	**740.3**	**321.1**

Net Debt

	30-Jun-06	31-Mar-06
Short Term	1,861.7	2,193.7
Long Term	2,824.7	3,288.9
Total debt	**4,686.4**	**5,482.6**
Cash and cash equivalents	(644.0)	(1,659.9)
Derivatives	291.5	641.6
Net Debt	**4,333.9**	**4,464.4**

(*) BNDES long term interest rate unit
(**) UMBND - prepared by the BNDES, it is a basket of foreign currencies unit, US dollar predominant

Strategy - Executive Summary

Challenges	• Stabilize Market Share	• Promote Revenue Growth

Points of Attention	Action	Present Situation
Lack of National Coverage	Search conditions to offer roaming and services nationalwide basis including GSM	Digital roaming agreement in GSM/ Worldphone since Feb-06 Waiting for new license auction
Fraud and Cloning	Sustainable combat through specific projects	85% Reduction in cloning
Multiple Platforms	Integration of SAP , Data Warehouse, IT and SI	SAP e Data Warehouse 100% integrated 78% of client base in unified platforms
Corporate Reestructuring	Corporate Reestructuring Projects in two stages	1ª Stage: Concluded with debt's reduction 2ª Stage: In progress
Tecnology - Differential in the price of handsets	Specific project based on GSM capable to involve into W-CDMA (to be commented further on)	Approved and start up

Operational Highlight

Increase in the post-paid outgoing revenue of 15.3% in SP and 21.2% in RJ/ES
Increase in the post-paid outgoing ARPU of 4% in SP and 9% in RJ/ES
Decrease in the inbound traffic with migration F-M to M-M/ Decrease in interconnection revenue
Inactive clients write-off with effects in churn but without effects in revenues

Worth Mentioning

Strong Commercial Activity	Competitive market Mother's Day/ Valentine's Day Commercial Campaigns
Client Base	Write-off of inactive clients Impact in *Churn* No effect on revenue
Revenues	Outgoing revenues grew in relation to 2Q05 Pressure on prices with strong competition
Provision for Bad Debt(PDD)	Impact of R$ 161.5 MM QoQ Normalized PDD of R$177.2 MM or 4.7% of gross revenue
EBITDA	Reduction due to non higher provisions Normalized value: R$467.8 MM and 18.0% margin
Net Debt	Manageable volume and reduction of financial costs
Advances	Quality : 98% of Anatel's goals achieved Network completely authenticated 78% of client base centralized in a single billing system 57% of client base centralized on prepaid platforms 72% of client base centralized at the front office
Short Term	Combat Fraud and Cloning Consolidation/ Rationalization of IT/IS National Coverage Dedicated attention to Corporate Segment Corporate Restructuring
Medium Term	Launching of GSM's network (overlay) Competition and evolution in 3G Maintenance of Leadership in 850MHz and better network Costs Reduction No impact of CapEx

GSM Overlay

Project
Construction of a GSM/EDGE network capable of upgrade to W-CDMA to be added to the network, which will continue in full operation.

Frequency
We will use the frequency of 850MHz and CDMA with EV-DO.

Capex
• Capex to the overlay of GSM will be approximately R$ 1,080MM;
• Capex already included in the Company's plan with no impact by the balance between investments in CDMA and GSM;

Reasons
• Future coverage also in GSM;
• Digital roaming facilitated by present contracts;
• Lower GSM's handset cost;
• Gain of scale;
• Evolution to UMTS;
• High use of the existing infrastructure;
• Reduction in the price of GSM equipments;
• Recurrent Economy in Capex.

Advantages
• Handset prices;
• Short term pay-back;
• Improvement in the competitive positioning;
• Experience from TEM and PT in other markets.

Competitive Differentials
• Higher offer of handsets and services to the market;

• Only Brazilian operator to offer both technologies CDMA and GSM;

• Its offers services that fits all market segments.

VIVO Institute

VIVO Institute is an association made up by VIVO operators, with the purpose of being aligned with and extend VIVO's social responsibility work to all the States in which the Company operates.
After VIVO Institute was created, the focus of VIVO's actions in the social area was redefined; as a result, education and environment became priority areas. The Instituto Vivo had celebrated one year of existence and has already benefited more than 300 hundred thousand people through its projects.

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