



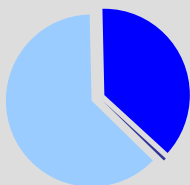
Vivo is the brand of a joint venture between Portugal Telecom and Telefonica in 2002.

It is the leading cell phone operator in Brazil with a market share of 37.3% in its operation area. It is also the largest mobile telephony group in the South Hemisphere and the world's 10th largest operator providing this service.

Tickers

| | |
|---------------------|--------|
| Common (Bovespa) | VIVO 3 |
| Preferred (Bovespa) | VIVO 4 |
| ADR (NYSE) | VIV |

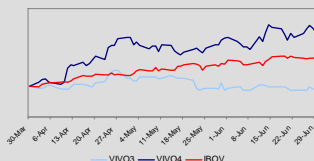
Stockholding Breakdown on 06/30/2007



Free Float
Treasury Shares
Controlling Group

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

Stock Performance over 2Q07



2Q07 Database

| | |
|-------------------|----------|
| Daily Avg. Volume | R\$ 26mm |
| Vivo ON Upside | (2.0)% |
| Vivo PN Upside | 34.5% |
| Ibovespa | 18.7% |
| ITEL | 23.8% |



Message from the chief executive officer

"To be the biggest telecommunications operator in Brazil and one of the biggest in the world is important, but to be the best in what really matters to the customer is still more important. Likewise, to be a reference in the development of high-end technology will make no difference if that technology does not provide useful services to the customer. We wish to transform Vivo in an **unforgettable customer experience** for both existing and potential new fans."

Roberto Lima

Consolidated Performance

The company recorded 30,240 thousand **customers** in the quarter. **ARPU** remained stable at R\$ 29.9 which evidences the quality of Vivo customer base, representing an increase of 24.1% over 2Q06. **SAC** in the 2Q07 showed a 16.4% reduction over 2Q06. **Churn** of 2.3% in the quarter, stable in relation to the previous quarter, especially recorded in the high value segment, in which we maintained the churn under strict control.

Service revenues grew 21.2%, increasing the **total net revenue** in 16.3% in relation to 2Q06, recording R\$ 3,021.0 million in the quarter. By eliminating the effects of the termination of the partial Bill&Keep system, the net service revenue would increase 4.9% between 2Q07 and 2Q06. **Data revenue** plus SVA's accounted for 7.9% of the service revenue.

Operating expenses showed an increase of 4.2% in relation to the 2Q06. The following facts have contributed to this increase: the growth in taxes and contributions and the provision for contingencies, almost totally recovered by the growth in revenues and commercial incentives. The costs of goods sold remained stable and the commercial expenses decreased 27.3% in relation to the 2Q06. The Provision for Bad Debt - PDD in 2Q07 was of R\$ 101.2 million, representing 2.3% of the total gross revenue, a 70.1% reduction in relation to the same period of the previous year.

The **EBITDA** in 2Q07 was R\$ 634.2 million, an increase of 107.1% in relation to 2Q06, resulting in an EBITDA Margin of 21.0%. By eliminating the effects of the termination of the partial Bill&Keep system, the EBITDA would be in the amount of R\$ 626.3 million or a margin of 23.5%.

The **operating cash flow** (EBITDA-CAPEX) of R\$ 296.9 million decreased by 43.1% in relation to 1Q07. Added to the change in working capital recorded R\$ 137.6 million in the quarter, less than the position recorded in the same period of the previous year of R\$ 217.5 million.

The **net debt** in the amount of R\$ 3,336.3 million presented a reduction of 23.0% in relation to 2Q06. Even considering the payment of TFF (Fistel Tax) of R\$ 420 million in 2Q07, the net debt was stable in relation to the 1Q07 because of the generation of operational revenue.

The **CapEx** totaled R\$ 337.3 million mainly related to expansion of coverage, increase in data network infrastructure, expansion of virtual recharge partners, launch of new billing format and São Paulo subway mobile network. Besides, we continued to the installation of the GSM/EDGE overlay, having absorbed 76% of total CapEx defined in the initial project.

Loss of R\$ 112.8 million in the quarter against loss of R\$ 493.1 million in 2Q06.

| Consolidated Income Statements - VIVO | | | | | | Consolidated Operating Performance - VIVO | | | | | |
|---------------------------------------|-----------|-----------|-----------|-----------|----------|---|--------|--------|-----------|---------|------------|
| RS million | 2Q07 | 1Q07 | %Δ | 2Q06 | %Δ | 2Q07 | 1Q07 | %Δ | 2Q06 | %Δ | |
| Net Revenues | 3,021.0 | 2,850.8 | 6.0% | 2,598.3 | 16.3% | Customers (thousand) | 30,240 | 29,030 | 4.2% | 30,138 | 0.3% |
| Net service revenues | 2,647.8 | 2,609.3 | 1.5% | 2,184.1 | 21.2% | Market Share | 37.3% | 37.4% | -0.1 p.p. | 43.5% | -6.2 p.p. |
| Net handset revenues | 373.2 | 241.5 | 54.5% | 414.2 | -9.9% | Net additions (thousand) | 1,210 | (23) | -5360.9% | 333 | 263.4% |
| Operating Costs | (2,386.8) | (2,093.8) | 14.0% | (2,292.0) | 4.1% | Share of net additions | 34.7% | -1.8% | 36.5 p.p. | -171.2% | 205.9 p.p. |
| Personnel | (165.0) | (173.7) | -5.0% | (155.3) | 6.2% | Market Penetration (*) | 58.3% | 56.0% | 2.3 p.p. | 51.5% | 6.8 p.p. |
| Cost of services rendered | (758.6) | (716.4) | 5.9% | (418.2) | 81.4% | SAC (R\$) | 107 | 100 | 7.0% | 128 | -16.4% |
| Cost of handsets | (548.5) | (351.5) | 56.0% | (546.8) | 0.3% | Monthly Churn | 2.3% | 2.6% | -0.3 p.p. | 4.6% | -2.3 p.p. |
| Selling expenses | (728.3) | (619.3) | 17.6% | (1,002.4) | -27.3% | ARPU (in R\$/month) | 29.9 | 30.0 | -0.3% | 24.1 | 24.1% |
| General & administrative expenses | (161.6) | (145.8) | 10.8% | (145.5) | 11.1% | Total MOU (minutes) | 77 | 75 | 2.7% | 67 | 14.9% |
| Other operating revenue (expenses) | (24.8) | (87.1) | -71.5% | (23.8) | 4.2% | | | | | | |
| Ebitda | 634.2 | 757.0 | -16.2% | 306.3 | 107.1% | | | | | | |
| Margin % | 21.0% | 26.6% | -5.6 p.p. | 11.8% | 9.2 p.p. | | | | | | |
| Net Financial Income | (124.4) | (118.7) | 4.8% | (213.6) | -41.8% | | | | | | |
| Net Income | (112.8) | (19.3) | 484.5% | (493.1) | -77.1% | | | | | | |
| Total debt | 3,705.7 | 4,057.2 | -8.7% | 4,686.4 | -20.9% | | | | | | |
| Net debt | 3,336.3 | 3,305.1 | 0.9% | 4,333.9 | -23.0% | | | | | | |
| Capex | 337.3 | 235.4 | 43.3% | 337.9 | -0.2% | | | | | | |

| NET DEBT - VIVO | | | | | |
|---------------------------|----------------|----------------|----------------|--|--|
| | Jun 30. 07 | Mar 31. 07 | Jun 30. 06 | | |
| Short Term | 1,226.9 | 1,283.4 | 1,861.7 | | |
| Long Term | 2,478.8 | 2,773.8 | 2,824.7 | | |
| Total debt | 3,705.7 | 4,057.2 | 4,686.4 | | |
| Cash and cash equivalents | (955.2) | (1,241.6) | (644.0) | | |
| Derivatives | 585.8 | 489.5 | 291.5 | | |
| Net Debt | 3,336.3 | 3,305.1 | 4,333.9 | | |

(*) source: Anatel

vivo Sinal de qualidade.



VIVO Participações S.A.

Vivo. Signal of Quality

The Company's new positioning – *Vivo – Signal of Quality* – and the campaigns based on strong commitment to customers have generated important achievements for the brand. Vivo is the 5th most-recalled commercial ad and also ranked 9th in the list of favorite commercials, and for the first time in our history we reverted the market share loss, using our selling strength through exclusive distribution channels.

Loyalty and retention efforts payback

We have worked on a wide range of initiatives seeking higher loyalty and customer retention, such as: the launch of our **new bill** format with 95% of approvals; the **Rewards Program**, main customer relationship tool, resulting in 0.3 percentage point decline in the quarterly churn rate; the alteration of the **recharge mix**, adding lower amounts, generating an 8% increase in recharge volume in the period and the new plans **Vivo Escolha**, in which customers can choose the combination of advantages that better suits their usage profile.

**More than
338 thousand
recharge points**

**40% national
retail share
leadership**

**Total of 7,911
points of sale**

**Market Share of
37.3% in its
operational area**

Technology: CDMA + GSM/EDGE

Vivo has become the sole cell phone operator in Brazil to offer a full range of products and services using two technologies. This initiative provides us national digital coverage and international roaming in more than 200 countries. In addition, we reduced the handset acquisition costs and, consequently, the associated subsidies. We now have more than 3.3 million GSM customers. Our current handset portfolio comprises 75 models, 40 of which GSM-enabled and 35 CDMA-enabled.

GSM/EDGE offers the "Enhanced GPRS (EGPRS) - a connectivity solution based on the Internet Protocol (IP), which supports a variety of applications used by corporations and the general public at rates up to 40 kbit/s, similar to a dial-up connection – which can be used for package applications, such as Internet connections, and applications requiring high transmission rates, such as: e-mail, video streaming, multimedia messages and location-based services. EDGE triples the data transmission rate offered by the GSM.

Organizational Structure Simplification

In 2006, changes have simplified its organization, made it easier to instruct customers and improved results. VIVO Participações and VIVO S.A. were created as a result of the merger of the 5 holding companies and the 14 operators. Simplification of the corporate structure, increased transparency, management and functional modernization and cost reductions are some of the key gains provided by the Merger Project.

Corporate Governance

A permanent search for improving corporate governance practices to assure maximum transparency and reliability for its operations and the results of its business offers in the market. Vivo is managed by a Board of Directors comprised of at least 3 and a maximum of 12 members, all of them shareholders of the holding company, besides a Statutory Audit Council, a Disclosure Committee and an Audit Committee.

Sustainability

Vivo, as a company aware of its role in the social development of Brazil, is committed to education. As a result, it supports the "All for Education" commitment by helping to spread the principles of mobilization and awareness of our society about the importance of this issue for the future of our country.



Environment

Vivo was the first company in Brazil to collect handsets for recycling through a campaign: "Your useless handset can link the world to a better future".

96 thousand used batteries delivered for safe disposal.
244 tons of recycled materials.

Investor Relations

Our Investor Relations Office acts with a focus on the improvement of the disclosure of information to shareholders and analysts, in order to keep a close relationship with the market and supply the material required for the fair pricing and valuation of our Company.

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