



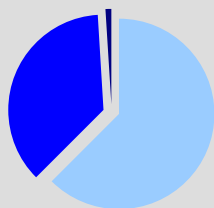
Vivo is the brand of a joint venture between Portugal Telecom and Telefonica in 2002.

It is the leading cell phone operator in Brazil with a **market share of 36.7%** 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

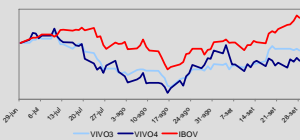
Stockholding Breakdown on 12/31/2007



- Controlling Group
- Free Float
- Treasury Shares

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 4Q07



Market Cap R\$ 15,743 million as of 12/31/2007



Message from the chief executive officer

"In recent months, with the acquisition of Telemig and Amazônia, the auction of the 1.9 GHz spectrum, and the 3rd generation frequencies auction, Vivo took several important steps towards increasing its competitiveness and service capacity, as part of a wider plan, which includes the elimination of fraud and cloning, corporate restructuring, the consolidation of its systems and the GSM/EDGE overlay. For Vivo client recognition is the most important element, at the same time that the improvement in results and healthy balance sheet show the ability to progressively satisfy its shareholders and investors".

Roberto Lima

Consolidated Performance

The company recorded 33,484 thousand **customers** in the quarter. The growth in the **ARPU**, which recorded R\$ 31.1 evidences the quality of Vivo's present customer base even though in a period of intense growth of the customer base presented an increase of 1.0% in the quarter and 1.6% over 4Q06. **SAC** dropped 10.4% in relation to 3Q07 and 4Q06, due to lower expenses with capture subsidies and advertising and commission expenses. **Churn** of 2.1% in the quarter. This indicator shows a constant and gradual reduction as a result of specific actions implemented with a view to loyal and activate the customer base.

Total net revenue grew 14.8% in the year, recording 3,372.2 million. The **Service revenues** grew 4.9% in relation to the previous quarter and 12.8% over the 4Q06. A large share of this increase was due to campaigns encouraging mobile phone usage and the huge popularity of the *Vivo Escolha* plans. **Data revenue** plus VAS accounted for 63.1% nominal increase over 4Q06, representing 9.6% of the service revenues.

Operating expenses increased 2.0% in the quarter and 18.5% in the year. The following facts have contributed to this increase: the growth in number of gross activations and the increase in expenses with loyalty, agency and commissions. The Provision for Bad Debt - PDD was of R\$ 76.7 million in the quarter, representing 1.6% of the total gross revenue, a 4.6% reduction in relation to the 3Q07 and a 5.1% increase over 4Q06.

The **EBITDA** margin reached 26.9%, an amount of R\$908.3 million. The 4Q07 EBITDA increased 9% when compared to the 3Q07 and 5.9% in relation to the 4Q06.

The **operating cash flow** (EBITDA-CAPEX) of R\$ 1,213.8 million increased by 156.3% in relation to 2006, as a result of higher increase of revenue in relation to expenses and rationalization of investments.

The **net debt** in the amount of R\$ 2,579.3 million presented a reduction of 12.8% in relation to 3Q07. In relation to the 4Q06 the net debt presented a reduction of 27.4% because of the better generation of operating cash.

The **CapEx** totaled R\$ 977 million mainly related to increase the GSM network's quality and capacity thereby providing support for the commercial action of data and voice traffic, allowing the company to become the leader in compliance with Anatel's quality targets. In addition, aiming to improve customer service through more simple, standardize and integrated processes, we initiated our new Front Office project.

Net profit of R\$ 28.3 million, an increase of 543.2% in relation to the previous quarter.

CONSOLIDATED INCOME STATEMENTS - VIVO

R\$ million	4Q07	3Q07	%Δ	3Q06	%Δ
Net Revenues	3,372.2	3,248.5	3.8%	2,936.5	14.8%
Net service revenues	2,986.4	2,845.8	4.9%	2,646.7	12.8%
Net handset revenues	385.8	402.7	-4.2%	289.8	33.1%
Operating Costs	(2,463.9)	(2,415.2)	2.0%	(2,078.9)	18.5%
Personnel	(181.7)	(151.3)	20.1%	(184.8)	-1.7%
Cost of services rendered	(789.6)	(780.0)	1.2%	(733.2)	7.7%
Cost of handsets	(611.8)	(585.0)	4.6%	(407.0)	50.3%
Selling expenses	(755.9)	(704.5)	7.3%	(655.7)	15.3%
General & administrative expenses	(165.5)	(159.3)	3.9%	(159.8)	3.6%
Other operating revenue (expenses)	40.6	(35.1)	n.d.	61.6	-34.1%
Ebitda	908.3	833.3	9.0%	857.6	5.9%
Margin %	26.9%	25.7%	1.2 p.p.	29.2%	-2.3 p.p.
Net Financial Income	(111.4)	(113.8)	-2.1%	(146.6)	-24.0%
Net Income	28.3	4.4	543.2%	885.6	-96.8%
Capex	977.1	369.2	164.7%	1,059.0	-7.7%

CONSOLIDATED OPERATING PERFORMANCE - VIVO

	4Q07	3Q07	%Δ	4Q06	%Δ
Customers (thousand)	33,484	31,320	6.9%	29,053	15.3%
Market Share	36.7%	36.8%	-0.1 p.p.	38.2%	-1.5 p.p.
Net additions (thousand)	2,164	1,079	100.6%	328	559.8%
Share of net additions	34.2%	26.4%	7.8 p.p.	11.0%	23.2 p.p.
Market penetration (*)	65.6%	59.3%	6.3 p.p.	55.0%	10.6 p.p.
SAC (R\$)	103	115	-10.4%	115	-10.4%
Monthly Churn	2.1%	2.2%	-0.1 p.p.	2.5%	-0.4 p.p.
ARPU (in R\$/month)	31.1	30.8	1.0%	30.6	1.6%
Total MOU (minutes)	80	77	3.9%	82	-2.4%

(*) source: Anatel

NET DEBT - VIVO			
	Dec 31. 07	Sep 30. 07	Dec 31. 06
Short Term	1,984.0	1,815.0	1,590.3
Long Term	2,397.4	2,223.4	2,910.1
Total debt	4,381.4	4,038.4	4,500.4
Cash and cash equivalents	(2,250.5)	(1,588.3)	(1,447.6)
Derivatives	448.4	507.6	500.5
Net Debt	2,579.3	2,957.7	3,553.3



Telemig and Amazônia Celular

On August 2nd, Vivo entered into a stock purchase and sale agreement with Telpart Participações S.A. aiming at the acquisition of the share control of Telemig and Amazônia Celular, corresponding to 22.72% and 19.34% of their respective total capital stock, for an aggregate total of R\$1.2 billion. Additionally, Vivo will purchase from Telpart stock subscription rights for R\$ 87 million. In order to accelerate the acquisition of Telemig, Vivo entered on December into a stock purchase and sale agreement with Oi for the sale of the shares in Amazônia Celular. The acquisition of the share control of Telemig, a company that operates in the third largest Brazilian state, Minas Gerais, is another key step for the accomplishment of our strategy to deliver the "Quality Signal" to all Brazilians. The Board of Directors of Anatel, on October 23, unanimously approved the acquisition of Telemig.

Loyalty and retention efforts payback

In 4Q07 Vivo maintained its retention and customer loyalty efforts focused on high and medium-value customers in the individual base. The Reward Program continued to be strongly used in the exchange of handsets and the **Vivo Escolha** plans have already been adopted by 67% of our individual postpaid customer base, contributing to customer base growth, increased customer loyalty and higher revenue.

Nationwide Coverage: a reality

Vivo acquired the 1.9 GHz frequencies. For all Band L lots acquired Vivo's proposal was around R\$ 169.7 million. However, pursuant to the rules provided for in the auction call notice, the price to be paid refers to the remaining term of the pre-existing authorizations for each lot acquired. Therefore, the price to be paid by Vivo shall be around R\$ 85.3 million, with a down payment of 10% (R\$ 8.5 million). Such down payment is to be made at the time of the execution of the Terms of Authorization and the balance will be payable in six annual installments, with a grace period of 3 years, adjusted to the general price index (IGP-DI) rate plus 1% monthly. This now allows Vivo to have a commercial operation in the markets of Alagoas, Pernambuco, Ceará, Piauí, Rio Grande do Norte and Paraíba.

Vivo is successful in the 3rd Generation frequencies Auction

On December, Vivo acquired the band J continuous lots in the auction of 3G frequencies, which will allow us to offer third generation services in the whole country with WCDMA technology. In order to achieve this benchmark, Vivo has paid 92.5% average premium over the minimum price set in the auction call notice. For all Band J lots acquired, Vivo offer was around R\$ 1, 1 billion for a period of 15 years postponed for 15 years more. The total amount or 10% of it should be paid at the time of the execution of the Terms of Authorization. The 90% left may be paid in 6 equal and annual installments, with a grace period of 3 years, adjusted to the IST variation plus 1% monthly.

Vivo, the best choice for consumers

Vivo received some prizes as proof of recognition of excellent customer services, commitment and precision: "The Companies that most respect consumers in Brazil 2007", in the mobile phone operator category, sponsored by Consumidor Moderno Magazine; "Most reliable sector brand", survey by Seleções magazine; "1st Brazil Intangibles Award" and "Most remembered Internet Brand" by the UOL/Datafolha Top of mind survey.

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.

Social Responsibility

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



A Vivo apóia esta causa.

awareness of our society about the importance of this issue for the future of our country.

Environment

The "Vivo's Handset Recycling" project, which is responsible for collecting handsets, accessories and cellular batteries in its owned stores, having been expanded to Vivo's regional offices in ES, PR, SC and RS states, in the stores where it is already available in RJ, SP and DF, as well as the continuance and expansion of the Overlay Project in the regional stores of CO/N and RS.

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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