GVT (Holding) S.A.

GVTT3 NOVO MERCADO BM&FBOVESPA

Earnings Release 4Q09

Curitiba, February 23rd 2010

Curitiba, Brazil, February 23rd, 2010: **GVT (Holding) S.A.** (Bovespa: GVTT3, Reuters: GVTT3.SA and Bloomberg GVTT3: BZ), a leading facilities-based telecommunications and Internet solutions provider Company in Brazil, announces today its results for the fourth quarter of 2009 (4Q09). The following information is consolidated in Brazilian Reais (R$) pursuant to Brazilian Corporate Law. Except where stated otherwise, all comparisons are with the same period of 2008. Numbers for 2009 and 4Q09 are presented on a *pro-forma* basis excluding the impact of one-time costs related to change of control occurred during 2H09.

Continuously accelerated growth with record revenues, EBITDA and net line additions for 4Q09 and 2009

1 – OPERATIONAL AND FINANCIAL HIGHLIGHTS AND MAIN INDICATORS

1.1 2009 and 4Q09 Financial and Operational Highlights:

- **Net revenue** reached R$1,699.1 million in 2009, compared to R$1,320.2 million in 2008, a growth of 28.7%. In 4Q09, net revenue increased 29.9%, reaching R$474.8 million.
- **Net additions of lines in service** (LIS) had a strong performance due to the Company's competitive value proposition, reaching a total of 916,000 lines, an increase of 36.6% versus 2008. Out of total net additions, 404,433 were voice, 227,174 broadband, 227,991 corporate data, 57,671 VoIP and a reduction of 1,269 in dial-up lines. Net additions in 4Q09 reached a total of 256,359 lines, an increase of 42.5% versus 4Q08, of which 111,729 were voice, 64,594 broadband (while 71.4% of broadband sales in 4Q09 were of 10Mbps and higher), 227,991 corporate data, 57,671 VoIP and a reduction of 4,283 in dial-up lines.
- **EBITDA**[1] grew by 30.4% in 2009, and **EBITDA margin** increased by 0.5 p.p., reaching 38.6%. In 4Q09, EBITDA grew 28.1% versus 4Q08, with EBITDA margin reached 39.0% in 4Q09 versus 39.6% in 4Q08. Gross margin improved for the year and the quarter primarily due to decline in interconnection costs as a percentage of revenue (with a higher broadband revenue mix over GVT's total revenue). Sales & marketing expenses as percentage of net revenue were higher, due primarily to higher costs related to faster geographical expansion, and higher expenses related to call center expansion and dealers commission, both to support the accelerated growth in lines in service and revenues.
- **Net income before Income Tax** (excluding the impact related to the change of control), reached R$316.2 million in 2009 compared to R$39.1 in 2008. For 4Q09, net income before taxes reached R$75.6 million versus a loss of R$50.9 million in 4Q08.
- **Net income** (excluding the impact related the change of control), reached R$197.0 million in 2009 compared to R$30.6 million in 2008. In 4Q09, net income reached R$43.5 million , versus a loss of R$36.7 million in the same period of 2008.
- **CapEx** reached R$657.6 million in 2009, compared to R$720.8 million in 2008, a decrease of 8.8%. This decrease enable by the optimization of network utilization during 2009. In 4Q09, Capex reached R$ 240.1 million compared to R$231.9 million in 4Q08, as we accelerate the expansion of our network and

infrastructure in 4Q09 to support faster geographical expansion. In Q4 we launched operations in Recife, Jaboatão dos Guararapes (State of Pernambuco) and Serra (State of Espirito Santo).

1.2 Main Performance Indicators – *pro-forma**

(R$ '000)	4Q09	4Q08	2009	2008
Net Revenue	474,781	365,582	1,699,106	1,320,184
Net Revenue (% growth - with acquisition effect)	29.9%	34.3%	28.7%	34.6%
Net Revenue (% organic growth - without acquisitions)	29.9%	30.8%	28.7%	30.1%
% Gross Income Margin	67.0%	66.5%	67.0%	65.3%
Adjusted EBITDA[1]	185,395	144,751	655,563	502,686
% Adjusted EBITDA Margin	39.0%	39.6%	38.6%	38.1%
Net (loss) Income before taxes	75,597	(50,885)	316,241	39,127
Net (loss) Income	43,519	(36,746)	197,004	30,618
CapEx (Capital Expenditure)	240,087	231,946	657,579	720,806
◆ Free Cash Flow (EBITDA - CapEx)	(54,692)	(87,195)	(2,016)	(218,120)
◆ Net Debt	(153,181)	(284,599)	(153,181)	(284,599)
◆ Net Debt / Adjusted EBITDA (LTM)	0.2x	0.6x	0.2x	0.6x
◆ Cash and Cash Equivalents	700,346	497,470	700,346	497,470
Total Net Additions	256,359	179,945	916,000	670,577
◆ Voice Lines	111,729	87,340	404,433	295,644
◆ Broadband	64,594	47,310	227,174	199,731
◆ Others (Corporate data, VoIP and ISP)	80,036	45,295	284,393	175,202

[1] Adjusted EBITDA, a performance measurement used by our management, is computed as net income (loss) for the period excluding income and social contribution taxes, financial income and expenses, depreciation, amortization, results of sale and transfer of fixed assets / extraordinary items and stock option expense. Adjusted EBITDA is useful because it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. Adjusted EBITDA is not a recognized term under Brazilian GAAP and does not purport to be an alternative to net income as a measure of operating performance or to cash flow from operating activities as a measure of liquidity. Because not all companies use identical calculations, this presentation of Adjusted EBITDA may not be comparable to other similarly titled measures or to cash flow available for our discretionary use, as such measures do not consider certain cash requirements such as interest payments, tax payments and debt service.

* The information above for 2009 is presented on a *pro-forma* basis excluding the impacts of the change of control of the Company that occurred in 4Q09. The Company had extraordinary costs in the amount of R$72.7 million related to anticipation of cost related to its stock options plan, financial and legal advisory, and the anticipation of certain contractual clauses. Including the one-time costs related to the change of control, net income reached R$131.6 million in 2009 and a net loss of R$21.9 million for 4Q09. (See page 11 for audited financial statements)

1.3 – BUSINESS UPDATE

1.3.1 – Geographical expansion

During the year 2009, GVT began operations in five new cities outside Region II: In April: Vitória and Vila Velha, in the state of Espírito Santo, and in November: Recife and Jaboatão dos Guararapes, in the state of Pernambuco, and Serra, in Espírito Santo. Initial investments in these cities reached approximately R$115 million, enabling coverage of 41% of our addressable market. The cities outside Region II accounted for 13.7% of total retail revenue in 2009, versus 5.7% in 2008, which demonstrate the success of the Company's expansion outside of its original region.

1.3.2 – New broadband family

The Company launched in August a new broadband family with speeds starting with a minimum of 3Mbps and up to 100Mbps, at competitive prices, starting from R$49.90 for 3Mbps and R$69.90 for 10Mbps. The new product line is available in cities that account for 76.2% of the Company's total coverage and 94.3% of its broadband market. This new broadband family will enable the Company to leverage its unique Next Generation Network to increase even further its competitive advantage versus its main competitors. By the end of 2009, the current sales of broadband with speeds faster than 10Mbps corresponded to 56.4% of the total sales.

1.3.3 – Number Portability

Since number portability regulation has been in effect (September 2008), total lines requested to be ported reached 4,424,877, of which 1,498,164 were fixed lines (source: ABR – Jan. 03rd, 2010), of which 1,037,500 portability processes have already been concluded while GVT's share reached 34%, which represents 353,198 lines. When considering only requests in the Company's area of operation, GVT's share reached 62%. Our winning/loss ratio is about 7:1.

2 – INCOME STATEMENT

2.1 – GVT Holding – Consolidated – *pro-forma (excluding one-time costs related to the change of control)* *

(R$ '000)	4Q09	4Q08	4Q09 vs. 4Q08 (%)	2009	2008	2009 vs. 2008 (%)
Gross Revenue	**776,759**	**593,982**	**30.8%**	**2,771,023**	**2,129,427**	**30.1%**
Sales Taxes and Deductions	(301,978)	(228,400)	32.2%	(1,071,917)	(809,243)	32.5%
Net Revenue	**474,781**	**365,582**	**29.9%**	**1,699,106**	**1,320,184**	**28.7%**
Cost of Revenue	**156,613**	**122,556**	**27.8%**	**559,913**	**457,486**	**22.4%**
% Cost of Revenue from Total Net Revenue	*33.0%*	*33.5%*	*-0.5 p.p*	*33.0%*	*34.7%*	*-1.7 p.p*
Interconnection Cost	81,541	67,952	20.0%	286,503	246,908	16.0%
Fixed - Mobile	*49,830*	*43,192*	*15.4%*	*180,710*	*152,922*	*18.2%*
Other Interconnections	*31,711*	*24,760*	*28.1%*	*105,793*	*93,985*	*12.6%*
Leased Lines Cost	34,219	29,338	16.6%	128,312	106,229	20.8%
IP	*1,368*	*3,513*	*-61.1%*	*9,056*	*15,007*	*-39.7%*
Backbone	*21,765*	*19,868*	*9.5%*	*84,879*	*70,342*	*20.7%*
Last Mile	*11,086*	*5,956*	*86.1%*	*34,376*	*20,880*	*64.6%*
Network Infrastructure and Maintenance	25,930	19,498	*33.0%*	94,841	72,891	*30.1%*
Others[1]	14,923	5,768	158.7%	50,257	31,459	59.8%
Gross Income	**318,168**	**243,026**	**30.9%**	**1,139,193**	**862,698**	**32.1%**
Gross Income Margin %	**67.0%**	**66.5%**	***0.5 p.p***	**67.0%**	**65.3%**	***1.7 p.p***
Expenses (SG&A)	**132,773**	**98,275**	**35.1%**	**483,630**	**360,012**	**34.3%**
Selling Expenses	87,950	66,043	33.2%	339,348	247,838	36.9%
Salaries and Dealers Comissions	*41,717*	*31,852*	31.0%	*147,817*	*112,658*	31.2%
Marketing	*12,214*	*9,817*	24.4%	*53,388*	*39,321*	35.8%
Others[2]	*34,019*	*24,374*	39.6%	*138,143*	*95,859*	44.1%
General and Administrative[3]	44,823	32,232	39.1%	144,282	112,174	28.6%
Adjusted EBITDA[4]	**185,395**	**144,751**	**28.1%**	**655,563**	**502,686**	**30.4%**
Adjusted EBITDA Margin	***39.0%***	***39.6%***	***-0.5 p.p***	***38.6%***	***38.1%***	***0.5 p.p***
Depreciation and Amortization	98,836	80,413	22.9%	358,401	292,116	22.7%
Stock Options	6,695	7,796	-14.1%	34,008	21,957	54.9%
Financial (expenses) Income	(774)	(101,964)	-99.2%	64,227	(136,595)	-147.0%
Exchange Variation (expense) Income[5]	*5,871*	*(75,565)*	-107.8%	*98,456*	*(98,693)*	-199.8%
Financial Income	*19,397*	*13,895*	39.6%	*76,237*	*53,927*	41.4%
Financial Expenses	*(26,042)*	*(40,294)*	-35.4%	*(110,465)*	*(91,829)*	20.3%
Operating Income (loss) Before Non-operating Expenses	**79,089**	**(45,422)**	**-274.1%**	**327,382**	**52,017**	**n.a**
Non-operating Expenses	(3,493)	(5,462)	-36.1%	(11,140)	(12,891)	-13.6%
Net (loss) Income Before Taxes	**75,597**	**(50,885)**	**-248.6%**	**316,241**	**39,127**	**n.a**
Income and Social Contribuition Taxes	(32,078)	14,139	n.a	(119,236)	(8,508)	n.a
Net (loss) Income for the period	**43,519**	**(36,746)**	**-218.4%**	**197,004**	**30,618**	**n.a**

Note: In the analysis, "n.a." means that variations are: i) higher than 300%; or ii) between positive and negative numbers in the periods.

[1] Includes payroll and travel expenses
[2] Includes costs such as bad debt, travel, training and sales events
[3] Includes employee profit-sharing and other operating income
[4] The Adjusted EBITDA considered in this report excludes the following effects: extraordinary items, stock options, and non-operational expenses (results of sale and transfer of fixed assets).
[5] Mainly unrealized foreign exchange variation related to the US$180 million in debt (senior notes) as of December 31, 2009.
* The information above for 2009 is presented on a *pro-forma* basis excluding the impacts of the change in control of the Company that occurred in 4Q09. The audited financial statements, which include the impact of the change of control can be seen on page 11

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3 – FINANCIAL PERFORMANCE – *Pro-forma*

3.1 - NET REVENUE

Net revenue grew by 29.9% in 4Q09 versus 4Q08, reaching a total of R$474.8 million. Net revenue growth in 4Q09 was led by the growth of 40.8% growth in revenue of Next-Generation Services (NGS), and 25.2% in Voice services, as follows:

Net Revenue Breakdown (R$ '000)	4Q09	4Q08	4Q09 vs. 4Q08 (%)	2009	2008	2009 vs. 2008 (%)
Voice	**321,136**	**256,462**	**25.2%**	**1,159,387**	**948,512**	**22.2%**
Local Telephony	218,961	177,439	23.4%	805,844	649,956	24.0%
Long Distance	58,204	51,193	13.7%	214,166	179,098	19.6%
Internet (Dial-up)	12,806	12,868	-0.5%	47,047	55,656	-15.5%
Others	31,165	14,963	108.3%	92,330	63,802	44.7%
Next Generation Services (NGS)	**153,645**	**109,119**	**40.8%**	**539,718**	**371,672**	**45.2%**
Corporate Data	41,692	34,920	19.4%	156,269	118,778	31.6%
Broadband	103,608	65,420	58.4%	344,742	219,947	56.7%
VoIP	8,345	8,779	-4.9%	38,707	32,947	17.5%
Total Net Revenue	**474,781**	**365,582**	**29.9%**	**1,699,106**	**1,320,184**	**28.7%**

3.2 – COST OF SERVICES

Cost of Services (R$ '000)	4Q09	4Q08	4Q09 vs. 4Q08 (%)	2009	2008	2009 vs. 2008 (%)
Cost of Services	**156,613**	**122,556**	**27.8%**	**559,913**	**457,486**	**22.4%**
Interconnection Cost	81,541	67,952	20.0%	286,503	246,908	16.0%
Fixed - Mobile	*49,830*	*43,192*	*15.4%*	*180,710*	*152,922*	*18.2%*
Other Interconnections	*31,711*	*24,760*	*28.1%*	*105,793*	*93,985*	*12.6%*
Leased Lines Cost	34,219	29,338	16.6%	128,312	106,229	20.8%
IP	*1,368*	*3,513*	*-61.1%*	*9,056*	*15,007*	*-39.7%*
Backbone	*21,765*	*19,868*	*9.5%*	*84,879*	*70,342*	*20.7%*
Last Mile	*11,086*	*5,956*	*86.1%*	*34,376*	*20,880*	*64.6%*
Network Infrastructure and Maintenance	25,930	19,498	33.0%	94,841	72,891	30.1%
Others[1]	14,923	5,768	158.7%	50,257	31,459	59.8%

[1] Includes travel, payroll and energy expenses

Cost of Services as % os Net Revenue (R$ '000)	4Q09	4Q08	2009	2008
Cost of Services	**33.0%**	**33.5%**	**33.0%**	**34.7%**
Interconnection Cost	17.2%	18.6%	16.9%	18.7%
Fixed - Mobile	*10.5%*	*11.8%*	*10.6%*	*11.6%*
Other Interconnections	*6.7%*	*6.8%*	*6.2%*	*7.1%*
Leased Lines Cost	7.2%	8.0%	7.6%	8.0%
IP	*0.3%*	*1.0%*	*0.5%*	*1.1%*
Backbone	*4.6%*	*5.4%*	*5.0%*	*5.3%*
Last Mile	*2.3%*	*1.6%*	*2.0%*	*1.6%*
Network Infrastructure and Maintenance	5.5%	5.3%	5.6%	5.5%
Others[1]	3.1%	1.6%	3.0%	2.4%

[1] Includes travel, payroll and energy expenses

Cost of services reached R$156.6 million in 4Q09, compared to R$122.6 million in 4Q08, an increase of 27.8%, due to: (i) 33.0% higher network infrastructure and maintenance costs primarily to support the growth of lines in services (LIS); (ii) an increase of 20.0% in interconnection costs caused by higher volume of outgoing traffic in fixed-to-mobile and long distance calls of GVT customers; (iii) a 16.6% increase in leased lines, mainly related to higher leasing cost of last mile; and (iv) other costs that reached R$14.9 million mainly as a result of the launch of five new cities.

3.3 – GROSS INCOME AND MARGIN (EXCLUDING DEPRECIATION/AMORTIZATION)

As a result of the above mentioned factors, gross income reached R$318.2 million in 4Q09, compared to R$243.0 million in 4Q08, an increase of 30.9%.

3.4 – SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, General and Administrative Expenses (R$ '000)	4Q09	4Q08	4Q09 vs. 4Q08 (%)	2009	2008	2009 vs. 2008 (%)
Expenses (SG&A)	**132,773**	**98,275**	**35.1%**	**483,630**	**360,012**	**34.3%**
Selling Expenses	87,950	66,043	33.2%	339,348	247,838	36.9%
Salaries and Comissions	*41,717*	*31,852*	*31.0%*	*147,817*	*112,658*	*31.2%*
Marketing	*12,214*	*9,817*	*24.4%*	*53,388*	*39,321*	*35.8%*
Others[1]	*34,019*	*24,374*	*39.6%*	*138,143*	*95,859*	*44.1%*
General and Administrative[2]	44,823	32,232	39.1%	144,282	112,174	28.6%

[1] Includes bad debt, travel and training

[2] Includes employee profit sharing and other operating expenses

Selling, General and Administrative Expenses as % of Net Revenue (R$ '000)	4Q09	4Q08	2009	2008
Expenses (SG&A)	**28.0%**	**26.9%**	**28.5%**	**27.3%**
Selling Expenses	18.5%	18.1%	20.0%	18.8%
Salaries and Comissions	*8.8%*	*8.7%*	*8.7%*	*8.5%*
Marketing	*2.6%*	*2.7%*	*3.1%*	*3.0%*
Others[1]	*7.2%*	*6.7%*	*8.1%*	*7.3%*
General and Administrative[2]	9.4%	8.8%	8.5%	8.5%

[1] Includes bad debt, travel and training

[2] Includes employee profit sharing and other operating expenses

Selling, general & administrative (SG&A) expenses, including the employee profit-sharing program, reached R$132.8 million in 4Q09, compared to R$98.3 million in 4Q08, an increase of 35.1%. The increase in these expenses was due to: i) expansion of the Company's call center to support the increase in lines in service and to comply with the new law for call centers; ii) the increase in sales & marketing investments to support the higher volume of LIS sale, mainly due to fast geographical expansion; and iii) higher provisioning for bad debt with the deterioration of the economic scenario that started in second half of 2008 and continued in the first half of 2009. However, bad debt as percentage of revenue returned to normal levels by the end of 2009. The increase in G&A expenses is primarily due to higher costs associated with growth of revenues, LIS and number of cities operated by GVT and increase in third party services, IT and training.

3.5 – Adjusted EBITDA

Adjusted EBITDA reached R$185.4 million in 4Q09, compared to R$144.8 million in 4Q08, an increase of 28.1%. As a result, adjusted EBITDA margin reached 39.0% in 4Q09, compared to 39.6% in 4Q08, a decrease of 0.5 p.p., which was due to higher SG&A expenses primarily related to faster geographical expansion.

3.6 – DEPRECIATION AND AMORTIZATION

Depreciation and amortization reached R$98.8 million in 4Q09, compared to R$80.4 million in 4Q08, an increase of 22.9%. This increase is mainly due to higher investments in network expansion, which led to a higher fixed-asset base.

3.7 – *STOCK OPTIONS*

Expenses relating to the Company's stock option plan reached a total of R$6.7 million in 4Q09, compared to R$7.8 million in 4Q08.

3.8 – FINANCIAL (EXPENSES) / INCOME

The net financial improved from an expense of R$102.0 million in 4Q08 to R$0.8 million in 4Q09. This improvement is primarily due to gains for foreign exchange variation that reached R$5.9 million in 4Q09, compared to a loss of R$75.6 million in 4Q08, as de U.S. dollar depreciated approximately 25% year-over-year against the Brazilian real.

3.9 – NON-OPERATING EXPENSES

Non-operating expenses decreased 36.1%, to R$3.5 million in 4Q09 from R$5.5 million in 4Q08.

3.10 – NET INCOME / LOSS BEFORE TAXES

Net profit before income tax in 4Q09 was R$75.6 million, compared to a loss of R$50.9 million in 4Q08.

3.11 - INCOME TAX AND SOCIAL CONTRIBUTION

Income tax and social contribution increased to an expense of R$32.1 million in 4Q09, compared to a tax income of R$14.1 million in 4Q08.

3.12 – NET INCOME / LOSS

Net income reached R$43.5 million in 4Q09, compared to a loss of R$36.7 million in 4Q08, excluding the impact related to the change of control. The Company had extraordinary costs in the amount of R$72.7 million related to anticipation of cost related to its stock options plan, financial and legal advisory, and the anticipation of certain contractual clauses. Including the one-time costs related to the change of control, net loss reached R$21.9 million for 4Q09. (See page 11 for audited financial statements)

4 – CAPEX

Capital Expenditures (CapEx) reached R$240.1 million in 4Q09, compared to R$231.9 million in 4Q08, an increase of 3.5%. This increase was mainly due to higher investments in accesses compared to 4Q08 to support faster geographical expansion and a one-time investment for Backbone IP (IRU).

(1) - Operational Indicators

NETWORK	4Q09	4Q08	4Q09 vs. 4Q08 (%)	2009	2008	2009 vs. 2008 (%)
LIS (Lines in Services)						
Voice Lines	1,442,066	1,037,633	39.0%	1,442,066	1,037,633	39.0%
Retail - Voice Lines	*1,221,687*	*882,510*	*38.4%*	*1,221,687*	*882,510*	*38.4%*
Corporate - Voice Lines	*220,379*	*155,123*	*42.1%*	*220,379*	*155,123*	*42.1%*
Broadband	668,701	441,527	51.5%	668,701	441,527	51.5%
Corporate Data	519,684	291,693	78.2%	519,684	291,693	78.2%
VoIP	157,811	100,140	57.6%	157,811	100,140	57.6%
Retail VONO	*119,135*	*66,945*	*78.0%*	*119,135*	*66,945*	*78.0%*
Corporate VOIP	*38,676*	*33,195*	*16.5%*	*38,676*	*33,195*	*16.5%*
ISP (Internet Service Provider)	28,316	29,585	-4.3%	28,316	29,585	-4.3%
Total LIS	**2,816,578**	**1,900,578**	**48.2%**	**2,816,578**	**1,900,578**	**48.2%**
LIS by Business Line						
Retail and SME	1,890,388	1,324,037	42.8%	1,890,388	1,324,037	42.8%
Corporate	778,739	480,011	62.2%	778,739	480,011	62.2%
Internet and VoIP (VONO)	147,451	96,530	52.8%	147,451	96,530	52.8%
Total LIS	**2,816,578**	**1,900,578**	**48.2%**	**2,816,578**	**1,900,578**	**48.2%**
Net Additions						
Voice Lines	111,729	87,340	27.9%	404,433	295,644	36.8%
Retail - Voice Lines	*86,949*	*70,396*	*23.5%*	*339,177*	*254,811*	*33.1%*
Corporate - Voice Lines	*24,780*	*16,944*	*46.2%*	*65,256*	*40,833*	*59.8%*
Broadband	64,594	47,310	36.5%	227,174	199,731	13.7%
Corporate Data	73,127	47,119	55.2%	227,991	170,926	33.4%
VoIP	11,192	5,386	107.8%	57,671	26,561	117.1%
Retail VONO	*8,067*	*4,508*	*78.9%*	*52,190*	*18,473*	*182.5%*
Corporate VOIP	*3,125*	*878*	*255.9%*	*5,481*	*8,088*	*-32.2%*
Internet (dial-up)	(4,283)	(7,210)	-40.6%	(1,269)	(22,285)	-94.3%
Total Net Additions	**256,359**	**179,945**	**42.5%**	**916,000**	**670,577**	**36.6%**
RPL (Revenue per Line) - Retail Voice	**R$ 68.4**	**R$ 73.9**	**-7.4%**	**R$ 68.4**	**R$ 73.9**	**-7.4%**
RPL (Revenue per Line) - Retail Broadband	**R$ 51.6**	**R$ 49.4**	**4.6%**	**R$ 51.6**	**R$ 49.4**	**4.6%**
Voluntary Churn Rate (%)	**0.49%**	**0.68%**	**-0.2 p.p**	**0.54%**	**0.75%**	**-0.2 p.p**
Portability Churn Rate (%)	**0.26%**	**0.00%**	**0.3 p.p**	**0.32%**	**0.00%**	**0.3 p.p**
Cities Coverage - Number of Cities	**84**	**79**	**6.3%**	**84**	**79**	**6.3%**
Region II	75	75	0.0%	75	75	0.0%
Outside Region II	9	4	125.0%	9	4	125.0%
Local Accesses Network (Street Cabinets + Accesses)						
Maximum Capacity (Equipments in Street Cabinet)	1,925,439	1,616,477	19.1%	1,925,439	1,616,477	19.1%
Additional Accesses Delivered	**81,275**	**77,646**	**4.7%**	**269,185**	**487,168**	**-44.7%**
Region II	31,275	46,110	-32.2%	97,780	325,000	-69.9%
Outside Region II	50,000	31,536	58.5%	171,405	162,168	5.7%
Occupation Rate % (from maximum capacity in local network)	**54.8%**	**46.2%**	**8.6 p.p**	**54.8%**	**46.2%**	**8.6 p.p**
Network Route (km)						
Local Network	31,434	24,287	29.4%	31,434	24,287	29.4%
Fiber Network Route (km)	6,029	4,788	25.9%	6,029	4,788	25.9%
Copper Network Route (km)	25,405	19,499	30.3%	25,405	19,499	30.3%
Backbone Long Distance (Geodex), including Swaps	15,500	11,000	40.9%	15,500	11,000	40.9%
MERKET						
% of clients base with bundles products						
Small Business Bundles	17.2%	15.0%	2.2 p.p	16.5%	15.1%	1.4 p.p
Residential Bundles	57.2%	48.0%	9.2 p.p	53.4%	44.6%	8.8 p.p
Residential Plans	25.7%	37.0%	-11.4 p.p	30.1%	40.3%	-10.1 p.p
New sales of bundles	88.1%	75.5%	12.6 p.p	88.1%	75.5%	12.6 p.p
% of ADSL Penetration - Retail Subscribers	**77.2%**	**68.4%**	**8.8 p.p**	**77.2%**	**68.4%**	**8.8 p.p**
Broadband speeds (%)						
Current Sales - Speed equal or higher than 10MB	71.4%	0.5%	70.9 p.p	56.4%	0.3%	56.1 p.p
Current Sales - Speed higher than 1MB and lower than 10MB	25.4%	43.6%	-18.2 p.p	24.2%	26.7%	-2.4 p.p
Current Sales - Speed equal to 1MB	3.1%	55.3%	-52.2 p.p	19.1%	71.5%	-52.4 p.p
Current Sales - Speed lower than 1MB	0.1%	0.7%	-0.6 p.p	0.2%	1.5%	-1.3 p.p
Customers Base - Speed equal or higher than 10MB	39.3%	0.3%	39.0 p.p	39.3%	0.3%	39.0 p.p
Customers Base - Speed higher than 1MB and lower than 10MB	30.9%	31.7%	-0.8 p.p	30.9%	31.7%	-0.8 p.p
Customers Base - Speed equal to 1MB	24.7%	54.6%	-29.9 p.p	24.7%	54.6%	-29.9 p.p
Customers Base - Speed lower than 1MB	5.2%	13.5%	-8.3 p.p	5.2%	13.5%	-8.3 p.p
FINANCIAL						
Days Sales Outstanding (DSO)	**51**	**59**		**51**	**59**	

i) In the analysis, "n.a" means that variations are: i) higher than 300%; or ii) between positive and negative numbers between the periods;
ii) The leading metrics of capacity utilization used by the Company from January 2009 for occupation rate will be the Maximum Capacity of the access network, based on the combined factors of street cabinets and number of copper pairs , which is a more conservative methodology;
iii) Adjustments have been made to Lines in Service and Net Addition for the year 2008 to reflect alignment with the new policy for calculating lines in service effective as of 2009. The adjustments are insignificant in the total number of net additions and numbers of LIS.
iv) Note on RPL - The Company changed its disclosure policy from ARPU (Average Revenue per User) to RPL (Revenue per Line) as ARPU does not take into account revenue from incoming calls but only billable amounts to the user. As revenue share from incoming calls become more material, the RPL is a more adequate methodology for the market to follow. The RPL is also divided between Voice and ADSL as not all customers have ADSL and some have more than one voice line. The recent reduction in voice RPL is due to the increase in number of lines sold to SMEs, which generally acquire a higher number of lines (E1's), and as such, total voice RPL is being affected by this.

(2) - Audited Financial Statements – presented on BRGAAP

2.1 Income Statement

Income Statements (R$ '000)	4Q09	4Q08	4Q09 vs. 4Q08 (%)	2009	2008	2009 vs. 2008 (%)
Gross Revenue	**776,759**	**593,982**	**30.8%**	**2,771,023**	**2,129,427**	**30.1%**
Sales taxes and deductions	(301,978)	(228,400)	32.2%	(1,071,917)	(809,242)	32.5%
Net Revenues	**474,781**	**365,582**	**29.9%**	**1,699,106**	**1,320,185**	**28.7%**
Costs of services rendered	(245,354)	(192,524)	27.4%	(880,799)	(713,221)	23.5%
Gross Profit	**229,427**	**173,058**	**32.6%**	**818,307**	**606,963**	**34.8%**
Operating (expenses) Income	**(223,138)**	**(221,289)**	**0.8%**	**(563,210)**	**(556,904)**	**1.1%**
Selling Expenses	(87,959)	(66,052)	33.2%	(339,388)	(247,874)	36.9%
General and Administrative Expenses	(76,256)	(48,481)	57.3%	(226,729)	(158,714)	42.9%
Exchange Variance Income	5,871	(75,565)	-107.8%	98,456	(98,693)	-199.8%
Financial (expenses) Income	(26,951)	(26,400)	2.1%	(54,535)	(37,904)	43.9%
Others Operating (expenses) Income	(37,843)	(4,791)	n.a	(41,014)	(13,721)	198.9%
Operating Income Before Employees' Profit Sharing	**6,289**	**(48,231)**	**-113.0%**	**255,097**	**50,059**	**n.a**
Employees' Profit Sharing	(3,361)	(2,654)	26.6%	(11,525)	(10,933)	5.4%
Net (loss) Income Before Income Taxes	**2,928**	**(50,885)**	**-105.8%**	**243,572**	**39,126**	**n.a**
Income and Social Contribution Taxes	(24,834)	14,139	-275.6%	(111,992)	(8,508)	n.a
Net (loss) Income for the period [1]	**(21,906)**	**(36,746)**	**-40.4%**	**131,580**	**30,618**	**n.a**

Note: In the analysis, "n.a" means that variations are: i) higher than 300%; or ii) between positive and negative numbers between the periods.

[1] Due to the change of control of the Company that occurred in 4Q09, the company incurred extraordinary costs in the amount of R$72.7 million related to its stock options plan, financial and legal advisory, and anticipation of certain contractual clauses. Excluding the one-time costs related to the change of control, net income reached R$197.0 million and R$43.5 million in 2009 and 4Q09, respectively.

2.2 Balance Sheet

Balance Sheet (R$ '000)		
ASSETS	12/31/09	12/31/08
Current Assets	**1,260,170**	**977,563**
Cash and Cash Equivalents	700,346	497,470
Trade Accounts Receivable	439,674	390,103
Recoverable Taxes	59,383	47,985
Deferred Income and Social Contribution Taxes	43,119	22,357
Prepaid Expenses	3,921	2,416
Other Assets	13,727	17,232
Non-current Assets	**2,473,141**	**2,270,700**
Long Term Assets	**254,229**	**344,482**
Recoverable Taxes	46,257	41,666
Deferred Income and Social Contribution Taxes	123,764	242,091
Collateral Account - Meridiana Cayman	13,771	23,370
Other Receivables	70,437	37,355
Goodwill	**14,771**	**14,771**
Property, Plant and Equipment	**2,007,666**	**1,749,118**
Intangible Asset	**194,272**	**155,274**
Deferred Charges	**2,203**	**7,055**
TOTAL ASSETS	**3,733,311**	**3,248,263**
LIABILITIES	12/31/09	12/31/08
Current Liabilities	**496,149**	**394,736**
Accounts Payable to Suppliers	241,592	173,478
Loans and Financing	67,119	29,306
Accrued Expenses and Payroll	91,251	73,332
Deferred Income and Social Contribution Taxes	-	19,262
Interconnection Payable (DETRAF)	43,599	45,434
Deferred Value Added Tax (ICMS)	45,559	44,494
Provision for Contingencies	3,269	2,709
Other Accounts Payable	3,760	6,721
Non-current Liabilities	**1,118,944**	**1,061,478**
Loans and Financing	786,408	752,763
Deferred Value Added Tax (ICMS)	156,111	150,814
Provision for Contingencies	16,274	19,665
Collateral Account - Meridiana Cayman	13,771	23,370
Interconnection Payable (DETRAF)	56,439	25,889
Deferred Income and Social Contribution Taxes	-	18,032
Deferred Income	36,694	15,901
Other Accounts Payable	53,247	55,044
Shareholders' Equity	**2,118,218**	**1,792,049**
Capital	1,510,239	1,374,699
Capital Reserves	930,993	930,993
Stock Options Granted	126,569	76,154
Cumulative Translation Adjustments	-	(6,379)
Accumulated Losses	(449,583)	(583,418)
TOTAL LIABILITIES	**3,733,311**	**3,248,263**

2.3 Cash Flow

Cash Flow (R$ '000)	2009	2008
Net income (loss) for the period	**131,580**	**30,618**
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	358,403	285,667
Goodwill amortization	-	6,456
Exchange gains on loans and financing - long term	(97,668)	109,655
Income and social contribution taxes	60,269	(14,923)
Financial charges	90,995	57,691
Stock options	50,415	21,957
Residual cost on disposal of fixed assets	6,482	3,654
Changes in assets and liabilities		
Increase in trade accounts receivable	(49,571)	(107,351)
Increase in recoverable taxes - short term and long term	(15,989)	(15,517)
Increase in other assets - short term and long term	(31,081)	(28,441)
Increase in accounts payable to suppliers	68,114	98,955
Increase in accrued expenses and payroll	17,919	15,465
Increase in interconnection payable (DETRAF) - short term and long term	28,715	17,603
Increase in deferred value added tax (ICMS) - short term and long term	6,362	9,987
Decrease in provision for contingencies - short term and long term	(2,831)	(9,109)
Increase (decrease) in deferred income	20,793	(967)
Decrease in other accounts payable - short term and long term	(4,757)	(560)
Net cash provided by operating activities	**638,150**	**480,840**
Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible	(657,579)	(720,806)
Increase in deferred charges, fully amortized during the year	-	(4,220)
Net cash used in investing activities	**(657,579)**	**(725,026)**
Cash flow from financing activities		
Capital increase	135,540	6,900
Loans and financing of related parties and third parties	193,668	252,481
Payment of loans and financing	(28,015)	(30,108)
Prior year adjustments resulting from the first-time adoption of Law 11.638/07	-	11,190
Interests paid from loans and financing	(78,888)	(61,625)
Net cash provided by (used in) financing activities	**222,305**	**178,838**
Changes in cash and cash equivalents		
Cash and cash equivalent initial balance	497,470	562,818
Cash and cash equivalent closing balance	700,346	497,470
Increase (decrease) in cash and cash equivalents	**202,876**	**(65,348)**
Income tax and social contribution paid	39,451	20,595

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ABOUT GVT

GVT is the leading facilities-based telecommunications and Internet solutions provider in Brazil. GVT offers a diversified portfolio of innovative products and advanced solutions for conventional telephony, corporate data transmission, Internet services (broadband and ISP) and Voice over IP (VoIP) markets. The Company offers its services and solutions directly to customers through its brands: GVT, POP and VONO. GVT is one of most recognized telecom industry brands in the regions where it operates.

GVT operates one of Brazil's most modern telecommunications networks based on a single, integrated infrastructure that supports multiple protocols for voice, data and IP on a single network. The combination of its state-of-the-art network with extensive last-mile coverage allows the Company to offer customized products with bundled telecommunications and Internet-related solutions that meet its customers' specific requirements, with competitive cost and fast time-to-market, while providing a higher level of customer service than competitors.

The Company focuses on high-margin and high-usage customers in the residential, small office/home office ("SOHO"), small to medium enterprises ("SMEs") and middle/large corporate market segments. GVT's position in the Brazilian market as the most important alternative to the Incumbents, the original operators for each telecommunications region, has enabled it to become one of the most successful and fastest growing fixed-line telecommunications service providers.

Disclaimer

This release may contain forward-looking statements relating to the prospects of the business, estimates for operating and financial results and the growth prospects of GVT are merely projections and as such are based exclusively on the expectations of GVT's management concerning the future of the business. Such forward-looking statements depend substantially on changes in market conditions, the performance of the Brazilian and international economies and the industry, and therefore are subject to change without prior notice.

In accordance with CVM Circular Letter 1/2005, EBITDA may be defined as income before net financial income (expenses), income and social contribution taxes, depreciation and amortization and non-operating income. EBITDA is used by the Company's management to measure performance and is not a measure adopted by Brazilian or U.S. Accounting Practices, does not represent cash flow for the periods presented and should not be considered as a substitute for net income or cash flow or as an indicator of operating performance or liquidity.

GVT's management believes that EBITDA is a practical measure for assessing its operating performance, which permits comparisons with peers. However, EBITDA is not a measure established in accordance with Brazilian Accounting Practices (Brazilian Corporate Law or BR GAAP) or U.S. Accounting Principles (US GAAP) and may be defined and calculated differently by other companies.

The Adjusted EBITDA considered in this report excludes the following effects: extraordinary items, stock options, deferred charges and the recognition of non-operational expenses of 2008 and 2009.