



Abril Group enters into agreement with Telefônica for participation in TVA

Companies form strategic partnership that will benefit their Pay TV, broadband internet and telephony customers; negotiation complies with the requirements of the laws that rule the sector

(São Paulo, October 29, 2006) - Abril Group announced today the closing of strategic partnership an agreement for the sale of part of the common and preferred stocks of TVA (Tevecap S.A.) to Telefônica (Telecomunicações de São Paulo S.A. – Telesp). The agreement depends upon the approval of ANATEL (National Telecommunications Agency) to become effective. The transaction will allow Abril Group to reduce a significant part of its debt. The resources will also be used to reinforce the company's working capital and for new investments. With the transaction, TVA suspends the IPO operation registered with the Securities Commission (CVM), in late September.

The partnership aims at combining the expertise of Abril Group in the production and dissemination of content and its deep knowledge of media consumers with the recognized competence of Telefônica Group in the telecommunications segment. Clients of both companies will gain access to *triple play*, which offers pay TV, telephony and broadband internet services. This convergence of services is growing in demand from customers all over the world.

The business involves the integral MMDS (*Multichannel Multipoint Distribution Service*) operations in the cities of São Paulo, Rio de Janeiro, Curitiba and Porto Alegre, in addition to 100% of preferred stocks and part of the common stocks of cable TV operations in São Paulo, Curitiba, Florianópolis, and Foz do Iguaçu, within the limits of interest allowed by Brazilian laws.

This operation has been configured so as to assure that the new shareholding structure in the partnership complies with the requirements of the laws that govern the sector. Abril Group continues to manage TVA.

TVA was the first provider to operate within the *triple play* concept, bringing pay TV, broadband internet and voice services to the Brazilian market. TVA has been a pioneer in the implementation of new technologies and the introduction of services for customers. Telefônica's entry into TVA consolidates the strategy of offering multiple innovate services and accelerates the growth project.



About Abril Group

The Abril Group is one of the largest and most influential communications group in Latin America, providing information, culture, education and entertainment to all sections of the public and working in an integrated manner in a range of media. Based on integrity, quality, leadership and innovation principles, Abril was founded in 1950. It currently employs approximately six thousand people in the magazine, textbook, online content, broad-band internet, targeted and pay TV and database marketing segments. The Abril S.A. holding is made up of the following companies: Editora Abril S. A. (including its printing facilities) and subsidiaries (Dinap S. A. and Datalistas S.A.), Ática and Scipione publishers, Abril Marcas Ltda, Abril Communications and subsidiaries (TVA). Abril Group also owns 70% of MTV's stocks, along with Viacom. The Victor Civita Foundation, created in 1985, reaches 1.5 million teachers and benefits approximately 25 million students all around the country.

Abril's net income was of R\$ 2.3 billion in 2005, 15% higher than that of 2004, R\$ 2 billion. The Group's Ebitda over the net income was 21.9%, a percent comparable to that of the best media companies in the world. Editora Abril has a 70.3% interest in the total income, complemented by Abril Education (Ática and Scipione Publishers), with 15.8%, and TVA, with 13.9%. In May 2006, Abril associated with South African media group Naspers, which purchased 30% of the company's capital.

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