

**ADVERTISING AND OTHER REVENUES UP 42%
BROADBAND SUBSCRIBER BASE GREW 19%**

São Paulo, Brazil, August 13, 2009 – UOL (BOVESPA: UOLL4) today announces its consolidated results for 2Q09. The Company's quarterly results were prepared in accordance with the accounting practices adopted in Brazil and the norms of the Securities and Exchange Commission of Brazil (CVM) applicable to the preparation of financial statements ("BR GAAP").

**2Q09 Results**

Conference call:

August 14, 2009

10:30 a.m. US ET - English
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Code: UOL**Investor Relations****Miguel Longo Junior**
CFO and IRO**José Eduardo Szuster**
Investor Relationsri@uolinc.com**FINANCIAL AND OPERATING HIGHLIGHTS**

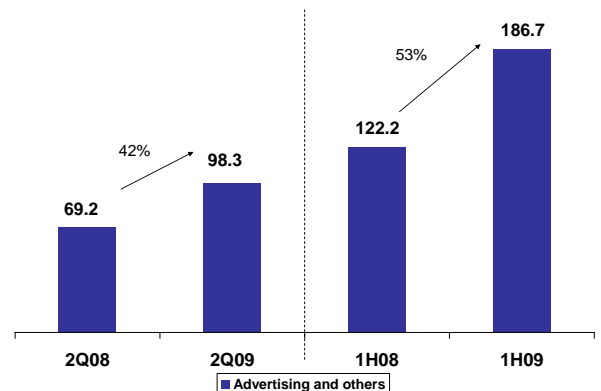
- **Advertising and other revenues** totaled **R\$98.3 million in 2Q09** and **R\$186.7 million in 1H09**, up **42% and 53%** respectively, on the same periods last year. The revenue growth was due to the increase in advertising revenues, revenues from products launched during the past two years and revenues from our recent acquisitions.
- **EBITDA** totaled **R\$33.6 million** in 2Q09, 5% down from 2Q08. EBITDA margin was 20% in 2Q09, 5 p.p. down in relation to the same period in 2008. Excluding non-recurring items in both the periods, EBITDA decreased 1% in relation to 2Q08.
- In 1H09, EBITDA totaled **R\$76.4 million**, a **9% increase over 1H08**. EBITDA margin was 24% in 1H09, 1 p.p. down from 1H08. Excluding non-recurring items in both the periods, EBITDA decreased 8% in relation to 1H08 to R\$ 64.8 million.
- Gross margin in 2Q09 was 65%, 7 p.p. up on 2Q08. In 1H09, gross profit reached R\$224.0 million.
- **Net income** came to **R\$23.8 million** in 2Q09, 10% down from 2Q08, and to **R\$60.6 million in 1H09**, 19% up on 1H08. Excluding the non-recurring items in 1H09, net income was 4% lower than in 1H08.
- The number of **paying broadband subscribers** reached **1.27 million** in June 2009, a **19% increase** over June 2008.

Gross Revenues from Services

Gross revenues from services totaled R\$228.0 million in 2Q09 and R\$447.2 million in 1H09, up by 16% and 18%, respectively, over the same periods in the previous year.

Subscription revenues totaled R\$129.7 million in 2Q09 and R\$ 260.6 million in 1H09, representing an increase of 2% in both periods, when compared to 2008. Despite the growth in the subscriber base, which reached 1.79 million in June 2009, 3% above than June 2008, average ticket per subscriber declined, leading to a smaller growth in these revenues. Of the total base, 1.27 million were broadband subscribers, representing a 19% growth over the subscriber base in June 2008.

Advertising and other revenues totaled R\$ 98.3 million in 2Q09 and R\$186.7 million in 1H09, representing 42% and 53% growth, respectively, over the same periods in 2008. The growth was driven by higher advertising revenues, revenues from products launched during the past two years and revenues from our recent acquisitions.



Deductions from Gross Revenues

In 2Q09, deductions represented 27% of gross revenues from services, against 28% in 2Q08. In 1H09, deductions accounted for 27% of gross revenues, representing growth of 1 percentage point over the 26% in 1H08.

Net Revenues from Services

Net revenues totaled R\$165.7 million in 2Q09 and R\$ 325.1 million in 1H09, up by 17% and 16%, respectively, year on year, pushed by the growth in advertising and other revenues.

Cost of Services

Cost of services totaled R\$57.9 million in 2Q09, 2% down from 2Q08, and R\$101.1 million in 1H09, 12% down from 1H08, due to the reduction in costs as a result of new commercial agreements.

Gross Profit

Gross profit totaled R\$107.8 million in 2Q09 and R\$224.0 million in 1H09, representing growth of 31% and 37%, respectively, over the corresponding periods in 2008. Gross margin, which is gross profit divided by net revenues, was 65% in 2Q09 and 69% in 1H09, up by 7 p.p. and 10 p.p., respectively, over 2Q08 and 1H08.

Selling Expenses

Selling expenses amounted to R\$43.6 million in 2Q09, 45% up on 2Q08, and to R\$85.9 million in 1H09, 50% up on 1H08, mainly due to product launches in recent years and the increase in sales staff as well as the related marketing expenses. It must be mentioned that selling expenses have been practically stable in the past three quarters.

General and Administrative Expenses

General and administrative expenses totaled R\$30.3 million in 2Q09 and R\$61.3 million in 1H09, up 66% and 69%, year on year, respectively, as a result of the increase in third-party services, as well as in personnel and product development expenses. Similar to selling expenses, general and administrative expenses did not vary much in the past three quarters.

Depreciation and Amortization

Depreciation and amortization rose from R\$13.1 million in 2Q08 to R\$ 19.7 million in 2Q09 and from R\$26.5 million in 1H08 to R\$37.4 million in 1H09.

Financial Results

Net financial revenue dropped from R\$ 13.0 million in 2Q08 to R\$8.6 million in 2Q09 due to the booking at market value of hedge financial transactions, which have no speculative nature and no impact on the Company's cash, besides the reduction in interest rates. Year-to-date financial result was a net financial revenue of R\$24.0 million, 15% up on 1H08.

Other Income from Investments

The results of our interest in our subsidiaries were zero in 2Q09.

Other Operating Income (Expenses)

Other Operating Income (Expenses) was an expense of R\$0.3 million in 2Q09, due to the provisions for contingencies and an expense of R\$0.4 million in 1H09, once again, due to the provision for contingencies. In 2008, other operating income (expenses) was an income of R\$0.4 million in 2Q08 and an expense of R\$0.8 million in 1H08, mainly due to the provision for contingencies and expenses related to various agreements.

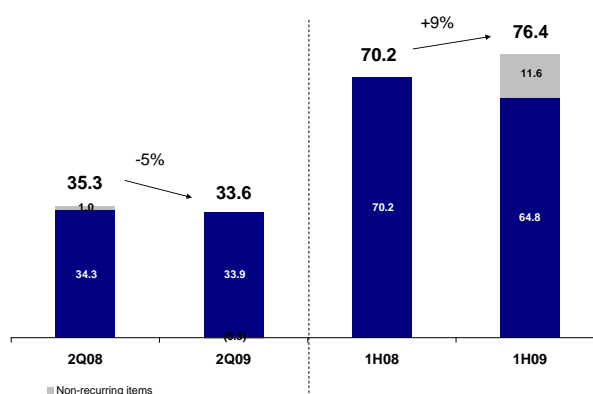
Income and Social Contribution Taxes

Income and social contribution taxes on net income are calculated as a percentage of pre-tax income and levied at 25% and 9%, respectively. Brazilian legislation allows tax losses to be carried forward to be offset against future taxes. In 2Q09, income and social contribution taxes totaled R\$3.1 million, while deferred income and social contribution taxes reverted, net of tax credits, totaled R\$4.4 million. In 1H09, income and social contribution taxes totaled R\$5.9 million, while deferred income and social contribution taxes reverted, net of tax credits, totaled R\$3.5 million.

EBITDA

EBITDA totaled R\$33.6 million in 2Q09, 5% down from 2Q08. EBITDA margin was 20% in 2Q09, 5 p.p. down year-on-year. Excluding the non-recurring items in both the periods, EBITDA decreased 1% in relation to 2Q08.

EBITDA in 1H09 totaled R\$76.4 million, a 9% increase over 1H08. EBITDA margin was 24%, 1 p.p. down from 1H08. Excluding the non-recurring items in both the periods, EBITDA decreased 8% in relation to 1H08. There was no impact of non-recurring events in 1H08, compared to an R\$ 11.6 million impact in 1H09, mainly from the credit



obtained from commercial agreements.

The key factors behind EBITDA growth were the increase in the Company's revenues as a whole and the reduction in the cost of services rendered.

The following table shows the EBITDA calculation:

(in R\$ million)	2Q08	2Q09	Change 09x08	1H08	1H09	Change 09x08
Net income	26.3	23.8	-10%	50.9	60.6	19%
Financial Results.....	(13.0)	(8.6)	-34%	(20.8)	(24.0)	15%
Depreciation and amortization	13.1	19.7	50%	26.5	37.4	41%
Non-operating net income.....	-	-	n.a.	-	-	n.a.
Income and social contribution taxes.....	1.6	3.1	94%	2.0	5.9	195%
Deferred income and social contribution taxes	7.3	(4.4)	n.a.	11.6	(3.5)	n.a.
Minority interest.....	-	-	n.a.	-	-	n.a.
EBITDA before non-recurring income (expenses)	35.3	33.6	-5%	70.2	76.4	9%
EBITDA Margin before non-recurring income (expenses)	25%	20%	-5 p.p.	25%	24%	-1 p.p.
Non-recurring income (expenses)	(1.0)	0.3	n.a.	-	(11.6)	n.a.
EBITDA after non-recurring income (expenses).....	34.3	33.9	-1%	70.2	64.8	-8%
EBITDA Margin after non-recurring income (expenses)	24%	20%	-4 p.p.	25%	20%	-5 p.p.

EBITDA is income (loss) from operations plus income tax and social contribution, revenue from non-consolidated interests, net financial revenue (expenses), depreciations and amortizations, and interest of minority shareholders, according to CVM Official Letter 01/2007 EBITDA is not a measure used in the accounting practices adopted in Brazil or the generally accepted accounting practices in international standards (IFRS). It does not represent the cash flow for the periods presented and should not be considered an alternative to net income as an indicator of our operating performance or an alternative to cash flow as an indicator of liquidity. EBITDA does not have a standardized meaning and our calculation of EBITDA may not be comparable to the EBITDA or adjusted EBITDA of other companies. Even though EBITDA does not provide a measure of operating cash flow adopted in the Brazilian GAAP or international market, our management uses EBITDA to measure the Company's operating performance. Additionally, we understand that certain investors and financial analysts use EBITDA as an indicator of a company's operating performance and/or its cash flow.

Net Income and Earnings per Share

Net income in 2Q09 was R\$23.8 million, 10% down year-on-year. Earnings per share came to R\$0.20.

Liquidity and Capital Resources

Operating Activities

In 2Q08, cash generated from operations totaled R\$37.4 million, pushed by the quarter net income. In 2Q09, cash generated from operations totaled R\$31.8 million, lower than in 2Q08 due to the lower net income posted in that quarter.

Investment Activities

In 2Q08, cash generated from investment activities was R\$40.9 million, mainly due to the R\$28.8 million increase in investments and the R\$12.1 million increase in fixed and intangible assets. In 2Q09, cash used in investment activities was R\$21.3 million, due to investments in property and equipment as well as in intangible assets, mandatory for the Company's growth.

Financing Activities

In 2Q08, net cash used in financing activities was R\$1.2 million, mainly related to the payment of the CPMF tax in the amount of R\$0.2 million and dividend payment of R\$1.0 million. In 2Q09, net cash generated from financing activities was negative R\$4.4 million, primarily influenced by the FINEP loan and dividend payments.

Balance Sheet

At the end of 2Q09, the Company had loans and financings, including interest booked and the principal, totaling R\$ 46.3 million, and consolidated cash, bank balances and investments totaled R\$ 543.5 million, resulting in net cash of R\$ 497.2 million.

Shareholders' equity increased from R\$771.7 million in March 2009 to R\$791.4 million in June 2009, due the net income generated in the quarter.

Audience

We maintained our leadership in page views and time spent online among content portals in Brazil, with 1,703 million page views and average time spent online of 1 hour, 12 minutes and 45 seconds in June 2009, according to Home Panel from IBOPE//NetRatings.

Also, according to Home Panel from IBOPE//NetRatings, in June 2009 we recorded a 16% year-on-year increase in unique visitors, exceeding market growth.

UOL Busca ended June 2009 with almost 4.9 million unique residential visitors per month, coming second in the Home Panel from IBOPE//NetRatings search engine ranking.

	June 2008	June 2009	Change % 09x08
Page views (million)	1,600	1,703	6%
Unique visitors (thousand)	15,173	17,613	16%
Unique visitors – search (thousand)	5,181	4,891	-6%
Reach (% of Brazilian Internet users)	66%	69%	+3 p.p.
Time spent online (hours:min:sec)	0:57:29	1:12:45	27%

Source: Ibope//NetRatings (portal audience, home panel, brand, excluding Internet applications).

EXHIBIT I – INCOME STATEMENT
**Universo Online S.A.
Consolidated Income Statement**

(in R\$ million)

	2Q08	2Q09	Change 2Q09 x 2Q08	1H08	1H09	Change 1H09 x 1H08
Gross revenues for Sales and/or Services	196.0	228.0	16%	378.5	447.2	18%
Subscriptions	126.8	129.7	2%	256.3	260.6	2%
Advertising and other	69.2	98.3	42%	122.2	186.7	53%
Deductions	(54.2)	(62.3)	15%	(99.3)	(122.2)	23%
Net revenues for Sales and/or Services	141.8	165.7	17%	279.2	325.1	16%
Cost of Sales and/or Services.....	(59.2)	(57.9)	-2%	(115.5)	(101.1)	-12%
Gross profit	82.6	107.8	31%	163.7	224.0	37%
Operating income (expenses)	(60.4)	(93.9)	56%	(120.0)	(185.0)	54%
Selling expenses.....	(30.0)	(43.6)	45%	(57.3)	(85.9)	50%
General and administrative expenses.....	(18.3)	(30.3)	66%	(36.2)	(61.3)	69%
Depreciation and amortization	(13.1)	(19.7)	50%	(26.5)	(37.4)	41%
Equity Income						
Other income from investments	0.6	-	n.a.	0.8	-	n.a.
Other operating revenues (expenses)	0.4	(0.3)	n.a.	(0.8)	(0.4)	-50%
Operating Income before financial results	22.2	13.9	-37%	43.7	39.0	-11%
Financial Results	13.0	8.6	-34%	20.8	24.0	15%
Financial expenses	0.7	5.8	729%	0.1	(2.9)	n.a.
Financial income	43.3	44.3	3%	57.7	68.5	19%
Net foreign exchange variation	(31.0)	(41.6)	34%	(37.0)	(41.6)	12%
Income from operations	35.2	22.4	-36%	64.5	63.0	-2%
Non-operating Income (expenses).....	-	-	n.a.	-	-	n.a.
Income before taxes and profit sharing	35.2	22.4	-36%	64.5	63.0	-2%
Provision for income and social contribution taxes	(1.6)	(3.1)	94%	(2.0)	(5.9)	195%
Deferred income taxes	(7.3)	4.4	n.a.	(11.6)	3.5	n.a.
Income before minority interest	26.3	23.8	-10%	50.9	60.6	19%
Minority interest.....	-	-	n.a.	-	-	n.a.
Net income (loss) for the period	26.3	23.8	-10%	50.9	60.6	19%



EXHIBIT II – BALANCE SHEET

Universo Online S.A.
Consolidated Balance Sheet

(in R\$ thousand)

	<u>03/31/2009</u>	<u>06/30/2009</u>
Assets		
Current:		
Cash and banks	5,366	11,107
Temporary cash investments	570,611	532,362
Unrealized gain on swap transaction	-	22,035
Trade accounts receivable	100,148	117,079
Accounts receivable from related parties	3,319	3,281
Recoverable taxes	9,489	8,443
Deferred taxes	28,116	22,187
Advances to suppliers	2,368	3,099
Prepaid expenses	7,215	7,826
Other receivables	1,642	1,658
Total Current Assets	728,274	729,077
Non-current		
Long-Term Assets:		
Escrow deposits	9,765	9,880
Recoverable taxes	176	153
Deferred taxes	89,024	101,292
Subsidiaries	42	41
Prepaid expenses and other	3,440	3,237
Total Long-term assets	102,447	114,603
Permanent Assets:		
Property and equipment	81,985	78,057
Intangible assets	101,694	105,028
Total Permanent Assets	183,679	183,085
Total Non-current assets	286,126	297,688
Total Assets	1,014,400	1,026,765
Liabilities and Shareholders' Equity		
Current Liabilities:		
Trade accounts payable	57,913	57,999
Suppliers – related parties	421	875
Loans and Financing	4,460	4,411
Payroll and related charges	23,629	30,592
Taxes payable	15,385	18,481
Deferred taxes	4,433	5,119
Reserve for contingencies	3,719	3,595
Proposed dividends	914	-
Advances from customers	30,215	35,731
Other payables	19,031	3,472
Unrealized loss on swap transaction	7,306	-
Total Current liabilities	167,426	160,275
Non-current Liabilities		
Long-term Liabilities:		
Trade accounts payable	3,764	3,101
Loans and Financings	42,984	41,889
Taxes payable	4,123	3,869
Deferred taxes	6,210	7,445
Reserve for contingencies	14,730	15,682
Other payables	1,571	1,568
Total Long-term liabilities	73,382	73,554
Minority interest	1,885	1,531
Shareholders' Equity		
Capital	530,621	530,621
Legal	10,279	10,279
Profit retention	191,526	191,526
Adjustments from asset evaluation	2,432	(1,620)
Retained Earnings (accumulated deficit)	36,849	60,599
Total Shareholders' Equity	771,707	791,405
Total Liabilities and Shareholders' Equity	1,014,400	1,026,765

EXHIBIT III – CASH FLOW
**Universo Online S.A.
Consolidated Cash Flow**

(in R\$ thousand)

	<u>2Q08</u>	<u>2Q09</u>
Cash Flow from Operating activities		
Net Income for the period	26,293	23,750
Items not requiring cash outlay:		
Depreciation and amortization	13,070	20,995
Other income from investments	(559)	-
Deferred Income taxes and social contribution	7,280	(4,418)
Increase in (reversal of) allowance for doubtful accounts	579	19,370
Minority interest	20	(25)
Increase in (reversal of) allowance for doubtful accounts	(1,274)	2,020
Accrual of unrealized gains from swap transactions	(27,484)	(29,341)
Interest, financial income and exchange rate change, net	12,273	20,257
Changes in operating assets and liabilities		
Trade accounts receivable	(8,829)	(39,039)
Recoverable taxes	(1,677)	2,393
Advances to suppliers	94	(730)
Escrow deposits	698	(1,436)
Prepaid expenses	(37)	(611)
Other receivables	3,162	(15,446)
Other payables	(544)	2,303
Trade accounts payable	7,385	3,410
Payroll and related charges	4,044	7,044
Taxes payable	1,713	3,118
Advances from customers	1,550	5,746
Increase in cash investments of negotiation bonds	-	(4,316)
Redemption of cash investments of negotiation bonds	-	18,813
Cash provided by operating activities	<u>37,757</u>	<u>33,857</u>
Income tax and social contribution paid	(306)	(1,928)
Interest paid	(100)	(119)
Net cash provided by operating activities	<u>37,351</u>	<u>31,810</u>
Cash flow from investing activities		
Property and equipment	(5,326)	(9,182)
Proceeds from sale of property and equipment	47	-
Intangible assets	(6,773)	(12,261)
Intercompany	(1)	102
Increase in temporary cash investment	(40,600)	-
Redemption of temporary cash investment	11,762	-
Decrease in cash from investment activities	<u>(40,891)</u>	<u>(21,341)</u>
Cash flow from financing activities		
Loans and Financings - banks	-	(817)
Payment of bank loans, capital	-	(2,467)
Payment of dividends	(1,039)	(914)
PAES (tax debt refinancing program) Payment /Installment (CPMF)	(198)	(198)
Decrease in cash from financing activities	<u>(1,237)</u>	<u>(4,396)</u>
Exchange variation	<u>(130)</u>	<u>(332)</u>
Increase (decrease) in cash and cash equivalents	<u>(4,907)</u>	<u>5,741</u>
At Beginning of the period		
Cash and banks	8,003	5,103
Temporary cash investments	9,503	263
Total	<u>17,506</u>	<u>5,366</u>
At End of the period		
Cash and banks	3,899	11,107
Temporary cash investments	8,700	-
Total	<u>12,599</u>	<u>11,107</u>
Net increase in cash and cash equivalents	<u>(4,907)</u>	<u>5,741</u>
Transactions occurred during the period that did not affect cash:		
Purchase of property and equipment	3,300	(519)

Note: The tax installments were classified as financing activities as they refer to specific long-term contracts.