

Announcement: NET Servicos de Comunicacao S.A.

Moody's comments on NET's acquisition of BIGTV

Sao Paulo, December 28, 2007 -- Moody's did not change Net Servicos de Comunicação S.A.'s ("Net") Ba2 global local currency corporate family rating and Aa3.br Brazilian national scale rating following the company's announced agreement to acquire 100% of the capital of BIGTV Companies. The transaction is subject to regulator (ANATEL) and anti-trust commission (CADE) approvals.

Moody's views this transaction as strategic for Net, since the company will be able to further increase its subscriber and revenue base, coverage area and market share and as well as offer its triple-play services to BIGTV's current subscribers, which we view as a competitive advantage. Net estimates that it will pay a cash consideration of 5-7 times BIGTV's EBITDA and expects that BIGTV will have no debt at the time of the transaction. Using BIGTV's EBITDA for the third quarter 2007, the transaction value could be up to BRL 285 million.

Net has strong liquidity, with BRL 625 million in cash, BRL 76 million in short-term debt as of September 30, 2007 and no substantial debt maturities until 2010.

Net Servicos de Comunicação S.A., based in São Paulo, Brazil, is the largest cable company in Latin America with approximately 2.4 million Pay TV subscribers as of September 30, 2007. The company also offers bidirectional broadband internet access through its Virtua franchise and voice services through Net Fone via Embratel. The acquisition of BIGTV will add 107 thousand and 56 thousand video and broadband subscribers, respectively, to Net's subscriber base.

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