OFFERING MEMORANDUM

Pontis III Ltd.

(incorporated with limited liability in the Cayman Islands)

US$325,000,000 Senior Secured Exchangeable Notes of Pontis III Ltd.

mandatorily exchangeable for

US$325,000,000 4.843% Senior Notes due 2025 of Globo Comunicação e Participações S.A.

(incorporated in the Federative Republic of Brazil)

This offering memorandum relates to the issue of US$325,000,000 aggregate principal amount of Senior Secured Exchangeable Notes (the "SENs") of Pontis III Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands (the "SENs Issuer"). The SENs will be mandatorily exchanged for 4.843% Senior Notes due 2025 (the "Amended Notes" and, together with the SENs, the "notes") of Globo Comunicação e Participações S.A. ("Globo") on July 20, 2015 or as soon as practicable thereafter and, in any event, on or prior to July 27, 2015 (the "Mandatory Exchange"). The SENs will be secured by a pledge of the Escrow Account (as defined herein) in which the gross proceeds from the sale of the SENs will be deposited pending the purchase by the SENs Issuer of Globo's outstanding 6.25%/9.375% Step Up Perpetual Notes (the "Step-Up Perpetual Notes"), as described in this offering memorandum.

The SENs will not bear interest. Holders of the Amended Notes, which will be exchanged for the SENs in the Mandatory Exchange, will be entitled to an exchange fee (the "Exchange Fee") payable by Globo upon consummation of the Mandatory Exchange. The Exchange Fee will be equal to US$5.65 per US$1,000 principal amount of Amended Notes, plus an additional fee for each day from and including July 20, 2015 that the Mandatory Exchange is not consummated, as described in this offering memorandum.

Interest on the Amended Notes will accrue from and including July 20, 2015, or if the Mandatory Exchange occurs at a later date, from and including the date of the Mandatory Exchange, at the rate of 4.843% per annum to but excluding June 8, 2025. Interest on the Amended Notes will be payable semi-annually in arrears in cash on June 8 and December 8, of each year, commencing on December 8, 2015. The Amended Notes may, at Globo's option, be redeemed or purchased at 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, (i) in whole or in part on any date on or after March 8, 2025 or (ii) in whole at any time upon the occurrence of specified events relating to Brazilian tax law, as described in this offering memorandum.

The SENs will be unsubordinated obligations of the SENs Issuer. The Amended Notes will be unsecured, unsubordinated obligations of Globo and will rank equally in right of payment with Globo's existing and future unsecured, unsubordinated obligations. The Amended Notes will be effectively subordinated to any secured debt of Globo to the extent of the value of the assets securing such debt and structurally subordinated to all debt and other obligations of Globo's subsidiaries. Notes will be issued only in registered book-entry form and in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof.

For a more detailed description of the SENs and the Amended Notes, see "Description of the SENs" and "Description of the Amended Notes."

The SENs Issuer intends to use commercially reasonable efforts to apply to list the SENs on the Official List of the Luxembourg Stock Exchange and to admit the SENs for trading on the Euro MTF Market of that exchange (the "Euro MTF Market"). Application has been made to list the Amended Notes on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market. This offering memorandum constitutes a Prospectus for the purpose of Luxembourg law dated July 10, 2005 on Prospectus for Securities, as amended.

See "Risk Factors" beginning on page 16 to read about important factors you should consider before investing in the notes.

Issue Price: 100%

Neither the SENs nor the Amended Notes have been registered or will be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under any state securities laws. The SENs and the Amended Notes may not be offered or sold within the United States to, or for the account or benefit of, any U.S. person unless the offer or sale would qualify for a registration exemption from the Securities Act and applicable state securities laws. The SENs are only being offered and sold (1) in the United States to qualified institutional buyers ("QIBs") as defined in Rule 144A under the Securities Act, as further described herein or (2) outside the United States to persons other than U.S. persons in compliance with Regulation S under the Securities Act. See "Notice to Investors" for more information about eligible offerees and transfer restrictions.

The joint bookrunners and lead managers expect to deliver the SENs to purchasers in book-entry form through The Depository Trust Company ("DTC") and its participants, including Euroclear Bank S.A. / N.V. ("Euroclear") and Clearstream Banking, Société Anonyme Luxembourg ("Clearstream") on or about June 8, 2015.

Joint Bookrunners and Lead Managers

BofA Merrill Lynch **Itaú BBA** **Santander**

The date of this offering memorandum is June 15, 2015.

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Unless otherwise indicated or the context otherwise requires, references in this offering memorandum to (i) "Globo," the "Company," "we," "our" and "us" are to Globo Comunicação e Participações S.A. and its subsidiaries, (ii) the "SENs Issuer" are to Pontis III Ltd., (iii) the "SENs" are to the Senior Secured Exchangeable Notes offered by the SENs Issuer hereunder, (iv) the "Step-Up Perpetual Notes" are to Globo's outstanding US$325,000,000 6.25%/9.375% Step-Up Perpetual Notes issued by Globo on July 20, 2010 and (v) the "Amended Notes" are to the 4.843% Senior Notes due 2025 of Globo governed by the amended and restated indenture (the "Amended and Restated Indenture") described herein.

This offering memorandum has been prepared by Globo and the SENs Issuer solely for use in connection with the offering of the SENs and the Amended Notes. Merrill Lynch, Pierce, Fenner & Smith Incorporated, Itau BBA USA Securities, Inc. and Santander Investment Securities Inc. (collectively, the "Initial Purchasers") will act as initial purchasers with respect to the offering of the SENs. This offering memorandum may only be used for the purposes for which it has been published. The SENs Issuer and the Initial Purchasers reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the SENs offered by this offering memorandum.

This offering memorandum is intended solely for the purpose of soliciting expressions of interest in the SENs and the Amended Notes from qualified investors and does not purport to summarize all of the terms, conditions, covenants and other provisions contained in the indenture governing the SENs (the "SENs Indenture"), the Amended and Restated Indenture, the notes and other transaction documents.

This offering memorandum contains summaries intended to be accurate with respect to certain terms of certain documents, but reference is made to the actual documents, all of which will be made available to you upon request when available, for complete information with respect thereto, and all such summaries are qualified in their entirety by such reference.

None of the SENs Issuer, Globo and the Initial Purchasers has authorized anyone to provide you with information other than the information contained in this offering memorandum. The information contained in this offering memorandum is accurate only as of the date of this offering memorandum, regardless of the time of delivery of this offering memorandum or of any sale of the notes. Neither the delivery of this offering memorandum nor any sale made hereunder shall under any circumstances imply that there has been no change in the affairs of the SENs Issuer or Globo, or that the information set forth herein is correct as of any date subsequent to the date hereof.

You hereby acknowledge that (i) you have been afforded an opportunity to request from the SENs Issuer and Globo and to review, and have received, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained herein, (ii) you have had the opportunity to review all of the documents described herein, (iii) you have not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with any investigation of the accuracy of such information or the investment decision and (iv) no person has been authorized to give any information or to make any representation concerning the SENs Issuer, Globo or the notes (other than as contained herein and information given by the duly authorized officers and employees of the SENs Issuer or Globo in connection with your examination of the SENs Issuer and Globo and the terms of this offering) and, if given or made, you should not rely upon any such other information or representation as having been authorized by the SENs Issuer, Globo or the Initial Purchasers.

In making an investment decision, you must rely on your own examination of the business of the SENs Issuer and Globo and the terms of this offering, including the merits and risks involved. The SENs and the Amended Notes have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

This offering memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any SENs and the Amended Notes offered hereby by any person in any jurisdiction in which it is unlawful for such person to make an offer or solicitation. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering by any Initial Purchasers shall be deemed to be made by such Initial Purchasers or its relevant affiliate on behalf of the SENs Issuer or Globo in such jurisdiction.

The SENs and the Amended Notes have not been and will not be registered under the Securities Act. Neither the Securties and Exchange Commission (the “SEC”) nor any securities commission has approved or disapproved these securities or determined whether this offering memorandum is truthful or complete. The notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and this offering memorandum and in accordance with applicable state securities laws. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. Please refer to the sections in this offering memorandum entitled “Plan of Distribution” and “Notice to Investors.”

The SENs and the Amended Notes have not been, and will not be, registered with the *Comissão de Valores Mobiliários* (the Brazilian Securities Commission or “CVM”). The notes may not be offered or sold in Brazil, except in circumstances that do not constitute a public offering or unauthorized distribution under Brazilian laws and regulations. Documents relating to the offering of the notes, as well as information contained therein, may not be supplied to the public in Brazil, nor used in connection with any offer for subscription or sale of the notes to the public in Brazil.

This offering memorandum is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (iii) persons falling within Article 49(2)(a) to (d) of the Order or (iv) persons to whom this offering memorandum may otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”). The notes are only offered to, and no invitation, offer or agreement to subscribe, purchase or otherwise acquire the notes may be proposed or made other than with relevant persons. Any person who is not a relevant person should not act or rely on this offering memorandum or any of its contents. For a description of certain restrictions on offers and sales of the notes and the distribution of this offering memorandum in the United Kingdom, see “Plan of Distribution.”

This offering memorandum is not a prospectus which has been approved by the Financial Services Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000 (the “FSMA”).

Pursuant to the Companies Law (as amended) of the Cayman Islands, no invitation may be made to the public in the Cayman Islands to subscribe for SENs by or on behalf of the SENs Issuer unless at the time of such invitation the SENs Issuer is listed on the Cayman Islands Stock Exchange. The SENs Issuer is not presently listed on the Cayman Islands Stock Exchange and, accordingly, no invitation to the public in the Cayman Islands is to be made by the SENs Issuer. No such invitation is made to the public in the Cayman Islands hereby.

In connection with the offering, the Initial Purchasers may purchase and sell notes in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions and stabilizing purchases. Short sales involve secondary market sales by the Initial Purchasers of a greater number of notes than they are required to purchase in the offering, which creates a short position for the Initial Purchasers. Covering transactions involve purchases of notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions involve bids to purchase notes so long as the stabilizing bids do not exceed a specified maximum.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, AS AMENDED, WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

See “Risk Factors” in this offering memorandum for a description of certain factors relating to an investment in the notes, including information about the business of Globo and the SENs Issuer. None of the SENs Issuer, Globo, the Initial Purchasers or any of their respective representatives is making any representation to you regarding the legality of an investment by you under applicable legal investment or similar laws. You should consult with your own advisors as to legal, tax, business, financial and related aspects of a purchase of the notes.

The SENs and the Amended Notes will be available only in registered book-entry form. The notes will be issued in the form of one or more registered Global Notes (as defined herein). The Global Notes will be deposited with, or on behalf of, DTC, and registered in its name or in the name of Cede & Co., its nominee. Beneficial interests in the Global Notes will be shown on, and transfers of beneficial interests in the Global Notes will be effected through, records maintained by DTC and its participants, including Euroclear and Clearstream. See “Form of Notes.”

The Amended Notes will not constitute new debt under Brazilian law and therefore no novation has or will have occurred.

The SENs are expected to be delivered against payment for the SENs on June 8, 2015, which will be the fifth business day following the date of the pricing of the SENs (referred to as “T + 5”). You should be advised that trading of the SENs may be affected by T + 5 settlement. See “Plan of Distribution.”

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This offering memorandum contains statements that constitute forward-looking statements, many of which can be identified by the use of forward-looking words such as "anticipate," "believe," "could," "expect," "should," "plan," "intend," "estimate" and "potential," among others. These statements appear in a number of places in this offering memorandum and include, but are not limited to, statements regarding Globo's intent, belief or current expectations with respect to:

- Globo's direction and future operations;
- the implementation of Globo's operating strategies;
- Globo's plans with respect to acquisitions, joint ventures, strategic alliances or divestitures;
- the implementation of Globo's financing strategy and capital expenditure plans;
- the competitive nature of the industries in which Globo operates;
- the cost and availability of financing;
- the general performance of the Brazilian economy;
- the exchange rates between Brazilian and foreign currencies;
- developments in, or changes to, the laws, regulations and governmental policies governing Globo's business, including environmental liabilities;
- other factors or trends affecting Globo's financial condition or results of operations; and
- other statements contained in this offering memorandum regarding matters that are not historical facts.

Forward-looking statements are only Globo's current expectations and are based on Globo's beliefs and assumptions and on information currently available to Globo's management. Forward-looking statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements as a result of various factors, including, but not limited to, those identified under the section entitled "Risk Factors" in this offering memorandum. These risks and uncertainties include:

- the cyclical nature of the advertising market;
- increased competition from cable, satellite television, digital content providers and other broadcasting providers and media companies;
- increased competition for the leisure time and discretionary spending of audiences due to advances in technology and changes in consumer expectations and behavior;
- Globo's ability to adapt to technological changes and respond to changes in consumer demand;
- vulnerability to general adverse economic and media industry conditions and to the depreciation of the real because substantially all of Globo's revenues are generated in reais whereas a significant portion of Globo's payment obligations are denominated in U.S. dollars;
- Globo's ability to maintain and renew governmental licenses;
- regulatory changes that could negatively impact Globo's business;
- non-renewal of, or adverse developments with respect to, Globo's agreements with affiliated television stations;
- disruption or failure of network, information systems or other technology on which Globo relies heavily, including as a result of computer viruses, misappropriation of data or other bad acts;
- threats from new technologies leading to increased competition, costs and capital expenditures;
- unfavorable outcomes in existing or future legal proceedings against Globo;
- Globo's ability to negotiate on favorable terms with its talent and third-party programming sources;
- terms of related-party transactions that may be unfavorable to Globo or its subsidiaries;
- Globo's ability to renew, or renew on favorable terms, existing programming and rights agreements;
- decisions by Globo's controlling shareholders that may conflict with the interests of holders of the notes;
- Globo's ability to negotiate terms and extensions for its joint venture agreements on favorable terms;

- payment of dividends by Globo even with respect to fiscal years in which it has no net profits or incurs net losses;
- Globo's dependence on key members of its management team;
- increased costs to acquire or produce programming;
- unlicensed use of Globo's content, challenges to Globo's intellectual property rights or Globo's inability to obtain licenses or license its own content;
- Globo's ability to integrate new acquisitions to its existing business, and liabilities arising from these acquisitions;
- Brazilian political and economic conditions and actions of the Brazilian government;
- devaluation and fluctuation of the Brazilian currency;
- risk of inflation in Brazil;
- allegations of political corruption against the Brazilian federal government leading to economic and political instability;
- changes in Brazilian tax laws;
- negative impact of developments in other national economies, in particular those in developing countries, on foreign investments in Brazil and Brazil's economic growth;
- limitations under Brazilian law on Globo's ability to make certain payments on U.S. dollar remittances or with respect to court judgments;
- the ability of the holders of the Amended Notes to enforce judgments against Globo in Brazil; and
- other risks related to notes.

These factors are not exhaustive, and new factors may emerge or changes to the foregoing factors may occur that could impact Globo's business. Forward-looking statements speak only as of the date they are made, and Globo does not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events. We caution prospective investors not to place undue reliance on any forward-looking statements.

MARKET DATA

Unless otherwise specified, information regarding "television households" in a specified area are projections based on Globo's *Atlas de Cobertura* and *Pesquisa Nacional de Amostra em Domicílios (PNAD 2012)* ("PNAD 2012") figures compiled by the *Instituto Brasileiro de Geografia e Estatística* ("IBGE"), a Brazilian government-owned research organization. Globo's *Atlas de Cobertura* is a compilation made available by Rede Globo de Televisão. PNAD 2012 is the most recent such compilation made available by IBGE. There can be no assurance that the number of television households in a specified area has not increased (or decreased) by a higher (or lower) rate than that estimated by IBGE in the PNAD 2012. Information regarding Brazil's gross domestic product ("GDP") is based on the method of calculating GDP published by IBGE, which includes data from annual economic and household research and tax information regarding individuals, among other things, in calculating GDP.

Information regarding the advertising market in Brazil is based on information provided by *Projeto Intermeios*, a project set up by Brazilian media companies pursuant to which those media groups provide information to PricewaterhouseCoopers International for compilation and analysis. Information regarding advertising expenditures is also provided by *Projeto Intermeios*.

Information regarding (i) audience share is expressed as the result of the number of households with a television set tuned to a specific channel during the time of broadcast divided by the total number of households with a television set turned on, excluding other uses of television such as DVD, video-recorder and other appliances connected to a television, and (ii) audience ratings is expressed as the result of the number of households with a television set tuned to a specific channel during the time of broadcast divided by the total number of households with at least one television set, regardless of whether it is turned on or off.

In 2014, Globo began reporting the audience share based on the Total Ligados ("TL") index instead of the Total Ligados Especial ("TLE") index used in previous reports. TL differs from TLE by including other uses of television such as DVD, video-recorder and other devices connected to a television.

Data concerning pay-TV subscribers per operator and market share in Brazil as of December 31, 2014 are based on reports by the *Agência Nacional de Telecomunicações* ("Anatel") published in January 2015 and from public reports made available by Claro Telecom Participações S.A.

Data concerning pay-TV subscribers per channel are based on 20th Pay-TV POP Survey 1 as of June 2014.

ENFORCEMENT OF CIVIL LIABILITIES

SENs Issuer

The SENs Issuer is a company with limited liability incorporated under the laws of the Cayman Islands. As a result, it may not be possible for investors to effect service of process upon the SENs Issuer within the United States or to enforce against the SENs Issuer in the Cayman Islands courts judgments predicated upon the civil liability provisions of the securities laws of the United States. The SENs Issuer has been informed by Walkers, its legal advisor in the Cayman Islands, that the United States and the Cayman Islands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters and that a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon United States securities laws, would, therefore, not be automatically enforceable in the Cayman Islands and there is doubt as to the enforceability in the Cayman Islands, in original actions or in actions for the enforcement of judgments of the United States courts, of liabilities predicated solely upon United States securities laws. The SENs Issuer will appoint Corporation Service Company, 1180 Avenue of the Americas, Suite 210, New York, New York 10036-8401, as its agent for service of process.

Globo

Globo is incorporated under the laws of Brazil. All of Globo's executive officers named in this offering memorandum reside in Brazil. Substantially all of Globo's assets and those of its executive officers are located in Brazil. As a result, it may not be possible for you to effect service of process upon Globo or its executive officers in jurisdictions outside Brazil or to enforce against Globo or its executive officers judgments obtained in jurisdictions outside Brazil.

Globo has been advised by its Brazilian counsel, Pinheiro Guimarães-Advogados, that, subject to specific requirements described below, a final conclusive judgment for payment of a determined sum of money rendered by any court sitting in a jurisdiction outside Brazil in respect of the notes would be recognized in the courts of Brazil (to the extent that Brazilian courts may have jurisdiction) and such courts would enforce such judgment without any retrial or reexamination of the merits of the original action only if such judgment has been previously ratified by the Superior Court of Justice of Brazil (*Superior Tribunal de Justiça* or, the "Brazilian Superior Court of Justice"), such ratification being available only if the judgment:

- fulfills all formalities required for its enforceability under the laws of the jurisdiction where the foreign judgment was entered;
- is issued by a competent court after proper service of process on the parties, which service must comply with Brazilian law if made in Brazil;
- is not subject to appeal (*res judicata*);
- is authenticated by the Brazilian consulate with jurisdiction over the location of the court which issued the judgment;
- is translated into Portuguese by a sworn translator; and
- is not contrary to Brazilian public policy, public morality or national sovereignty.

This confirmation process may be time-consuming and may also give rise to difficulties in enforcing the foreign judgment in Brazil. Notwithstanding the foregoing, no assurance can be given that such ratification would be obtained, that the process described above could be conducted in a timely manner or that a Brazilian court would enforce a monetary judgment for violation of the securities laws or other laws of any jurisdiction outside Brazil with respect to the notes.

Globo has also been advised that:

- civil actions against Globo may be brought before Brazilian courts in connection with this offering memorandum based on the substantive laws of countries other than Brazil provided that Globo has expressly agreed to be subject to such foreign laws and that, subject to applicable law, Brazilian courts may enforce such liabilities in such actions against Globo and its officers (provided that the provisions of the law in question do not contravene Brazilian public policy, public morality or national sovereignty); and
- the ability of a judgment creditor to satisfy a judgment by attaching certain assets of the defendant is limited by provisions of Brazilian law.

In addition, a plaintiff, whether Brazilian or non-Brazilian, who resides outside Brazil or is outside Brazil during the course of litigation in Brazil and who does not own real property in Brazil sufficient to cover the legal fees and court expenses relating to the litigation, must grant a bond to guarantee the payment of the defendant's legal fees and court expenses in connection with court procedures for the collection of payments under the notes, except (a) in the case of certain collection claims based on a type of instrument called "*título executivo extrajudicial*", which may be enforced in Brazilian courts without the review of the merits and which do not include the notes, or (b) counterclaims, as established under Article 863 of the Brazilian Code of Civil Procedure. As of May 16, 2016, a new Brazilian Civil Procedure Code will come into force, and such exceptions will also include situations where there is an international convention or bilateral agreement that supersedes the requirement for the granting of bond, and will be regulated by Article 83 thereof.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Currency

All references in this offering memorandum to the "*real*," "*reais*" or "R$" are to the Brazilian *real*, the legal currency of the Federative Republic of Brazil. All references to "U.S. dollars," "dollars" or "US$" are to the legal currency of the United States.

On May 29, 2015, the exchange rate of reais into U.S. dollars was R$3.1788 to US$1.00, based on the selling rate as reported by the Central Bank of Brazil (the "Central Bank"). Due to fluctuations in the *real*-dollar exchange rate, the exchange rate as of May 29, 2015 may not be indicative of current or future exchange rates. See "Exchange Rates" for information regarding recent exchange rates for Brazilian currency.

Solely for the convenience of the reader, Globo has translated certain amounts included in this offering memorandum from *reais* into U.S. dollars using the selling rate as reported by the Central Bank as of March 31, 2015. These translations should not be considered representations that any such amounts were, could have been or could currently be converted into U.S. dollars at that or at any other exchange rate or as of that or any other date.

Financial Statements

Globo maintains its books and records in *reais*.

Globo prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and with the accounting practices adopted in Brazil ("Brazilian GAAP"), which are based on:

- Brazilian Law No. 6,404 of December 15, 1976, as amended (the "Brazilian Corporate Law"); and
- the accounting standards issued by the Brazilian Accounting Standards Committee (*Comitê de Pronunciamentos Contábeis*) and approved by the Federal Accounting Council (*Conselho Federal de Contabilidade*).

This offering memorandum contains unaudited interim condensed consolidated financial information as of March 31, 2015 and for the three months ended March 31, 2015 and 2014, prepared in accordance with IAS 34 – *Interim Financial Reporting* ("IAS 34"); and audited consolidated financial statements as of and for the years ended December 31, 2014, 2013 and 2012, prepared in accordance with the accounting practices adopted in Brazil and with IFRS.

Fiscal Year

Globo's fiscal year ends on December 31. References in this offering memorandum to a fiscal year, such as "fiscal year 2014," refer to the fiscal year ended on December 31 of that calendar year.

Rounding

Globo has made rounding adjustments to reach some of the figures included in this offering memorandum. Accordingly, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that precede them.

EXCHANGE RATES

All foreign exchange transactions in Brazil are carried out on a single foreign exchange market through authorized financial institutions. Foreign exchange rates are freely negotiated, but may be influenced from time to time by intervention in the market by the Central Bank. Globo cannot predict the impact of Central Bank intervention and new regulations on the foreign exchange market.

From its introduction on July 1, 1994 through March 1995, the real appreciated against the U.S. dollar. From March 1995 through January 1999, the Central Bank allowed the gradual depreciation of the real against the U.S. dollar. In January 1999, the Central Bank allowed the real/U.S. dollar exchange rate to float freely. Since then, the real/U.S. dollar exchange rate has been established mainly by the Brazilian interbank market and has fluctuated considerably.

From December 31, 2000 through December 31, 2002, the real depreciated by 80.6% against the U.S. dollar. From December 31, 2002 through December 31, 2007, the real appreciated by 49.9% against the U.S. dollar and in 2008, the real depreciated by 31.9% against the U.S. dollar. The real appreciated 25.5% against the U.S. dollar in 2009 and 4.3% in 2010. From December 31, 2011, through December 31, 2013, the real depreciated 24.9% against the U.S dollar. On December 31, 2014, the exchange rate was R$2.6562 to US$1.00. On March 31, 2015, the exchange rate of *reais* into U.S. dollars was R$3.2080 to US$1.00, and on May 29, 2015 the selling rate published by the Central Bank was R$3.1788 to US$1.00.

In the past, the Central Bank has intervened occasionally to control unstable movements in foreign exchange rates. Globo cannot predict whether the Central Bank or the Brazilian government will continue to allow the real to float freely or will intervene in the exchange rate market through a currency band system or otherwise, or that the exchange market will not be volatile as a result of political or economic instability or other factors. Globo also cannot predict whether the real will depreciate or appreciate in value in relation to the U.S. dollar in the future or evaluate what impact the Brazilian government's exchange rate policies may have on Globo. See "Risk Factors—Risks Relating to Brazil—Devaluation and fluctuation of the Brazilian currency could have a material adverse effect on Globo's results of operations and financial condition and Globo's ability to make payments on Globo's U.S. dollar-denominated liabilities and commitments, including the Amended Notes."

The following tables show the selling rate for dollars as disclosed by the Central Bank for the periods and dates indicated.

Period	Low	High	Average*	Period End
		(*reais* per US$ 1.00)		
2010	1.6554	1.8811	1.7589	1.6662
2011	1.5345	1.9016	1.6709	1.8758
2012	1.7024	2.1121	1.9588	2.0435
2013	1.9528	2.4457	2.1741	2.3426
2014	2.1974	2.7403	2.3599	2.6562
2015 (through May 29, 2015)	2.5754	3.2683	2.9424	3.1788

* Represents the average of the exchange rates on the last day of each month in the period.

Source: Central Bank

Month Ended	Low	High	Month End
		(*reais* per US$ 1.00)	
December 2014	2.5607	2.7403	2.6562
January 2015	2.5754	2.7107	2.6623
February 2015	2.6894	2.8811	2.8782
March 2015	2.8655	3.2683	3.2080
April 2015	2.8943	3.1556	2.9936
May 2015	2.9894	3.1788	3.1788

Source: Central Bank

SUMMARY

This summary highlights information contained elsewhere in this offering memorandum. This summary may not contain all the information that may be important to you. You should read this entire offering memorandum carefully, including "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations of Globo" and the consolidated financial statements of Globo and the notes to those financial statements, included elsewhere in this offering memorandum, before deciding to invest in the notes.

Globo

Globo is the largest media group in Brazil and controls the leading broadcast television network and the leading pay-TV programmer in Brazil, as well as a diversified group of publishing, Internet content and music label companies. Globo's Internet business has a presence in online sports, news and entertainment content in Brazil. Globo is indirectly owned by and is under the leadership of the Marinho family, whose interests in Brazilian broadcast television date back to 1965 when TV Globo began broadcasting from Rio de Janeiro under the leadership of Mr. Roberto Marinho.

For the years ended December 31, 2014, 2013 and 2012, Globo had net sales, advertising and services of R$16,243.9 million, R$14,635.7 million and R$12,710.2 million, respectively; gross profit of R$7,715.7 million, R$6,891.0 million and R$5,777.5 million, respectively; net income of R$2,357.1 million, R$2,503.3 million and R$2,948.1 million, respectively; and Adjusted EBITDA of R$4,597.1 million, R$3,889.5 million and R$3,132.0 million, respectively. For the three months ended March 31, 2015 and 2014, Globo had net sales, advertising and services of R$3,622.2 million and R$3,672.1 million, respectively; gross profit of R$1,896.0 million and R$2,019.1 million, respectively; net income of R$912.4 million and R$935.7 million, respectively; and Adjusted EBITDA of R$1,234.2 million and R$1,352.6 million, respectively. See "Summary Historical Consolidated Financial Information of Globo" for an explanation of Adjusted EBITDA as well as a reconciliation of net income to Adjusted EBITDA for the corresponding periods.

Grupo Globo

Globo is part of Organizações Globo Participações S.A. ("Grupo Globo"), a diversified media group that also includes a portfolio of newspapers and radio networks in Brazil. Grupo Globo is also controlled by the Marinho family, which traces its holdings in these companies to the establishment of "O Globo" in 1925, one of Brazil's leading daily newspapers, by Mr. Irineu Marinho, Mr. Roberto Marinho's father.

Globo's Business

Globo's principal lines of business are:

- **Television**. Globo's television business comprises: (i) broadcast television and (ii) pay-TV programming. Total television revenues, including advertising, content, programming and other revenues accounted for 96% of Globo's consolidated net sales, advertising and services in 2014.
  - **Broadcast television**. The Globo Network comprises five television stations owned by Globo in Rio de Janeiro, São Paulo, Recife, Brasília and Belo Horizonte, as well as 118 independent affiliated television stations that broadcast the Globo channel throughout Brazil. As of December 31, 2014, the Globo Network covered more than 99% of the estimated 63.0 million television households in Brazil. The Globo Network's broadcast programming includes news and sports programs, *telenovelas* (soap operas), miniseries, films licensed by Globo from international distributors, variety shows, and educational and public service programs. Globo produced approximately 92% of the prime time programming and approximately 77% of all programming it broadcasted in 2014. The majority of Globo's entertainment production occurs at Projac in Rio de Janeiro, one of the most modern entertainment content production centers in the world, covering approximately 1.65 million square meters. News programs are produced in other facilities in Rio de Janeiro and São Paulo.
  - **Pay-TV programming**. Globosat, a subsidiary of Globo, is the leading provider of pay-TV programming for cable Multi System Operators ("MSOs"), IPTV and satellite television distributors in Brazil. Globosat is the most important source of Globo's content and programming revenues. Globosat's portfolio of channels is the most diverse of any television programmer operating in Brazil and includes 49 24-hour pay-TV channels for the Brazilian market, including eight of the top 20 channels in Brazil based on prime time audience share in 2014, according to IBOPE. Globosat's portfolio of channels covers many television content categories from news and sports to movies, documentaries and entertainment. Globosat's programming offering includes popular television content (including pay-per-view ("PPV") programs) produced by Globo as well as content licensed from third parties. Globo also owns 50% of Telecine, a joint-venture with Latin America Finance Company, Lisarb Holding B.V., Universal Studios Pay Television B.V. and Metro-Goldwyn-Mayer South America B.V., which produces movie channels that are part of Globosat's portfolio. Globosat also owns approximately 48% of NBCUniversal Brasil, a joint-venture with USA Holdings and 50% of Canal Brazil, a joint-venture with several Brazilian movie producers. Globosat owns 60% of PB Brasil, a joint venture with Playboy TV Latin America, LLC to develop and distribute adult content in Brazil.

Globosat provides, pursuant to long-term agreements, programming to Net Serviços, Claro TV, Sky Brasil, GVT, Vivo, Oi and other independent operators.

- **Internet**. Each of Grupo Globo's companies have digital operations and are responsible for extending their brands and content and interactivity with the audience. For example, the Internet content of TV Globo is offered through subscription and VoD platforms. The content of pay-TV channels is also offered on other platforms to subscribers. Globo's magazines can be read on computers, tablets and mobile phones. Globo also offers specific digital content, such as the webseries of TV Globo and the G1 news portal. In addition, Globo has an online real-estate classified business under the brand ZAP S.A. ("ZAP").

- **Publishing**. Editora Globo, the publishing arm of Globo, is one of the largest magazine publishers in Brazil in terms of circulation and advertising revenues. Editora Globo's titles include Época, the second largest newsweekly in Brazil with an average weekly circulation of 385,016 units in 2014, as well as Quem, a weekly celebrity title in Brazil, and Marie Claire, a premier women's interest title. In July 2010, Editora Globo and Condé Nast Publications, entered into a joint venture to form Globo Condé Nast which publishes Vogue, Casa Vogue, GQ and Glamour in Brazil. Editora Globo and Condé Nast Publications hold a 70% and 30% stake in the capital stock of Globo Condé Nast, respectively.

- **Music label**. Som Livre is one of the major music companies in Brazil. It has expanded its operations to new music platforms including recorded and live music. It sells music content in both physical and digital formats and is responsible for dozens of live events each year. In addition, the music publishing company represents the copyright of important Brazilian and international composers.

Globo's consolidated net sales, advertising and services by revenue source are as follows:

	Three months ended March 31,		Year ended December 31,		
	2015	2014	2014	2013	2012
	(in millions of *reais*)				
Advertising	R$ 2,281.4	R$ 2,447.2	R$ 11,189.0	R$ 10,214.4	R$ 8,961
Content/Programming	R$ 1,220.7	R$ 1,089.1	R$ 4,578.0	R$ 3,823.1	R$ 3,215
Other	R$ 120.1	R$ 135.8	R$ 476.9	R$ 598.2	R$ 532
Total	**R$ 3,622.2**	**R$ 3,672.1**	**R$ 16,243.9**	**R$ 14,635.7**	**R$ 12,710**

As set out above, "Advertising" includes all advertising revenues, such as advertising from broadcast television, pay-TV, Internet service, publishing and others. "Content/Programming" includes all revenues related to content and programming, such as pay-TV programming, sales of television programming abroad, Internet (content and ISP), sports rights for broadcast television and subscriptions from the publishing business. "Other" includes all revenues not classified above, such as music label services.

Advertising Market Overview

Brazil is one of the largest advertising markets in the world. In 2014, Brazilian media advertising expenditures reached approximately R$33.5 billion, which represents an increase of 4.1% from 2013, when media advertising expenditures amounted to approximately R$32.2 billion. The amount of total advertising expenditures in Brazil as a percentage of Brazilian GDP was 0.61% for the year ended December 31, 2014 and 0.62% in the year ended December 31, 2013, according to IBGE and *Projeto Intermeios*. According to Projeto Intermeios, television (including broadcast and pay-TV) is the largest advertising medium in Brazil, generating more advertising revenue than all other types of media combined. In the year ended December 31, 2014, total television advertising revenues in Brazil were R$25.2 billion, or 75.1% of total media advertising revenues. In the year ended December 31, 2013, total television advertising revenues were R$23.0 billion, or 71.4% of total media advertising revenues. The major international Internet players do not report advertising revenues to Projeto Intermeios. In July 2014, the major Brazilian websites stopped reporting their advertising revenues to Projeto Intermeios.

Brazil is the largest television market in Latin America, with approximately 63.0 million television households and approximately 199.0 million individuals in these households as of April 30, 2015, according to Globo's *Atlas de Cobertura*. Television viewing is an important leisure activity in Brazil. The average Brazilian television household spent approximately six hours per day watching television in 2014. Broadcast television reached 99% of Brazil's 5,570 cities as of April 30, 2015, according to Globo's *Atlas de Cobertura*.

Globo relies heavily upon advertising and programming revenues, and therefore seeks to maximize its audience share and ratings. TV Globo has been the audience share leader for most programming segments and for most periods of the day since the early 1970s. Globosat, the first pay television programmer in the country, has been the audience share leader in the Brazilian pay-TV market since 2001, when audiences started being surveyed/measured.

Globo competes with various other sources of entertainment and news—including other television, premium pay-TV and subscription VoD services, feature films, the Internet, home entertainment products, videogames, social networking, print media, pirated content, live sports and other events—for consumers' leisure and entertainment time and discretionary spending. The increasing number of media and entertainment choices available to consumers has made it much more difficult to maintain audience ratings and audience share.

With respect to the Brazilian pay-TV market, as of March 31, 2015, there were approximately 19.8 million pay-TV (cable, satellite and Direct to Home - satellite ("DTH")) subscribers. Globosat's portfolio of 49 channels, together with channels it accesses through joint ventures with other programming providers, reached the largest average daily audience among pay-TV channels in Brazil and accounted for 31% of the average prime-time pay-TV viewing time in 2014.

Globo's Strengths

The following strengths distinguish Globo from its competitors:

- **Premier media brand with Brazilian audiences and advertisers**. The Globo brand has been one of the most powerful brands in Brazil and in Latin America among both consumers and advertisers for five decades since the first TV Globo station began broadcasting in Rio de Janeiro in 1965. Since 1991, Globo has been a pioneer in the Brazilian pay-TV market, fostering a new paradigm of entertainment, information and leisure.
- **Unparalleled reach to target Brazilian audiences**. Globo's programs are among the leading television programs in Brazil in terms of ratings and audience share. For the year ended December 31, 2014, TV Globo had a national average prime time audience share of 42% and an overall average national audience share of 37%, in each case more than double that of its closest competitor, and Globosat had a national average prime time audience share of 31% among pay-TV channels, according to IBOPE Telereport—PNT/2014 (TL). Globo's leadership across multiple periods of time during the day (morning, prime time) and programming segments (sports, news, *telenovelas*) provides advertisers with an unparalleled opportunity to reach a large number of target audiences.
- **Content that is deeply attuned to Brazilian culture and values**. Globo creates audiovisual content that values Brazilian culture and is tailored to the interests and tastes of the Brazilian public, based on intensive use of surveys and expert studies. Globo continuously innovates with respect to its audiovisual content and program formats to remain in step with changing viewer media consumption habits and preferences in Brazil.
- **Largest and most diversified program offering and media content library in Brazil**. Globo maintains the most complete and leading programming schedule in Brazil, both for the Globo Network and, through Globosat, for pay-TV distributors. Globo consistently provides high-quality coverage of the most important live sports and entertainment events in Brazil and of interest to Brazilian viewers outside of Brazil. In addition, Globo has one of the most extensive portfolios of film rights in Brazil.
- **Highest creative quality and production values**. Globo has been able to attract and retain many talented and innovative authors, directors and artists. In addition, Globo is able to maintain high standards for content quality and production value by producing most of its content in-house. Globo's production facilities in Rio de Janeiro and São Paulo are the largest in Brazil and among the largest in the world. They leverage proprietary audiovisual production systems and cutting-edge technology to create high quality audiovisual content.
- **Market leadership in news and sports coverage**. Globo operates the largest news gathering organization in Brazil, with more than 6,900 news gathering and production professionals. Globo broadcasts "*Jornal Nacional*", the top-rated news program in Brazil with an average audience share of 44% in 2014 In addition, Globo provides coverage of most of the major sporting events of interest to Brazilian audiences, including future FIFA World Cups and Olympic Games, the Brazilian Soccer Championship (both first and second league), the UEFA European Championship association football competition, and the FIVB World League volleyball championship. As of December 31, 2014, Globo was the leader in Internet news and sports coverage in Brazil mainly through its websites G1 (*www.g1.globo.com*) and *www.globoesporte.com*, according to *Comscore*.
- **Globo's relationship with Brazil's leading pay-TV operators**. Globo's close commercial relationships with Brazil's leading pay-TV operators enable the company to work together with these operators to further develop the Brazilian pay-TV market.

Globo's Strategy

The Globo brand is one of the most recognized brands in Brazil and Latin America. To maintain its strong brand and leadership in its markets, Globo has adopted a strategy that has the following principal components:

- **Maintain Globo's position as the leading producer of audiovisual content in Brazil**. Globo's intention is to continue to produce award-winning and highly rated audiovisual content that responds to the values, preferences and media consumption habits of Brazilian audiences. Globo plans to continue to build strong relationships with emerging and established artistic and creative talent and to continue to incorporate emerging production technologies into Globo's production processes to sustain quality and to drive further innovation in Globo's content and program formats.
- **Continue to develop the most complete programming schedule in the Brazilian market**. Globo intends to build on the success of its programs across premium genres, including drama, news, sports and films. Globo also intends to leverage its

programming strategy that provides top quality content at the same time of day on most days. Globo believes that its programming strategy will continue to drive high viewer loyalty and consistently strong ratings.

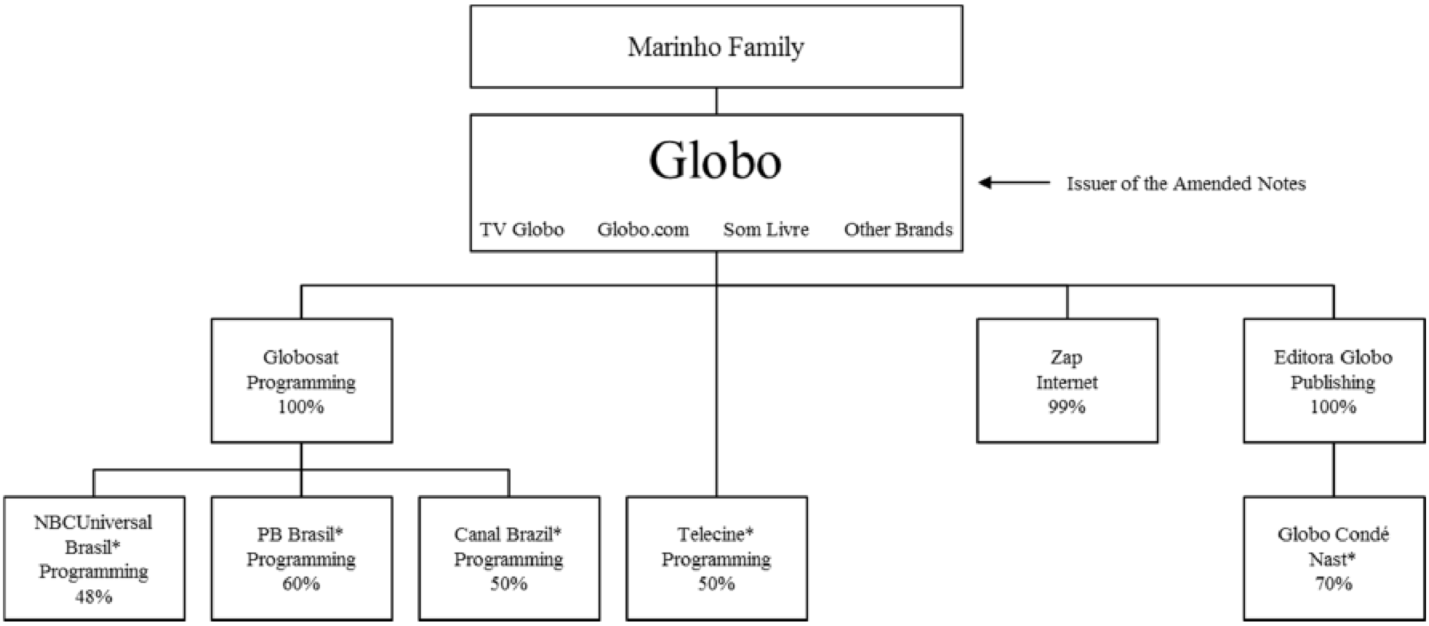
- **Deepen strong relationships with advertisers**. Globo intends to strengthen its relationship with advertisers as a leading provider of access to Brazilian consumers through innovative advertising formats and a diversified portfolio of high quality audiovisual content backed by the strong Globo brand. For example, Globo has implemented a strategy of increasing its upfront sales of advertising, creating a relationship with these advertising partners that extends over the course of the year.

- **Increase cross-platform integration and interactivity to leverage Globo's content on existing and emerging platforms**. Globo intends to continue to leverage its existing content and to create new content and formats tailored to the Internet, mobile devices and other emerging platforms by focusing on increasing audience interactivity and developing an array of digital products to respond to evolving consumer media consumption habits and preferences. For example, as part of the "TV Everywhere" strategy, in 2014, Globosat launched "Globosat Play" and an OTT service, to provide Globosat content online only to pay-TV subscribers. Globosat also distributes its VoD content to pay-TV operators who are long-standing distribution partners on its traditional platforms.

- **Keep strong relationships with pay-TV operators**. Globo maintains close relationships with Brazil's leading pay-TV operators and intends to continue its strategy of operating with these operators under long-term agreements.

Globo's Organization

The following chart is a simplified overview of the direct and indirect ownership structure of Globo and its principal subsidiaries as of April 30, 2015. Ownership percentages have been rounded.



* Globo's partners in these joint ventures are: NBCUniversal Brasil—USA Holdings; PB Brasil—Playboy TV Latin America, LLC; Canal Brazil—GCB Empreendimentos Participações; Telecine— Latin America Finance Company, Lisarb Holding B.V., Universal Studios Pay Television B.V. and Metro-Goldwyn-Mayer South America B.V.; and Globo Condé Nast—Condé Nast Publications.

The SENs Issuer

The SENs Issuer was incorporated as an exempted company with limited liability on May 14, 2015 under the laws of the Cayman Islands for an indefinite period. The SENs Issuer's authorized share capital is US$250, divided into 250 ordinary shares of US$1.00 each, 250 of which have been issued. The issued shares (the "Shares") will be fully paid and held by Intertrust SPV (Cayman) Limited as share trustee (the "Share Trustee") under the terms of a declaration of trust (the "Declaration of Trust"), which will be dated June 5, 2015 under which the Share Trustee will hold the Shares on trust ultimately for charitable purposes and, until the Termination Date (as defined herein), may only dispose or otherwise deal with the Shares with the approval of the SENs Trustee (as defined herein) for so long as there are SENs outstanding. Prior to the Termination Date, the trust will be an accumulation trust, but the Share Trustee will have power with the consent of the SENs Trustee to confer benefit upon the holders of the SENs or qualified charities (as defined in the Declaration of Trust). No distribution will be made while any SENs is outstanding. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares.

According to the Memorandum and Articles of Association of the SENs Issuer, the objects for which the SENs Issuer has been established are unrestricted. However, as long as the SENs remain outstanding, the SENs Indenture will limit the SENs Issuer's business activities. See "Description of the SENs — Covenants." The SENs Issuer has no independent operations and will have no material assets other than the gross proceeds from the sale of the SENs in this offering. Globo has transferred to the SENs Issuer the option to purchase all of the outstanding Step-Up Perpetual Notes on July 20, 2015 at a price equal to 100% of their principal amount and the SENs Issuer has agreed to purchase the outstanding Step-Up Perpetual Notes on July 20, 2015, all in accordance with the provisions of the amended and restated indenture governing the Step-Up Perpetual Notes (the "Step-Up Perpetual Notes Indenture"). Pending the purchase of the Step-Up Perpetual Notes as described herein, the SENs Issuer will deposit the gross proceeds from the sale of the SENs in an escrow account (the "Escrow Account") pursuant to an escrow agreement (the "Escrow Agreement") between the SENs Issuer and The Bank of New York Mellon, as SENs escrow agent. The SENs Escrow Agent will invest the gross proceeds in Eligible Investments (see "Use of Proceeds"). The SENs will be secured by a pledge of the Escrow Account in which the gross proceeds from the sale of the SENs will be deposited pending the purchase by the SENs Issuer of Globo's outstanding Step-Up Perpetual Notes, as described in this offering memorandum. For additional information on the SENs Issuer, see "Description of the SENs Issuer."

SUMMARY OF THE SENS

The summary below describes the principal terms of the SENs. See "Description of the SENs" in this offering memorandum for a more detailed description of the terms and conditions of the SENs.

Issuer...	Pontis III Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands (the "SENs Issuer").
Notes offered...	US$325,000,000 aggregate principal amount of Senior Secured Exchangeable Notes of the SENs Issuer to be mandatorily exchanged for the Amended Notes on July 20, 2015 or as soon as practicable thereafter and, in any event, on or prior to July 27, 2015 (the "Mandatory Exchange").
Issue price	100%.
Interest	The SENs will not bear interest. Holders of the Amended Notes will be entitled to an Exchange Fee (as defined below) payable by Globo upon consummation of the Mandatory Exchange. See "Description of the Amended Notes — Exchange Fee."
Use of proceeds and purchase and amendment of the Step-Up Perpetual Notes ..	Globo has transferred to the SENs Issuer the option to purchase all of the outstanding Step-Up Perpetual Notes on July 20, 2015 at a price equal to 100% of their principal amount and the SENs Issuer has agreed to purchase the outstanding Step-Up Perpetual Notes on July 20, 2015, all in accordance with the terms of the amended and restated indenture governing the Step-Up Perpetual Notes (the "Step-Up Perpetual Notes Indenture"). Pending the purchase of the Step-Up Perpetual Notes, the SENs Issuer will deposit the gross proceeds from the sale of the SENs in the Escrow Account pursuant to an escrow agreement (the "Escrow Agreement") between the SENs Issuer and The Bank of New York Mellon, as SENs escrow agent (the "SENs Escrow Agent"). The SENs Escrow Agent will invest the gross proceeds in "Eligible Investments," which will consist of short-term U.S. Treasury securities that will mature on or prior to July 17, 2015. The proceeds from these investments will be used by the SENs Issuer to pay for expenses related to its organization and this offering. After the Step-Up Perpetual Notes are purchased by the SENs Issuer and prior to the Mandatory Exchange, the indenture governing the SENs (the "SENs Indenture") will require the SENs Issuer, as the holder at such time of all of the Step-Up Perpetual Notes, to consent to the amendment and restatement of the Step-Up Perpetual Notes Indenture (the "Amended and Restated Indenture"), whereby the terms of the Step-Up Perpetual Notes will be amended and restated as described in "Description of the Amended Notes."
Mandatory exchange.....................................	The SENs Indenture will require that the SENs be mandatorily exchanged for the Amended Notes on July 20, 2015 or as soon as practicable thereafter and, in any event, on or prior to July 27, 2015, after the Amended and Restated Indenture is executed. If the Mandatory Exchange is not consummated on or prior to July 27, 2015 for any reason, this will constitute an event of default under the SENs Indenture, and the sole remedy available to the holders of the SENs will be an action to cause the delivery of the Amended Notes as described under "Description of the SENs— Events of Default." In addition, if the Step-Up Perpetual Notes are not purchased by the SENs Issuer on July 20, 2015, the SENs Issuer will be required to repay the SENs on the immediately following business day for their aggregate principal amount plus interest earned on the investment of the gross proceeds of the SENs through and including such date. See "Description of the SENs — Mandatory Exchange."
Pledge of Escrow Account............................	The Escrow Account will be pledged on behalf of The Bank of New York Mellon for the benefit of the holders of the SENs. Pursuant to the terms of the pledge, the pledge over the Escrow Account will be released automatically at the time the funds in the Escrow Account are released to the paying agent for the Step-Up Perpetual Notes to purchase the Step-Up Perpetual Notes.

Ranking..	The SENs will be unsubordinated obligations of the SENs Issuer.
Covenants	The SENs Indenture will provide that the SENs Issuer will, among other things: • use the gross proceeds of the issuance and sale of the SENs to purchase the Step-Up Perpetual Notes on July 20, 2015 in accordance with the terms of the Step-Up Perpetual Notes Indenture; • consent to the Amended and Restated Indenture on July 20, 2015; and • exchange the SENs for the Amended Notes in accordance with the terms of the SENs Indenture on July 20, 2015 or as soon as practicable thereafter and, in any event, on or before July 27, 2015. The SENs Indenture will prevent the SENs Issuer, as long as any SENs are outstanding, from, among other things: • incurring any indebtedness other than (a) the SENs Indenture and the SENs, (b) any debt or obligations representing fees, expenses and indemnities payable in connection with any transaction contemplated by the SENs Indenture, the SENs, the Escrow Agreement, the Pledge Agreement (as defined herein) or the Purchase Agreement (as defined herein) or (c) as required by applicable law; • incurring or permitting to exist any lien on any of the SENs Issuer's properties or assets, except for the pledge of the Escrow Account for the benefit of the holders of the SENs or as imposed by law; • creating or permitting to exist any creditors, other than creditors of the SENs or as otherwise permitted by the SENs Indenture; • engaging in any business activity, other than the issuance of the SENs, the amendment of the Step-Up Perpetual Notes, entering into the Escrow Agreement and the Pledge Agreement, entering into the Purchase Agreement of the SENs with the Initial Purchasers and the mandatory exchange of the SENs for Amended Notes, and any activities that are ancillary or related to these transactions; • making any investments, other than the deposit of the gross proceeds from the sale of the SENs in the Escrow Account pursuant to the Escrow Agreement, investing such gross proceeds in Eligible Investments and the purchase of the Step-Up Perpetual Notes with such gross proceeds; • merging into or consolidating with any other person or permitting any other person to merge into or consolidate with it, or selling, transferring, leasing or otherwise disposing of any of its assets, or purchasing, leasing or otherwise acquiring any of the assets of any other person, except in connection with the Escrow Agreement, Eligible Investments and the purchase of the Step-Up Perpetual Notes and as described in this offering memorandum; • incurring, creating, assuming or permitting to exist any leases; • declaring or paying, directly or indirectly, any dividend or making any other distribution with respect to any shares in issue or redeeming, purchasing, retiring or otherwise acquiring for value any of its issued shares; • issuing any shares to any entity or person, permitting any of its shares to be transferred to any person or otherwise changing its equity structure in any manner; • to the extent such matter is within its power or control, amending its certificate of incorporation or other organizational documents; or

	• to the extent such matter is within its power or control, filing for, or consenting to the filing of, any bankruptcy, liquidation, winding-up or similar proceeding. See “Description of the SENs — Covenants.”
Events of Default	The SENs Indenture will contain certain events of default, including, among others: • failure by the SENs Issuer to comply with any of its restrictive covenants under the SENs Indenture and such failure is incapable of remedy or remains unremedied for 15 days, in either case, only after the SENs Trustee has given written notice to the SENs Issuer of any such failure; • an event of default occurs under the Step-Up Perpetual Notes Indenture at any time prior to July 20, 2015, and the trustee under the Step-Up Perpetual Notes Indenture has given notice to Globo that the Step-Up Perpetual Notes are due and payable in accordance with the terms of the Step-Up Perpetual Notes Indenture; • failure by the SENs Issuer to consent to the Amended and Restated Indenture on July 20, 2015 or to cause the Mandatory Exchange of the Amended Notes for the SENs on or prior to July 27, 2015 in accordance with the terms of the SENs Indenture; and • certain bankruptcy events. If an event of default under the SENs Indenture occurs prior to the purchase by the SENs Issuer of the Step-Up Perpetual Notes or the SENs Issuer fails to purchase the Step-Up Perpetual Notes, the holders of the SENs will be entitled to receive, and the SENs Trustee will instruct the escrow agent to release to the SENs Paying Agent for payment to the holders of the SENs on the business day immediately following the date of the event of default, the amount of the gross proceeds from the sale of the SENs held in the Escrow Account in accordance with the Escrow Agreement plus interest earned on the investment of the gross proceeds through and including the date of the event of default, after deduction of expenses and applicable taxes. Amounts payable upon an event of default will be payable to the holders of record at the close of business on the date of the event of default. If an event of default under the SENs Indenture occurs at any time after the purchase by the SENs Issuer of the Step-Up Perpetual Notes, the sole remedy of the holders of the SENs under the SENs Indenture will be an action to cause the delivery by the SENs Issuer of the Amended Notes.
Form and denomination; settlement..............	The SENs will be issued in registered form without coupons in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. The SENs will be issued only in book-entry form through the facilities of DTC for the accounts of its participants, including Euroclear and Clearstream. Beneficial interests in SENs held in book-entry form will not be entitled to receive physical delivery of certificated notes, except in certain limited circumstances.
Transfer restrictions	The SENs have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in the United States in accordance with Rule 144A to a QIB as further described herein, or (b) outside the United States to persons other than U.S. persons in compliance with Regulation S of the Securities Act. See “Notice to Investors.”
Listing	The SENs Issuer intends to use commercially reasonable efforts to apply to list the SENs on the Official List of the Luxembourg Stock Exchange and to admit the SENs for trading on the Euro MTF Market. The SENs Issuer cannot assure you, however, that this application will be accepted.
Governing law...	The SENs and the SENs Indenture will be governed by the laws of the State of New York.

SENs trustee, paying agent, transfer agent and registrar	The Bank of New York Mellon (the "SENs Trustee").
SENs principal paying agent..........................	The Bank of New York Mellon Trust (Japan), Ltd. (the "SENs Paying Agent").
SENs Luxembourg paying and transfer agent..	The Bank of New York Mellon (Luxembourg) S.A.
SENs escrow agent	The Bank of New York Mellon, or the SENs Escrow Agent.
Selling restrictions	There are restrictions on persons to whom SENs can be sold, and on the distribution of this offering memorandum, as described in "Plan of Distribution" and "Notice to Investors."
Approval	The offering of the SENs has been approved in accordance with the memorandum and articles of association of the SENs Issuer.
CUSIP	Rule 144A SENs Note: 73265P AA9 Regulation S SENs Note: G71703 AA3
ISIN...	Rule 144A SENs Note: US73265PAA93 Regulation S SENs Note: USG71703AA35

SUMMARY OF THE AMENDED NOTES

The summary below describes the principal terms of the Amended Notes. See "Description of the Amended Notes" in this offering memorandum for a more detailed description of the terms and conditions of the Amended Notes.

Issuer	Globo Comunicação e Participações S.A. ("Globo").
Notes delivered upon the Exchange	US$325,000,000 aggregate principal amount of 4.843% Senior Notes due 2025 of Globo for which the SENs are mandatorily exchangeable.
Maturity date	June 8, 2025.
Interest	Interest on the Amended Notes will accrue from and including July 20, 2015, or if the Mandatory Exchange occurs at a later date, from and including the date of the Mandatory Exchange, at the rate of 4.843% per annum to but excluding June 8, 2025. Interest on the Amended Notes will be payable in cash semi-annually in arrears on June 8 and December 8 of each year, commencing on December 8, 2015.
Exchange fee	The Amended and Restated Indenture will provide that, promptly after the consummation of the Mandatory Exchange, Globo will deposit with the Principal Paying Agent (as defined below) for the Amended Notes money sufficient to pay an exchange fee (the "Exchange Fee") in consideration of the exchange of the SENs for the Amended Notes and that the Principal Paying Agent will pay the Exchange Fee promptly upon receipt thereof to holders who receive the Amended Notes in the Mandatory Exchange. The Exchange Fee will be equal to US$5.65 per US$1,000 principal amount of Amended Notes, plus an additional fee of US$0.1345 per US$1,000 principal amount of Amended Notes from and including July 20, 2015 for each day that the Mandatory Exchange is not consummated after July 20, 2015.
Purchase and amendment of Step-Up Perpetual Notes	The SENs Indenture will require the SENs Issuer to agree to use the gross proceeds from the sale of the SENs to purchase all of Globo's outstanding Step-Up Perpetual Notes on July 20, 2015 in accordance with the terms of the Step-Up Perpetual Notes Indenture. After the Step-Up Perpetual Notes are purchased by the SENs Issuer and prior to the Mandatory Exchange, the SENs Indenture will require the SENs Issuer, as the holder of all of the Step-Up Perpetual Notes, to consent to the Amended and Restated Indenture, whereby the terms of the Step-Up Perpetual Notes will be amended and restated as described in "Description of the Amended Notes." After the Amended and Restated Indenture is executed and delivered, the SENs will be exchanged for the Amended Notes in the Mandatory Exchange in accordance with the terms of the SENs Indenture.
Ranking	The Amended Notes will be unsecured, unsubordinated obligations of Globo, ranking equal in right of payment with all of Globo's unsecured, unsubordinated obligations. The Amended Notes will be effectively subordinated to any secured debt of Globo to the extent of the value of the assets securing such debt and structurally subordinated to all debt and other obligations of Globo's subsidiaries.
Mandatory sinking fund	None.
Optional redemption	The Amended Notes may, at Globo's option, be redeemed or purchased, in whole or in part, at 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, on any date on or after March 8, 2025. See "Description of the Amended Notes — Redemption — Optional Redemption on or after March 8, 2025." Upon an optional redemption or purchase, Globo may inform the Trustee for the Amended Notes that Globo intends to refinance the debt represented by the Amended Notes to be redeemed or purchased.
Optional tax redemption	Globo may, at its option, redeem the Amended Notes at 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, at any time upon the occurrence of specified events relating to Brazilian tax law, as set forth in this offering

	memorandum. See "Description of the Amended Notes — Redemption — Optional Tax Redemption."
Additional amounts	Payments of interest on the Amended Notes will be made after withholding and deduction for any Brazilian taxes, as described under "Taxation." Globo will pay such additional amounts as will result in receipt by the holders of Amended Notes of such amounts as would have been received by them had no such withholding or deduction for Brazilian taxes been required, subject to certain exceptions set forth under "Description of the Amended Notes — Additional Amounts."
Covenants	The terms of the Amended Notes will limit the ability of Globo and specified significant subsidiaries to create certain liens without securing the Amended Notes and will permit Globo to consolidate or merge with, or transfer all or substantially all of its assets to, another person only if Globo complies with specified requirements. However, these limitations are subject to important exceptions. See "Description of the Amended Notes —Covenants."
Events of default	The Amended and Restated Indenture will contain certain events of default, consisting of, among others, a default in the payment of the Exchange Fee, defaults in payment of interest and principal on the Amended Notes, covenant and payment defaults, cross-acceleration, judgment defaults, and specified bankruptcy and insolvency events. See "Description of the Amended Notes — Events of Default."
Further issuances	Globo may from time to time without notice to or consent of the holders of the Amended Notes issue an unlimited principal amount of additional notes of the same series as the Amended Notes.
Form and denomination; settlement	The Amended Notes will be in registered form, without coupons. Amended Notes that are received pursuant to the mandatory exchange for SENs that are represented by the SENs Regulation S global note will be represented by interests in a global registered note (the "Regulation S Global Amended Note"), deposited with a custodian for and registered in the name of a nominee for DTC. Amended Notes that are received pursuant to the mandatory exchange for SENs represented by the SENs Rule 144A global note will be represented by interests in a global registered note with respect to the Amended Notes (the "Rule 144A Global Amended Note"), deposited with a custodian for and registered in the name of a nominee for DTC. The Amended Notes will be issued in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. The Amended Notes will be issued only in book-entry form through the facilities of DTC for the accounts of its participants, including Euroclear and Clearstream. Beneficial interests in Amended Notes held in book-entry form will not be entitled to receive physical delivery of certificated notes, except in certain limited circumstances.
Transfer restrictions	The Amended Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in the United States in accordance with Rule 144A to a QIB, or (b) outside the United States to persons other than U.S. persons in compliance with Regulation S of the Securities Act. See "Notice to Investors."
Listing	Globo intends to use commercially reasonable efforts to apply to list the Amended Notes on the Official List of the Luxembourg Stock Exchange and to admit the Amended Notes for trading on the Euro MTF Market. Globo cannot assure you, however, that this application will be accepted. Globo will provide notice to the Luxembourg Stock Exchange upon the occurrence of the Mandatory Exchange.
Governing law	The Amended Notes and the Amended and Restated Indenture will be governed by the laws of the State of New York.
Trustee, paying agent, transfer agent and	

registrar	The Bank of New York Mellon (the "Trustee").
Principal paying agent	The Bank of New York Mellon Trust (Japan), Ltd. (the "Principal Paying Agent").
Luxembourg paying and transfer agent	The Bank of New York Mellon (Luxembourg) S.A.
Selling restrictions	There are restrictions on persons to whom Amended Notes can be sold, and on the distribution of this offering memorandum, as described in "Plan of Distribution" and "Notice to Investors."
CUSIP	Rule 144A Global Amended Notes: 37957T AK7 Regulation S Global Amended Notes: P47773 AN9
ISIN	Rule 144A Global Amended Notes: US37957TAK79 Regulation S Global Amended Notes: USP47773AN93

INDICATIVE TIMETABLE

The following timetable provides an overview of the steps that have occurred and are expected to occur in connection with the Mandatory Exchange:

June 8, 2015

- The SENs Issuer issued US$325,000,000 aggregate principal amount of the SENs.
- The Bank of New York Mellon, as trustee under the Step-Up Perpetual Notes Indenture, delivered on behalf of the SENs Issuer an irrevocable notice of purchase to holders of the Step-Up Perpetual Notes.

July 20, 2015

- The SENs Issuer will use the gross proceeds of the issuance and sale of the SENs to purchase the Step-Up Perpetual Notes in accordance with the terms of the Step-Up Perpetual Notes Indenture.
- After the Step-Up Perpetual Notes are purchased by the SENs Issuer and prior to the Mandatory Exchange, the SENs Issuer, as the holder at such time of all of the Step-Up Perpetual Notes, will consent to the Amended and Restated Indenture, whereby the terms of the Step-Up Perpetual Notes will be amended and restated as described in "Description of the Amended Notes."
- After the Amended and Restated Indenture is executed, the SENs will be mandatorily exchanged for the Amended Notes on July 20, 2015 or as soon as practicable thereafter and, in any event, on or prior to July 27, 2015.
- The SENs will be cancelled.

Promptly after the consummation of the Mandatory Exchange, Globo will deposit with the Principal Paying Agent for the Amended Notes money sufficient to pay the Exchange Fee in consideration of the exchange of the SENs for the Amended Notes and the Principal Paying Agent will pay the Exchange Fee promptly upon receipt thereof to holders who receive the Amended Notes in the Mandatory Exchange.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION OF GLOBO

The following summary consolidated financial information as of and for the years ended December 31, 2014, 2013 and 2012 and as of March 31, 2015 and for the three months ended March 31, 2015 and 2014 has been derived from the consolidated financial statements of Globo included elsewhere in this offering memorandum.

This financial information should be read in conjunction with "Presentation of Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations of Globo" and the consolidated financial statements, including the respective notes thereto, included elsewhere in this offering memorandum. The interim period results included below are not necessarily indicative of the results for the full year or for any future period.

	As of and for the year ended December 31,			
	2014[(1)]	2014	2013	2012
	(in millions of US$)		(in millions of *reais*)	
Statement of Income Data				
Net sales, advertising and services	US$ 5,063.6	R$ 16,243.9	R$ 14,635.7	R$ 12,710.2
Cost of sales, advertising and services	(2,658.4)	(8,528.1)	(7,744.7)	(6,932.7)
Gross profit	2,405.1	7,715.7	6,891.0	5,777.5
Operating (expenses) income				
Selling expenses	(530.2)	(1,701.0)	(1,557.1)	(1,372.1)
General and administrative expenses	(560.5)	(1,798.0)	(1,761.2)	(1,553.9)
Gain (loss) on sale of property, plant and equipment	(8.9)	(28.6)	(4.3)	0.2
Other operating expenses	(21.6)	(69.2)	(45.5)	(35.9)
Operating income before financial and investments results	1,284.0	4,119.0	3,523.0	2,815.8
Financial income	286.2	918.1	749.8	1,254.5
Financial expense	(272.9)	(875.4)	(530.0)	(344.5)
Equity pick-up	57.9	185.9	152.1	197.9
Investment results	1.5	4.7	(132.8)	(38.1)
Income before income tax and social contribution	1,356.7	4,352.3	3,762.1	3,885.7
Income tax and social contribution	(621.9)	(1,995.2)	(1,258.8)	(937.6)
Net income for the year	US$ 734.8	R$ 2,357.1	R$ 2,503.3	R$ 2,948.1
Other Financial Data				
Net debt (cash)[(2)]	(1,641.9)	(5,267.2)	(7,070.3)	(5,372.9)
Total debt	774.8	2,485.6	1,974.8	1,704.9
Adjusted EBITDA[(3)]	1,433.0	4,597.1	3,889.5	3,132.0
Adjusted EBITDA margin[(4)]	28.3%	28.3%	26.6%	24.6%
Total debt / Adjusted EBITDA	0.54x	0.54x	0.51x	0.54x
Financial Position Data				
Cash and cash equivalents	US$ 787.6	R$ 2,526.7	R$ 2,622.7	R$ 1,027.7
Marketable securities	1,629.1	5,226.0	6,422.4	6,050.1
Total current assets	3,286.7	10,543.7	11,917.5	9,272.0
Total assets	5,733.6	18,393.5	19,437.7	17,043.3
Total liabilities	2,334.5	7,489.0	9,541.8	9,160.6
Total current liabilities	1,451.1	4,655.1	6,195.0	4,772.8
Total non-controlling interests	15.1	48.3	46.4	15.5
Total equity	3,399.2	10,904.5	9,895.8	7,882.7
Total liabilities and equity	US$ 5,733.6	R$ 18,393.5	R$ 19,437.7	R$ 17,043.3

(1) Solely for the convenience of the reader, real amounts as of and for the year ended December 31, 2014 have been translated into U.S. dollars at the selling exchange rate as of March 31, 2015 of R$3.2080.

(2) Net debt (cash) is calculated as total debt less cash and cash equivalents and marketable securities. Net debt (cash) is a non-GAAP measure and is not a recognized measure under Brazilian GAAP or IFRS.

(3) The following table presents a reconciliation of net income to Adjusted EBITDA for the periods presented. Adjusted EBITDA is a non-GAAP measure and is not a recognized measure under Brazilian GAAP or IFRS. Because not all companies use identical calculations, Globo's presentation of Adjusted EBITDA may not be comparable to other similarly titled measures provided by other companies. Globo discloses Adjusted EBITDA because Globo's management believes that it is useful in evaluating its operating performance. Adjusted EBITDA should not be considered in isolation or as an alternative to consolidated operating income or net income, as a measure of operating performance, or to cash flows from operating activities, as a measure of liquidity or Globo's ability to pay its debt.

	Year ended December 31,			
	2014[(a)]	2014	2013	2012
	(in millions of US$)	(in millions of *reais*)		
Net income	US$ 734.8	R$ 2,357.1	R$ 2,503.3	R$ 2,948.1
Income tax and social contribution	621.9	1,995.2	1,258.8	937.6
(Gain) loss on sale of property, plant and equipment	8.9	28.6	4.3	(0.2)
Financial income	(286.2)	(918.1)	(749.8)	(1,254.5)
Financial expense	272.9	875.4	530.0	344.5
Equity pick-up	(57.9)	(185.9)	(152.1)	(197.9)
Investment results	(1.5)	(4.7)	132.8	38.1
Dividends received from non-consolidated investees	50.8	162.9	111.3	82.0
Depreciation and amortization[(b)]	89.3	286.6	250.9	234.4
Adjusted EBITDA	US$ 1,433.0	R$ 4,597.1	R$ 3,889.5	R$ 3,132.0

(a) Solely for the convenience of the reader, real amounts for the year ended December 31, 2014 have been translated into U.S. dollars at the selling exchange rate as of March 31, 2015 of R$3.2080.

(b) Includes depreciation and amortization related to operating expenses and cost of sales, advertising and services.

(4) Adjusted EBITDA margin is equal to Adjusted EBITDA divided by net sales, advertising and services. Adjusted EBITDA margin is a non-GAAP measure and is not a recognized measure under Brazilian GAAP or IFRS.

	As of and for the three months ended March 31,		
	2015[(1)]	2015	2014
	(in millions of US$)	(in millions of *reais*)	
Statement of Income Data			
Net sales, advertising and services	US$ 1,129.1	R$ 3,622.2	R$ 3,672.1
Cost of sales, advertising and services	(538.1)	(1,726.2)	(1,653.0)
Gross profit	591.0	1,896.0	2,019.1
Operating (expenses) income			
Selling	(97.5)	(312.9)	(346.9)
General and administrative	(132.6)	(425.5)	(383.1)
Gain on sale of property, plant and equipment	0.1	0.3	2.4
Other operating expenses	(3.9)	(12.4)	(12.9)
Operating income before financial and investments results	357.1	1,145.5	1,278.5
Financial income	221.4	710.4	247.2
Financial expense	(183.6)	(589.0)	(182.4)
Equity pick-up	18.2	58.5	43.2
Investment results	(0.9)	(2.8)	—
Income before income tax and social contribution	412.3	1,322.6	1,386.6
Income tax and social contribution	(127.9)	(410.2)	(450.9)
Net income for the period	US$ 284.4	R$ 912.4	R$ 935.7
Other Financial Data			
Net debt (cash)[(2)]	(1,574.5)	(5,050.9)	(6,447.1)
Total debt	918.4	2,946.3	1,899.8
Adjusted EBITDA[(3)]	384.7	1,234.2	1,352.6
Adjusted EBITDA margin[(4)]	34.1%	34.1%	36.8%
Total debt / Adjusted EBITDA (LTM)[(5)]	0.66x	0.66x	
Financial Position Data			
Cash and cash equivalents	US$ 277.9	R$ 891.6	R$ 1,533.9
Marketable securities	2,215.0	7,105.7	6,813.1
Total current assets	3,619.3	11,610.6	12,058.5
Total assets	6,122.0	19,639.5	19,743.9
Total liabilities	2,660.1	8,533.7	8,913.6
Total current liabilities	1,637.4	5,252.7	5,613.4
Total non-controlling interests	15.5	49.6	43.3
Total equity	3,461.9	11,105.8	10,830.3

	As of and for the three months ended March 31,		
	2015[1]	2015	2014
	(in millions of US$)	(in millions of *reais*)	
Total liabilities and equity	US$ 6,122.0	R$ 19,639.5	R$ 19,743.9

(1) Solely for the convenience of the reader, real amounts as of and for the three-month period ended March 31, 2015 have been translated into U.S. dollars at the selling exchange rate as of March 31, 2015 of R$3.2080.
(2) Net debt (cash) is calculated as total debt less cash and cash equivalents and marketable securities. Net debt (cash) is a non-GAAP measure and is not a recognized measure under Brazilian GAAP or IFRS.
(3) The following table presents a reconciliation of net income to Adjusted EBITDA for the periods presented.

	As of and for the three months ended March 31,		
	2015[a]	2015	2014
	(in millions of US$)	(in millions of *reais*)	
Net income	US$ 284.4	R$ 912.4	R$ 935.7
Income tax and social contribution	127.9	410.2	450.9
(Gain) loss on sale of property, plant and equipment	(0.1)	(0.3)	(2.4)
Financial income	(221.4)	(710.4)	(247.2)
Financial expense	183.6	589.0	182.4
Equity pick-up	(18.2)	(58.5)	(43.2)
Investment results	0.9	2.8	—
Dividends received from non-consolidated investees	3.2	10.3	10.1
Depreciation and amortization[b]	24.5	78.7	66.4
Adjusted EBITDA	US$ 384.7	R$ 1,234.2	R$ 1,352.6

(a) Solely for the convenience of the reader, real amounts for the three-month period ended March 31, 2015 have been translated into U.S. dollars at the selling exchange rate as of March 31, 2015 of R$3.2080.
(b) Includes depreciation and amortization related to operating expenses and cost of sales, advertising and services.

(4) Adjusted EBITDA margin is equal to Adjusted EBITDA divided by net sales, advertising and services. Adjusted EBITDA margin is a non-GAAP measure and is not a recognized measure under Brazilian GAAP or IFRS.
(5) Adjusted EBITDA (LTM) is calculated based on Adjusted EBITDA for the last twelve months ended March 31, 2015, which was calculated by taking the sum of the Adjusted EBITDA for the three months ended March 31, 2015 and the year ended December 31, 2014, less Adjusted EBITDA for the three months ended March 31, 2014.

RISK FACTORS

You should carefully consider the risks and uncertainties described below and the other information in this offering memorandum before investing in the notes. Globo's business, financial condition or results of operations could be materially adversely affected by any of these risks. The risks described below are not the only ones facing Globo's business or investments in Brazil in general. Additional risks not presently known to Globo or which Globo currently deems immaterial may also impair Globo's business.

This offering memorandum also contains forward-looking statements that involve risks and uncertainties. Globo's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by Globo described below and elsewhere in this offering memorandum. See "Cautionary Statement Regarding Forward-Looking Statements."

Risks Relating to Globo's Business

The cyclical nature of the advertising market may have an adverse impact on Globo's revenues and results of operations.

Globo's business is highly dependent on advertising sales, in particular broadcast TV advertising sales. Globo's broadcasting business and the business of its affiliated stations derive most of their revenues from the sale of advertising time on the respective television stations and their share of network advertising. Total advertising revenues represented 63.0% of Globo's consolidated net sales, advertising and services for the three months ended March 31, 2015.

The Brazilian advertising market has historically been cyclical in nature, growing during economic expansions and contracting during recessions. For example, the advertising market's annual growth, in nominal terms, has varied in the last five years as follows: R$3,943.0 million, or approximately 18%, in 2010, R$2,238.6 million, or approximately 9%, in 2011, R$1,701.8 million, or approximately 6%, in 2012, R$2,052.9 million, or approximately 7%, in 2013, and R$1,320.7 million, or approximately 4%, in 2014. In the past, this cyclicality has been directly correlated with TV Globo's and Globo's revenues and results of operations and is expected to continue to affect Globo in the future. There can be no assurance that the current level of advertising revenues will be maintained in the future, that the Brazilian broadcast advertising market will keep historical growth rates, or that there will not be any regulatory restrictions on the advertising of various products.

Increased competition from cable, satellite television, other broadcasting providers and other digital content players and other media companies may negatively affect revenues.

Globo's broadcast television business faces increased competition in its broadcasting business from cable and satellite television programmers, other broadcast television providers and other digital content players. For example, in recent years, the number of new pay-TV channels that compete against channels for which Globo provides programming has increased. The Globo Network also faces increased competition from other audiovisual content distribution technologies such as online videos, video games and video on demand ("VoD"). Globo's average audience share has declined from 40% in the twelve months ended March 31, 2014 to 37% in the twelve months ended March 31, 2015, during the period from 7:00 AM to midnight as competition among television programming providers increased significantly, including with respect to broadcast rights for key sports events and competition from pay-TV. Competition, among other factors, increases the cost of producing programs or acquiring talent and the cost of acquiring the rights to certain programs, including sporting events.

Globo derives most of its broadcast-related revenues from the sale of advertising time on its television stations and its share of network advertising. There can be no assurance that current levels of advertising revenues will be maintained in the future. For example, distribution of news, entertainment and other information via the Internet has become increasingly popular in Brazil over the past several years and viewing news, entertainment and other content on a personal computer, mobile devices and other electronic or portable devices has become increasingly popular as well. A shift in major advertisers' expenditures from traditional to online media may have an adverse effect on Globo's revenue growth. There can also be no assurance that competition in advertising activity from cable and satellite television programmers, other broadcasting and other audiovisual content providers will not adversely affect Globo's advertising revenues and increase costs.

Globo's pay-TV programming business relies on the cable and satellite television companies that distribute its content to provide access to a robust subscriber base, including by making ongoing investments to upgrade and expand their content distribution platforms. There can be no assurance that these cable and satellite television companies (also known as SEAC-conditioned access service providers, according to Law 12485/2011, the newly enacted Brazilian pay-TV law) will continue to make investments in their distribution platforms.

In 2002, the Brazilian Federal Constitution (the "Brazilian Constitution") was amended, and implementing legislation was approved, to permit foreign investors to invest in up to 30% of the total and voting capital of companies involved in the newspaper, magazine, radio and broadcast television business. While the effects of this legislation have not thus far resulted in any significant increase in competition for the business of the Globo Network, there can be no assurance that the legislation or the amendment will not affect the business of the Globo Network in the future.

Globo faces risks relating to competition for the leisure time and discretionary spending of audiences, which has intensified in part due to advances in technology and changes in consumer expectations and behavior.

Technology and business models in Globo's industry continue to evolve rapidly, and Globo's business is subject to risks relating to increasing competition for the leisure time and discretionary spending of consumers. Consumer behavior related to changes in content distribution and technological innovation affect Globo's economic model and viewership in ways that are not entirely predictable.

Globo's business competes with all other sources of entertainment and information delivery. Consumers are increasingly viewing content on a time-delayed or on-demand basis from traditional distributors, and from connected apps and websites and on a wide variety of screens, such as televisions, tablets, mobile phones and other devices. Technological advancements, such as new video formats and Internet streaming and downloading of content that can be viewed on televisions, computers and mobile devices, many of which have been beneficial to Globo's business, have nonetheless increased the number of entertainment and information delivery choices available to consumers and intensified the challenges posed by audience fragmentation. There is increased demand for shortform, user-generated and interactive content, which have different economic models than Globo's traditional content offerings. Digital downloads, rentals and subscription services are competing for consumer attention. The evolution of consumer behavior and preferences may have an economic impact that is not completely predictable.

The increasing number of choices available to audiences, including low-cost or free choices, could negatively impact not only consumer demand for Globo's products and services, but also advertisers' willingness to purchase advertising from Globo. Globo's failure to effectively anticipate or adapt to new technologies and changes in consumer expectations and behavior could significantly adversely affect Globo's competitive position and its business and results of operations.

Globo's business is characterized by rapid technological change, and if Globo does not adapt to technological changes and respond appropriately to changes in consumer demand, its competitive position may be harmed.

Globo operates in a highly competitive, consumer-driven and rapidly changing environment. Its success is, to a large extent, dependent on its ability to acquire, develop, adopt, upgrade and exploit new and existing technologies to address consumers' changing demands and distinguish its services from those of its competitors. Globo may not be able to accurately predict technological trends or may fail to develop successful products and services. If Globo chooses technologies or equipment that are less effective, cost-efficient or attractive to its customers than those chosen by its competitors, or if Globo offers services that fail to appeal to consumers, are not available at competitive prices or that do not function as expected, Globo's competitive position could deteriorate, and Globo's business and financial results could suffer.

The ability of some of Globo's competitors to introduce new technologies, products and services more quickly than Globo may adversely affect Globo's competitive position. Furthermore, advances in technology, decreases in the cost of existing technologies or changes in competitors' product and service offerings may require Globo in the future to make additional research and development expenditures. In addition, the uncertainty of Globo's ability and the costs to obtain intellectual property rights from third parties could impact Globo's ability to respond to technological advances in a timely and effective manner.

Substantially all of Globo's revenues are generated in *reais* whereas a significant portion of Globo's debt, accounts payable and commitments for programming rights, among other things, is denominated in U.S. dollars.

Substantially all of Globo's revenues are generated in *reais*, whereas a significant portion of Globo's debt is denominated in U.S. dollars. In addition, accounts payable for programming rights, including sports and films, and other accounts payable, such as filming equipment, as well as certain commitments to acquire transmission and exhibition rights, are also denominated in U.S. dollars. This increases Globo's vulnerability to general adverse economic and media industry conditions and to the depreciation of the *real*. As of March 31, 2015, on a consolidated basis, Globo had debt in an aggregate amount of R$2,946.3 million, of which R$2,715.1 million, or 92.2%, was denominated in U.S. dollars, and R$445.0 million of accounts payable in U.S. dollars.

Globo's businesses are highly dependent on their continued ability to maintain government licenses.

As is the case with regulated broadcasters in Brazil, the operation of the Globo Network is highly dependent on licenses issued by the Brazilian government. Globo renewed its television broadcasting licenses in October 2007. The licenses were renewed for a period of 15 years and are set to expire in October 2022. Renewal of these licenses is based upon payment for the right to use radio frequencies and the satisfaction of certain objective criteria as described under "Business of Globo—Brazilian Broadcasting and Pay-TV Indstries Regulations—Broadcast Television Services." As of January 16, 2012, prior approval of the president of Brazil is also required for the renewal of television broadcasting licenses, as set forth in Decree No. 7,670 issued on such date. Globo's licenses have been renewed consistently throughout the history of the Globo Network. Nonetheless, there can be no assurance that Globo's television broadcasting licenses will continue to be renewed. Any failure to obtain or maintain licenses could have a material adverse effect on the business, results of operations and prospects of Globo and its affiliated stations.

In addition, the transferability of broadcasting licenses is subject to certain regulatory restrictions. Although licenses may be transferred directly (i.e., a transfer of a license to a third party) or indirectly (i.e., a transfer of a majority of the voting capital of the entity holding the license), such transfers require the prior consent of multiple instrumentalities of the Brazilian government. In accordance with the regime applicable to free-to-air television, both direct and indirect transfers of broadcasting licenses require the prior consent of the Brazilian President. In addition, any amendment to the by-laws of the legal entity operating a broadcasting station that triggers a change in the control or purpose of the company requires the prior approval of the Ministry of Communications. The Ministry of Communications must also be informed of any other amendment to the by-laws or any changes in Globo's management within 60 days after such change or amendment becomes effective. In addition, a broadcast license may be revoked due to supervening legal, technical, financial or economic incapacity to perform the services under the concession. Globo cannot assure that it will be able to comply with these regulations or obtain any required prior approval. Globo's failure to do so could ultimately result in the cancellation of any of Globo's licenses.

Globo's businesses are highly regulated, and regulatory changes could negatively impact Globo.

Globo's broadcasting business is highly regulated by the Ministry of Communications.The regulations and rules of the Ministry of Communications are subject to change in response to industry developments, new technology and political policies. There can be no assurance that Globo will succeed in obtaining in the future all required regulatory approvals for its operations and in complying with applicable regulations without the imposition of restrictions on or adverse consequences to Globo.

In addition, the Brazilian Constitution governs certain aspects of television, radio, newspaper and telecommunications operations and ownership. In 1995, the provisions of the Brazilian Constitution regarding telecommunications (other than radio and television broadcasting) were revised. On July 16, 1997, Law 9,472 (the "General Telecommunications Law") implemented regulations under the revised telecommunications provisions of the Brazilian Constitution and, among other things, created Anatel, a federal agency in charge of regulating telecommunications in Brazil. On September 12, 2011, Law 12,485 was approved and changed regulation of the pay-TV market in Brazil, replacing and unifying regulatory frameworks that governed various individual pay-TV platforms (e.g., cable, DTH, multipoint multichannel distribution services ("MMDS")), eliminating foreign ownership limitations on cable companies, and establishing minimum quotas for domestic content programming on channels and channel packages offered to subscribers, limiting advertising to a maximum of 25% of total daily programming for each pay-TV channel (the same restriction that was already in place for television broadcasting). Constitutional amendments or other new laws, policies, rules or regulations applicable to the activities of Globo, its affiliated stations or subsidiaries may be enacted in the future. For example, Anatel enacted Resolution 581, dated March 26, 2012, implementing certain aspects of Law 12,485 and the *Agência Nacional de Cinema* ("Ancine") issued Normative Rule N.º 100,101 in May 2012 and Normative Rule N.º 102 in June 2012 implementing additional aspects of the law and may issue additional rules. There can be no assurance that any such new constitutional amendments, laws or regulations or changes in their interpretation or application will not have a material adverse effect on the business, results of operations and prospects of Globo, its affiliated stations or subsidiaries. The business and business prospects of Globo could be adversely affected by the adoption of any constitutional amendments, laws, policies, rules or regulations, or by changes in their interpretation or application.

In addition, the Brazilian audiovisual market is also highly regulated by the Ancine, which imposes rules and requirements on the broadcasting of audiovisual content in Brazil. These rules and requirements are subject to change in response to the development of the Brazilian audiovisual industry and government policies aimed at strengthening Brazilian national production, which may have a direct adverse impact on Globo's business or have an indirect effect on Globo's business by adversely impacting the advertising market on which Globo depends.

Globo's relationship with affiliated stations is subject to affiliate agreements.

Globo provides much of the programming for its affiliated stations. Globo is also responsible for all national and regional sales while the affiliated stations are responsible for local sales. Globo provides affiliated stations with advertising sales support and receives a percentage of regional sales as a fee for sales services performed. The affiliate agreements generally provide for a five-year term with automatic renewal for the same period. Historically, these affiliate agreements have been renewed on terms satisfactory to Globo in all cases where Globo has sought renewal. However, there can be no assurance that the current affiliate agreements will be renewed or that they will be renewed on the same terms as the current agreements. Non-renewal of these agreements or any adverse change to the terms of these agreements could have a material adverse effect on the business, results of operations and prospects of Globo.

Globo's business relies heavily on network and information systems or other technology, and a disruption or failure of such networks, systems or technology could have a material impact on Globo's operations.

The broadcasting, Internet and pay-TV businesses are particularly dependent on engineering facilities, infrastructure and information systems. Globo and its subsidiaries may experience unanticipated delays, complications and significant expense in implementing, integrating and operating such facilities and systems. Failures with respect to such facilities and systems could result in operational disruptions and the incurrence of additional costs to correct such problems. For example, if a satellite were not able to transmit Globo's programming, Globo would potentially not be able to secure an alternative communication satellite in a timely manner, because there are a limited number of communications satellites available for the transmission of programming. Loss of access to key satellite facilities would require Globo to develop a strategy for the delivery of its signal, such as contracting back-up satellite capacity at potentially significant cost or by developing operating arrangements, which could require significant time to agree and implement, with one or more DTH operators to carry Globo channels. Similarly, loss of Globo's uplink to key satellite facilities would require significant cost and effort to create a back-up facility to carry Globo's programming until continued service could be reestablished. If any such event were to occur, there could be a disruption in the delivery of Globo's programming, which could harm Globo's reputation and adversely affect its results of operations.

Shutdowns of Globo's network, information systems or other technologies could result from a variety of events, including computer viruses, spam attacks, security breaches, misappropriation of data or other malfeasance, as well as power outages, disasters, accidental releases of information or similar events. In recent years there have been an increasing number of high profile security breaches at other companies. As the largest media group in Brazil, Globo is a high profile target and its networks may have vulnerabilities that may be targeted by hackers or by attacks specifically designed to disrupt our business and harm our reputation. Such events could result in damage or destruction of Globo's equipment and data, a degradation or disruption of service to Globo's customers. Although Globo has several back-up procedures in place, there is no assurance that broadcast interruptions will not occur. Large expenditures could be required to repair or replace systems or technology impacted by such events or to protect such systems or technology from any future disruptions or failures. As a result, significant or sustained disruptions or failures could have a material adverse impact on Globo's business and results of operations.

Service disruptions or failures of Globo's or its vendors' information systems and networks as a result of computer viruses, misappropriation of data or other bad acts, natural disasters, extreme weather, accidental releases of information or other similar events may disrupt Globo's businesses, damage its reputation or have a negative impact on its results of operations.

Shutdowns or service disruptions of information systems or networks at Globo or vendors that provide information systems, networks or other services to Globo pose increasing risks. Such disruptions may be caused by third-party hacking of computers and systems; dissemination of computer viruses, worms and other destructive or disruptive software; denial of service attacks and other bad acts, as well as power outages, natural disasters, extreme weather, terrorist attacks, or other similar events. Shutdowns or disruption from such events could have an adverse impact on Globo and its customers, including degradation or disruption of service, loss of data and damage to equipment and data. In addition, system redundancy may be ineffective or inadequate, and Globo's disaster recovery planning may not be sufficient to cover everything that could happen. Significant events could result in a disruption of Globo's operations, reduced revenues, the loss of or damage to the integrity of data used by management to make decisions and operate Globo's business, customer or advertiser dissatisfaction, damage to Globo's reputation or brands or a loss of customers. In addition, Globo may not have adequate insurance coverage to compensate it for any losses associated with such events.

Globo is also subject to risks caused by the misappropriation, misuse, falsification or intentional or accidental release or loss of data maintained in the information systems and networks of Globo and its vendors, including confidential personnel, customer or vendor data. Outside parties may attempt to penetrate Globo's systems or those of its vendors or fraudulently induce employees or customers of Globo or employees of its vendors to disclose sensitive information to obtain or gain access to Globo's data. If a material breach of Globo's information systems or that of its vendors occurs, the market perception of the effectiveness of Globo's information security measures could be harmed, Globo could lose customers and advertisers, and its reputation, brands and credibility could be damaged. In addition, if a material breach of its information systems occurs, Globo could be required to expend significant amounts of money and other resources to repair or replace information systems or networks or to comply with notification requirements. Globo also could be subject to actions by regulatory authorities and claims asserted in private litigation in the event of a breach of the information systems of Globo or its vendors.

Although Globo develops and maintains information security practices and systems designed to prevent these events from occurring, the development and maintenance of these systems are costly and require ongoing monitoring and updating as technologies change and tactics to overcome information security measures become more sophisticated. Moreover, despite Globo's efforts, the possibility of these events occurring cannot be eliminated entirely. As Globo distributes more of its content digitally, engages in more electronic transactions with consumers, increases the number of information technology systems used in its business operations, relies more on cloud-based services and information systems and increases its use of third-party service providers to perform information technology services, the related information security risks will continue to increase and Globo will need to expend additional resources to protect its information systems, networks and data.

New technologies may threaten Globo's existing businesses and opportunities for growth through increased competition, costs and capital expenditures.

Changes in existing technology and new technologies could allow new competitors to enter the market or current competitors to obtain a competitive advantage. Some recent examples of technology driven markets that have become highly competitive over a short period of time include video over digital subscriber lines ("DSL") and mobile, cable Internet, digital broadcast television, high-definition multi-media and 3-D television, as well as an increasing number of high definition television channels. Specifically, the telecommunications (especially cable and satellite) industries have been, and are likely to continue to be, subject to rapid and significant changes in technology. There is no guarantee that new technology or advances in current technology will not result in the emergence of new systems and increased competition. If Globo is unable to recognize and respond to recent and future changes in technology and changes in consumer behavior, Globo's business may be adversely affected.

In addition, the introduction of digital broadcast television in Brazil has required, and may continue to require, significant investments by Globo to adapt to the new broadcast standard. Globo's capital expenditures have increased due to the ongoing conversion of its television stations into digital format and increased programming in high definition format, and it does not expect that its capital expenditures will return to prior levels. Globo may not have sufficient funding available to meet future technological demands. It is possible that the technology in which Globo invests could be rendered obsolete by the advent of superior and/or cheaper technology, which may adversely affect Globo's competitive position or require Globo to increase its capital expenditures in order to maintain its competitive position. Globo will be subject to this and other changes in technology and there can be no assurance as to the impact of such technological changes on Globo.

Globo and its subsidiaries are party to legal and administrative proceedings, including tax disputes, in the regular course of its business. If Globo receives unfavorable outcomes in these proceedings, Globo's cash flows could be materially and adversely affected.

Globo and its subsidiaries are party to several legal proceedings in the regular course of business relating to civil, tax, labor and social security matters. We cannot assure you that decisions in connection with any judicial and administrative proceedings to which we are party will be in our favor. Except when otherwise required by applicable accounting rules, we only establish provisions for proceedings whose chance of loss is considered probable and we do not establish provisions for proceedings whose chance of loss is considered to be possible or remote. There can be no assurance that provisions we establish for such contingencies may be sufficient to cover all damages, payments, costs and expenses in connection with unfavorable decisions. Unfavorable decisions in conection with judicial and administrative proceedings to which we are party may have a material adverse effect on our business, financial condition and results of operations. See "Business of Globo—Legal Proceedings" for a description of certain legal proceedings of Globo.

Globo may be unable to effectively negotiate favorable terms with its talent and third-party programming sources.

The success of Globo's business depends significantly on its ability to hire and retain artistic talent and other professionals (including actors, writers, directors, and technicians) and to obtain and retain programming rights sourced from third parties, such as sporting events. The market for these services and rights has been and will likely continue to be very competitive. There can be no assurance that Globo will be able to obtain or retain such services and rights on acceptable terms in the future.

Globo or Globo's subsidiaries may enter into related-party transactions which may adversely impact Globo.

Globo or Globo's subsidiaries may enter into related party transactions from time to time as permitted under Brazilian law. Certain related party transactions have included, and could in the future include, transactions between Globo companies and entities under common control therewith or with that of the Marinho family, which has no direct or indirect obligations with respect to the notes. See "Related Party Transactions of Globo" for a description of Globo's related party transactions. There can be no assurance that the terms of the transactions with these various related parties are on terms as favorable to Globo or Globo's subsidiaries as those that could have been obtained in arm's-length transactions with third parties. There can be no assurance that any such related party transaction, or combination of transactions, will not have an adverse impact on Globo.

Globo may be unable to renew, or renew on favorable terms, existing programming agreements.

Globo provides its content to pay-TV operations through long-term contracts which expire between 2015 and 2022. There can be no assurance that these contracts will be renewed, or that they will be renewed on the same terms and conditions as are currently in place. In either case, the adverse impact on Globo's pay-TV programming results could be significant.

Globo is indirectly owned by the Marinho family and the interests of the Marinho family may conflict with your interests.

The Marinho family and certain relatives of the Marinho family indirectly own 100% of Globo and, therefore, control Globo's operations. The Marinho family could make decisions with respect to Globo's operations, capitalization structure or overall strategy that are not exactly aligned with your interests as a holder of notes.

Globo may not be able to negotiate terms and extensions for its joint venture agreements on favorable terms.

Globo's joint venture agreements (such as those with NBCU, PB Brasil, Canal Brazil and Telecine) have definite terms, which may be extended solely upon the acceptance of all partners. Globo cannot assure that such extensions will be agreed upon by the partners. In addition, the occurrence of certain events may cause the early terminations of such association agreements, which could adversely affect Globo's pay-TV production and results of operations.

Globo may be able to pay dividends from prior fiscal years even with respect to fiscal years in which it has no net profits or incurs net losses.

Brazilian Corporate Law requires that a minimum percentage of "adjusted net profits" for each fiscal year be distributed to shareholders, which is referred to as the "mandatory dividend." A Brazilian company is allowed to withhold payment of the mandatory dividend if management reports to shareholders at a meeting that the distribution would be inadvisable due to the financial condition of the company. If mandatory dividends are so withheld, as approved by the shareholders, they are required to be included in a retained earnings reserve to be paid to shareholders when the financial situation of the company so permits. Such payment of withheld dividends may happen in any future fiscal years provided that the balance of the existing retained earnings reserve is first used to offset any losses the company might have had in any such fiscal years. As of March 31, 2015, Globo had R$551.1 million of accrued and unpaid dividends payable to the shareholders. See “Related Party Transactions of Globo.” This could have an adverse impact on Globo’s cash flows and financial condition.

Globo is highly dependent on certain members of its management.

Globo’s operations are dependent on certain of its executive officers, particularly with respect to business planning, strategy and operations. If any of these key members of Globo’s management leaves the company, Globo may, among other things, be unable to operate its business as planned or to execute its business strategies, and its results of operations and financial condition may be adversely impacted.

An increase in the costs incurred by Globo to acquire or produce attractive programming could adversely affect Globo’s business prospects and results of operations.

Competition to acquire attractive programming is intense, and the growing number of VoD services has increased competition in Brazil and internationally. In the face of this increased competition, Globo may face increasing costs to acquire content. If increases in Globo’s costs to produce or acquire attractive content are not offset by increases in advertising rates and affiliate fees when affiliate agreements are renewed, Globo’s results of operations could be adversely affected.

Globo’s business depends on certain intellectual property rights.

Globo relies on licenses and other agreements with other content distributors, content providers, and other parties to use its content and content produced by third parties. Globo derives significant revenues from licensing television content to cable MSOs and DTH providers. Globo also licenses content, such as broadcast rights to major sporting events, from other content producers for broadcast on the Globo Network and third parties. Unlicensed use of Globo’s content, legal challenges to Globo’s intellectual property rights to its own content or content licensed by Globo, and Globo’s inability to obtain licenses from third parties or to license its own content in the future could have a material adverse effect on Globo’s business.

Acquisitions could prove difficult to integrate or have an adverse effect on Globo’s results of operations.

From time to time, Globo may seek to make opportunistic acquisitions of businesses and assets primarily in the media, Internet and entertainment industry. Depending on the nature of the particular transaction, such acquisitions could be subject to review by and the consent of Brazilian antitrust authorities. Globo’s failure to successfully complete acquisitions could limit its growth. Any acquisition involves numerous risks, including: (1) potential loss of key employees or clients of acquired businesses; (2) difficulties integrating acquired personnel and distinct cultures into Globo’s business; (3) difficulties integrating acquired businesses into Globo’s operating, financial planning and financial reporting systems; (4) diversion of management attention from Globo’s existing operations; and (5) assumption of liabilities and exposure to unforeseen liabilities of acquired companies, including liabilities for their failure to comply with applicable regulations and tax and labor contingencies.

Acquisitions may also involve significant anticipated and unexpected cash expenditures, debt incurrence and integration expenses that could have a material adverse effect on Globo’s financial condition, results of operations and cash flows. Any acquisition may ultimately have a negative impact on Globo’s business and financial condition.

Risks Relating to Brazil

Globo’s business, almost all of which is located in Brazil, may be adversely affected by Brazilian political and economic conditions and actions of the Brazilian government.

Brazilian political and economic conditions have a direct impact on the business of Globo and the market price of the notes. There can be no assurance that any economic weakness will not be prolonged or become more severe in the future. Most of Globo’s revenue comes from advertising revenues that may be affected by prevailing economic conditions in Brazil. In addition, economic conditions in Brazil may impact the demand for the products of Globo’s subsidiaries. Economic weakness could lead to reductions in advertising revenues and consumer demand for services. In addition, recent consolidation among Brazilian financial institutions limits Globo’s ability to diversify cash under management and could affect Globo’s liquidity. Weakened economic conditions may negatively impact the growth of Globo’s business, financial condition and results of operations.

The Brazilian government has exercised, and continues to exercise, significant influence over the Brazilian economy. Frequent and significant intervention by the Brazilian government has often changed monetary, tax, credit, tariff and other policies to influence the course of Brazil’s economy. The Brazilian government’s actions to control inflation and implement other policies have at times involved wage and price controls, devaluation of the *real* in relation to the U.S. dollar, changes in tax policies as well as other interventionist measures, such as nationalization, raising interest rates, freezing bank accounts, imposing capital controls and inhibiting international trade in Brazil. Changes in policy involving tariffs, exchange controls, regulations and taxation could have an adverse effect on Globo’s business and financial results and the market price of the notes.

Any substantial negative reaction to the policies of the Brazilian government could have an adverse effect on the business, financial condition, results of operations of Globo and the market price of the notes. Any new policy or regulation adopted could result in increased fiscal deficits, increased taxation, increased interest rates, inflation, currency devaluation or volatility, energy shortages, decreased liquidity for Brazilian companies on domestic and international capital markets, social and political instability or low economic growth, any one of which could have an adverse effect on the business, operations or prospects of Globo. In addition, uncertainty over what policies the current Brazilian government may propose or adopt in the future may have an impact on Globo's business and may contribute to economic uncertainty in Brazil and to heightened volatility in the Brazilian securities market. A negative impact on Globo's business could also be caused by government policies that increase control over the media industry.

Devaluation and fluctuation of the Brazilian currency could have a material adverse effect on Globo's results of operations and financial condition and Globo's ability to make payments on Globo's U.S. dollar-denominated liabilities and commitments, including the Amended Notes.

The Brazilian currency, the *real*, has historically suffered devaluations against the U.S. dollar and other currencies. In the past, the Brazilian government has implemented various economic plans and utilized a number of exchange rate policies, including: sudden devaluations, periodic mini-devaluations (during which the frequency of adjustments ranged from daily to monthly), floating exchange rate systems, exchange controls and dual exchange rate markets. On January 15, 1999, as a result of substantial outflows of foreign exchange reserves in late 1998 and early 1999, the Central Bank allowed the *real* to float freely against other currencies. Consequently, the *real* experienced high volatility and significant devaluation. On December 31, 2000, the rate was R$1.96 to US$1.00. From 2000 through 2011, the *real* fluctuated from a low of R$3.95 to US$1.00 in 2002 to a high of R$1.53 to US$1.00 in 2011. The *real* decreased in value by 8.9% against the U.S. dollar in the year ended December 31, 2012 to an exchange rate of R$2.04 to US$1.00 as of December 31, 2012, decreased in value by 14.6% against the U.S. dollar in the year ended December 31, 2013 to an exchange rate of R$2.34 to US$1.00 as of December 31, 2013 and decreased in value by 13.4% against the U.S. dollar in the year ended December 31, 2014 to an exchange rate of R$2.66 to US$1.00 as of December 31, 2014. On March 31, 2015, the exchange rate was R$3.21 to US$1.00, and on April 30, 2015, the exchange rate was R$2.99 to US$1.00. Devaluations of the Brazilian currency over shorter periods have resulted in significant fluctuations in the exchange rate between the Brazilian currency and the U.S. dollar as well. There can be no assurance that the *real* will maintain its current value against the U.S. dollar or that the Brazilian government will not implement an exchange rate band or another type of currency exchange control mechanism.

Any governmental involvement in the exchange rate, or the implementation of any exchange-control mechanism, could lead to a further devaluation of the *real*, which could make foreign currency-linked obligations or expenses of Globo, including the Amended Notes, more expensive. Any such impact could have an adverse effect on Globo as substantially all of Globo's net sales are in *reais*.

Increased inflation in Brazil could harm Globo's business, the market value of the notes and Globo's ability to make payments on its obligations.

Globo's principal market is Brazil, which has periodically experienced extremely high rates of inflation. Inflation, along with governmental measures to combat inflation and public speculation about possible future governmental measures, has had significant adverse effects on the Brazilian economy. The annual rates of inflation, as measured by the Índice Nacional de Preços ao Consumidor Amplo (the "IPCA"), have decreased significantly from 2,477.2% in 1993. Brazil's rate of inflation, according to the IPCA, was 5.8% in 2012, 5.9% in 2013 and 6.4% in 2014. There can be no assurance that recent lower levels of inflation will continue, and Brazil may experience high levels of inflation in the future. If that should occur, Globo's operations and results may be affected, particularly because most of Globo's contracts are inflation-adjusted according to the IPCA, which could adversely affect the ability of Globo to satisfy payment obligations under the Amended Notes and other indebtedness. Inflationary pressures may also lead to further governmental intervention in the economy, including the introduction of government policies that may have an adverse effect on Globo's operations and the market value of the notes. In addition, a substantial increase in inflation may weaken investor confidence in Brazil, possibly impacting the market value of the notes. For the last twelve months ending March 31, 2015, Brazil's rate of inflation, according to the IPCA was 8.1%.

Actual or alleged corruption in Brazil may adversely impact Globo's results of operations

The Brazilian federal government, certain state-owned companies and companies with agreements with state-controlled companies have faced, and may continue to face, allegations of political corruption. As a result, a number of politicians, including senior federal officials, have resigned and are subject to criminal investigations. In addition, members of the Brazilian executive and legislative branches of government have been investigated as a result of allegations of unethical or illegal conduct. Recent investigations of the Brazilian federal police resulted in accusations of corruption in the administrative entity in charge of deciding administrative appeals against tax assessments. It is impossible to foresee the possible outcomes of such investigations and whether such outcomes will adversely affect the Brazilian economy or Globo.

Related uncertainties, allegations of unethical or illegal conduct or other future developments in Brazilian politics or business practices may adversely affect Globo's business and results of operations. Globo cannot predict whether such allegations or future developments will lead to further instability or whether new allegations against key Brazilian government officials or new developments in Brazilian politics or business practices will arise in the future.

Additionally, as a result of corrupt practices, Globo itself may be subject to breaches of its legal, accounting and governance standards by its employees – whether or not related to public sector entities. Also, actual or alleged corrupt practices or investigations against Globo's service providers or network affiliate stations, which Globo does not control, could eventually result in or cause reputational harm to Globo.

Changes in Brazilian tax laws, including interpretations thereof, may have an adverse impact on the taxes applicable to a disposition of the notes or may adversely impact Globo's results of operations.

According to Article 26 of Law 10,833, capital gains generated outside Brazil as a result of a transaction between two non-residents of Brazil or a Brazilian resident and a non-resident involving assets located in Brazil are subject to income tax in Brazil. As the notes are offered, sold and listed outside Brazil, Globo does not believe that the notes fall within the definition of assets located in Brazil for purposes of Law 10,833 and, accordingly, gains on the sale or the disposition of the notes made outside Brazil are not subject to Brazilian taxes. However, given that this legislation is not entirely clear and the absence of judicial guidance in respect thereof, there can be no assurance that this interpretation of the law will prevail in the courts of Brazil.

Furthermore, the Brazilian government frequently implements changes to tax regimes that affect Globo and Globo's customers. These changes include changes in prevailing tax rates and, on occasion, enactment of temporary taxes, the proceeds of which are earmarked for designated governmental purposes. Also, the Brazilian tax authorities' interpretations with respect to tax events and tax rates, as well as the computation of certain taxes, may change from time to time.

Some of these changes may result in increases in Globo's tax payments, which can adversely impact industry profitability and increase the prices of Globo's products and services, restrict Globo's ability to do business in Globo's existing and target markets and could cause Globo's financial results to suffer. There can be no assurance that Globo will be able to maintain its prices and projected cash flow and profitability following increases in Brazilian taxes applicable to Globo, Globo's subsidiaries and Globo's operations.

Negative developments in other national economies, especially those in developing countries, may negatively impact foreign investment in Brazil and the country's economic growth.

International investors generally consider Brazil to be an emerging market. Historically, adverse developments in the economies of emerging markets have resulted in investors' perception of greater risk from investments in such markets. Such perceptions regarding emerging market countries have significantly affected the Brazilian securities markets and the availability of credit in Brazil, from both domestic and international sources of capital. Furthermore, although economic conditions are different in each country, investors' reactions to developments in one country can impact the prices of securities in other countries, including those in Brazil. Negative economic and market conditions in other emerging market countries, especially those in Latin America and Asia, have at times resulted in considerable outflows of funds from, and declines in the amount of foreign investment in, Brazil. This caused Brazilian companies to face higher financing costs and adversely affected the market price of Brazilian companies' securities. Examples of such events include the Asian economic crisis of 1997 and the Russian currency crisis of 1998. The repercussions of these events were exacerbated in Brazil by Brazil's 1999 currency depreciation and related economic developments. Argentina's instability in 2001 and 2002 increased international financial markets volatility. More recently, the Greek debt crisis has adversely affected the global economy.

In the event of adverse developments in emerging-market economies or developed nations, the international capital markets may not remain open to Brazilian companies, prevailing interest rates in these markets may not be advantageous to Globo and the market price of the notes may decrease. Furthermore, decreased foreign investment in Brazil could adversely affect growth and liquidity in the Brazilian economy, which in turn could have an adverse effect on Globo's businesses. In addition, such developments in nations may destabilize the *real* or cause it to depreciate significantly.

Brazilian law limits Globo's ability to make certain payments on U.S. dollar remittances.

Brazilian law provides that whenever there exists, or there is a serious risk of, a material imbalance in Brazil's "balance of payments," the Brazilian government may impose restrictions for a limited period of time on the remittance to foreign investors of the proceeds of their investments in Brazil as well as on the conversion of the *real* into foreign currencies. The Brazilian government imposed such a restriction on remittances for approximately six months in 1989 and early 1990. These restrictions could hinder or prevent Globo from being able to pay interest or principal on the Amended Notes.

The Brazilian government may in the future: (i) restrict companies from paying amounts denominated in foreign currency or (ii) require that any such payment be made in *reais*. Many factors could affect the likelihood of the Brazilian government imposing such exchange control restrictions, including: the extent of Brazil's foreign currency reserves; the availability of sufficient foreign exchange on the date a payment is due; the size of Brazil's debt service burden relative to the economy as a whole; Brazil's policy toward the International Monetary Fund; and political constraints that Brazil may be subject to. There can be no assurance that the Central Bank would not modify its policies or that the Brazilian government would not institute restrictions or delays on payments of external debt in the future.

The Brazilian government currently restricts the ability of Brazilian or foreign persons or entities to convert Brazilian currency into U.S. dollars or other currencies other than in connection with certain authorized transactions through the Central Bank, including, among others, timely payments of the Amended Notes by Globo, once duly approved by the Central Bank. Globo will seek such approval with respect to the Amended Notes, by means of registration with the Central Bank. Although registration is automatic, the Central Bank will review it and may present further requests for adjustments necessary for its conclusion, taking into consideration whether the economic terms of the Amended Notes are compatible with usual conditions and market practice. There can be no assurance that the Central Bank will grant such approval or that the current mechanisms for the conversion of Brazilian currency into U.S. dollars and remittance abroad of such funds will continue to be available at the time the obligations under the Amended Notes are to be performed or that a more restrictive exchange control policy, which could affect the ability to make payments under the Amended Notes in U.S. dollars, will not be adopted in the future. If such financial mechanisms for the conversion of *reais* into U.S. dollars and remittance of such funds are not available, Globo will have to rely on a special authorization from the Central Bank to make payments under the Amended Notes in U.S. dollars. There can be no assurance that any such special Central Bank authorization would be obtained or that if such authorization is obtained, such authorization would be obtained on a timely basis. In addition, the Central Bank authorization will need to be obtained for any payments to be made under the Amended Notes that are on different terms than those originally registered with the Central Bank.

Judgments won against Globo by investors may be difficult to enforce in Brazil.

All of the executive officers of Globo reside in Brazil. In addition, most of the assets of Globo are located in Brazil. As a result, it is necessary for holders of the Amended Notes to comply with Brazilian law in order to obtain an enforceable judgment against Globo or its assets. It may not be possible for investors to effect service of process upon the executive officers of Globo in jurisdictions outside Brazil, or to realize in such jurisdictions against Globo judgments obtained in the courts of such jurisdictions based upon civil liabilities of Globo, including any judgments based upon the laws of countries other than Brazil.

Specifically, Globo believes that Brazilian courts will enforce a judgment of a court sitting in a jurisdiction outside Brazil for civil liabilities predicated on the securities laws of any such country, without reconsideration of the merits, only if such judgment satisfies certain requirements and receives confirmation from the Brazilian Superior Court of Justice, Brazil's highest court for the recognition of foreign judgments.

There can be no assurance that such confirmation would be obtained, that the process described above would be conducted in a timely manner or that a Brazilian court would enforce a monetary judgment for violation of the securities laws of a country other than Brazil with respect to the Amended Notes. See "Enforcement of Civil Liabilities—Globo."

Brazilian law may limit Globo's ability to make payments in U.S. dollars with respect to court judgments.

If proceedings were brought in the courts of Brazil seeking to enforce Globo's obligations under the Amended Notes, Globo would not be required to discharge its obligations in a currency other than *reais*. Under Brazilian exchange control limitations, an obligation to pay in Brazil amounts denominated in a currency other than the Brazilian currency may only be satisfied in Brazilian currency at the rate of exchange, as disclosed by the Central Bank, in effect on (i) the date of payment; (ii) the date on which such judgment is rendered; or (iii) the actual due date of the obligations. There can be no assurance that, in that event, the conversion of the Brazilian currency into U.S. dollars would afford full compensation of the amounts invested in the Amended Notes plus accrued interest or that any such Central Bank approval will be obtained or that such approval will be obtained on a timely basis.

Risks Relating to the Notes

The SENs are not obligations of Globo or any of its subsidiaries.

The SENs are not obligations of Globo or any of its subsidiaries, and neither Globo nor any of its subsidiaries will guarantee any of the SENs Issuer's payments or other obligations under the SENs or the SENs Indenture. The SENs Issuer has no independent operations, and, other than the gross proceeds from the sale of the SENs in this offering which will be invested in Eligible Investments, has no material assets.

If the SENs Issuer were to fail to purchase Globo's Step-Up Perpetual Notes, holders of the SENs would not receive the Amended Notes or the Exchange Fee.

If the SENs Issuer were to fail to purchase the Step-Up Perpetual Notes as required pursuant to the terms of the SENs Indenture on July 20, 2015 for any reason, holders of the SENs would be entitled to receive on the business day immediately following such default the principal amount of their SENs, plus interest earned on the Eligible Investments in the Escrow Account less expenses, but would not be otherwise entitled to receive interest in respect of the SENs from the issue date of the SENs because the SENs by their terms do not bear interest. If the SENs Issuer so failed to purchase the Step-Up Perpetual Notes, SENs holders would not receive the Amended Notes or the Exchange Fee because the Mandatory Exchange could not be consummated.

After the SENs Issuer uses the gross proceeds of the offering of the SENs to purchase Globo's Step-Up Perpetual Notes, if the Mandatory Exchange is not consummated for any reason on or prior to July 27, 2015 the sole remedy available to the holders of the SENs will be an action to cause the delivery of the Amended Notes.

The SENs Issuer has agreed to use the gross proceeds from the sale of the SENs to purchase all of the outstanding Step-Up Perpetual Notes on July 20, 2015. Upon the purchase of the Step-Up Perpetual Notes, the gross proceeds of the offering of the SENs will be released from the Escrow Account, be paid to the holders of the outstanding Step-Up Perpetual Notes and will no longer be available to the SENs Issuer. Thereafter, if the SENs issuer were to fail to consummate the Mandatory Exchange of the Amended Notes for the SENs on or prior to July 27, 2015 as required pursuant to the terms of the SENs Indenture, there would be an event of default under the SENs Indenture, but the sole remedy available to the holders of the SENs would be an action to cause the delivery of the Amended Notes.

Payments on the Amended Notes will be effectively subordinated to any secured debt of Globo and structurally subordinated to all debt and other liabilities of Globo's subsidiaries. The Amended Notes will not be guaranteed by any of Globo's subsidiaries.

The Amended Notes will constitute unsubordinated and unsecured obligations of Globo and will rank equally in right of payment with Globo's existing and future unsubordinated indebtedness. The Amended Notes will be effectively subordinated to any secured debt of Globo to the extent of the value of the assets securing such debt, and will be structurally subordinated to all debt and other liabilities of Globo's subsidiaries. Globo's subsidiaries are separate and distinct legal entities. As the Amended Notes are not guaranteed by any of Globo's subsidiaries, none of Globo's subsidiaries will be obligated to make funds available to Globo for payments with respect to the Amended Notes. As a result, in the event of bankruptcy, liquidation, restructuring or similar proceeding of Globo, claims of creditors under Globo's secured debt (to the extent of the collateral securing such debt) and claims of creditors of Globo's subsidiaries will be paid before payments are made to holders of the Amended Notes. In addition, there can be no assurance that the agreements governing the current and future debt of Globo's subsidiaries will permit Globo's subsidiaries to provide Globo with any dividends, distributions or loans to fund interest, principal and other payments with respect to the Amended Notes.

The funding by Globo of obligations of its subsidiaries could adversely impact funds available to Globo for payments with respect to the Amended Notes.

Brazilian law does not specifically provide that a controlling shareholder is required to fund the operations of a company. In accordance with the Brazilian Civil Code, however, a judge may disregard the corporate entity in the case of abuse of the corporate entity. In addition, Brazilian courts and doctrine have found that a controlling shareholder may, in certain specific circumstances, be liable for labor, social security, environmental and consumer rights obligations of its subsidiaries. There can be no assurance that Globo will not be required by a Brazilian court to honor the obligations of a subsidiary in the case of a labor, social security, environmental or consumer rights dispute. If Globo were required to fund the obligations of its subsidiaries to any material extent, this could adversely impact funds available to Globo for payments with respect to the Amended Notes.

The Amended Notes and the Amended and Restated Indenture will not restrict Globo from incurring additional indebtedness and liabilities.

Neither Globo nor any of Globo's subsidiaries will be restricted from incurring additional debt or liabilities, including additional unsubordinated debt, under the Amended Notes or the Amended and Restated Indenture. If Globo or its subsidiaries incurs additional debt or liabilities, Globo's ability to pay interest, principal and other amounts due with respect to the Amended Notes could be adversely affected. The incurrence by Globo or its subsidiaries of additional debt or liabilities may reduce the amount recoverable by holders of the Amended Notes upon any bankruptcy or insolvency and would increase the likelihood that Globo may be unable to pay interest, principal or other amounts due with respect to the Amended Notes. Globo expects that it or its subsidiaries will from time to time incur additional debt and other liabilities. In addition, Globo will not be restricted under the Amended Notes or the Amended and Restated Indenture from paying dividends, redeeming or repurchasing stock or making other distributions, making investments, creating specified permitted liens, issuing securities, selling assets or entering into affiliate transactions.

The Amended Notes may be redeemed upon the occurrence of specified tax events or at the option of Globo, as the case may be, on or after March 8, 2025.

The Amended Notes may be redeemed at any time by Globo upon the occurrence of certain tax events at a redemption price equal to 100% of the principal amount of the Amended Notes plus accrued and unpaid interest and additional amounts, if any, as described under "Description of the Amended Notes—Redemption—Optional Tax Redemption." In addition, the Amended Notes may be redeemed at the option of Globo in whole or in part, at any time on or after March 8, 2025 at 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, as described under "Description of the Amended Notes — Redemption — Optional Redemption on or after March 8, 2025." There can be no assurance that investors will be able to reinvest the amounts received upon any redemption at a rate that will provide investors with the same return as their investment in the Amended Notes.

An active trading market for the notes may not develop.

The notes are being offered in reliance upon an exemption from registration under the Securities Act and applicable state securities laws. Accordingly, the notes may be transferred or resold only in accordance with this offering memorandum in a transaction registered under or exempt from the Securities Act and applicable state securities laws, as described further in "Notice to Investors." The SENs constitute a new issue of securities for which there is no existing market, and the Amended Notes constitute an amendment of an existing security. The SENs Issuer intends to use commercially reasonable efforts to apply to list the SENs on the Official List of the Luxembourg Stock Exchange and for the SENs to be admitted to trading on the Euro MTF Market. There can be no assurance that the application for listing will be accepted. No assurance can be provided regarding the future development of a market for either series of notes, the ability of holders of either series of notes to sell their notes or the price at which such holders may be able to sell their notes. If such a market were to develop, the notes could trade at prices that may be higher or lower than the initial offering price of the SENs in this offering depending on many factors, including prevailing interest rates, Globo's results of operations and financial condition, prospects for other companies in Globo's industry, political and economic developments in and affecting Brazil, risks associated with Brazilian issuers of such type of securities and the market for similar securities. If an active market for the notes does not develop or is interrupted, the market price and liquidity of the notes may be adversely affected.

The SENs Issuer is subject to Cayman Islands Anti-Money Laundering Legislation.

The SENs Issuer and its administrator are subject to anti-money laundering legislation in the Cayman Islands pursuant to the Proceeds of Crime Law (as amended) (the "PCL"). Pursuant to the PCL, the Cayman Islands government enacted The Money Laundering Regulations (as amended), which impose specific requirements with respect to the obligation to "know your client". Except in relation to certain categories of institutional investors, if physical certificates are issued, the SENs Issuer will require a detailed verification of each investor's identity and the source of the payment used by such investor for purchasing the SENs in a manner similar to the obligations imposed under the laws of other major financial centers. In addition, if any person who is resident in the Cayman Islands knows or has a suspicion that a payment to the SENs Issuer (by way of investment or otherwise) contains the proceeds of criminal conduct, that person must report such suspicion to the Cayman Islands authorities pursuant to the PCL. If the SENs Issuer were determined by the Cayman Islands government to be in violation of the PCL or The Money Laundering Regulations (as amended), the SENs Issuer could be subject to substantial criminal penalties. The SENs Issuer may be subject to similar restrictions in other jurisdictions. Such a violation could materially adversely affect the timing and amount of payments by the SENs Issuer to the holders of the SENs.

The obligations under the Amended Notes will be subordinated to certain statutory liabilities. Furthermore, Brazilian bankruptcy laws may be less favorable to you than bankruptcy and insolvency laws in other jurisdictions.

Under Brazilian law, the obligations of Globo under the Amended Notes are subordinated to certain statutory preferences, including certain claims for salaries and wages, secured obligations, social security, taxes, court fees, expenses and costs, as well as any creditors that are entitled to expedited judicial proceedings in Brazil, which may have obtained priority compared to the holders of the Amended Notes through attachment of assets. In the event of Globo's bankruptcy, according to the Brazilian bankruptcy laws, such applicable statutory preferences will have preference over any other claims, including claims by any holder of the Amended Notes.

Furthermore, the bankruptcy laws of Brazil are significantly different from, and may be less favorable to creditors than, those of certain other jurisdictions. For example, noteholders may have limited voting rights at creditors' meetings in the context of a court reorganization proceeding.

In addition, in the event of Globo's bankruptcy, all of its respective debt obligations that are denominated in foreign currency, including the Amended Notes, will be converted into *reais* at the prevailing exchange rate on the date of declaration of its bankruptcy by the court. We cannot assure you that such rate of exchange will afford full compensation of the amount invested in the notes plus accrued interest.

USE OF PROCEEDS

The SENs Issuer will use the gross proceeds from the sale of the SENs in this offering to purchase all of Globo's outstanding Step-Up Perpetual Notes on July 20, 2015 in accordance with the provisions of the Step-Up Perpetual Notes Indenture.

Pending the purchase of the Step-Up Perpetual Notes, the SENs Issuer will deposit the gross proceeds from the sale of the SENs in the Escrow Account pursuant to the Escrow Agreement. The SENs Escrow Agent will invest the gross proceeds in Eligible Investments. "Eligible Investments" will consist of short-term U.S. Treasury securities that will mature on or prior to July 17, 2015.

CAPITALIZATION OF GLOBO

The table below sets forth Globo's consolidated capitalization (a) on an actual basis as of March 31, 2015, as derived from Globo's unaudited interim condensed consolidated financial information as of March 31, 2015 and for the three-month periods ended March 31, 2015 and 2014, included elsewhere in this offering memorandum, and (b) as adjusted to reflect this offering and the Mandatory Exchange, as if each had occurred on March 31, 2015.

You should read this table in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations of Globo," "Description of Other Indebtedness of Globo" and the financial statements and related notes included elsewhere in this offering memorandum.

	As of March 31, 2015			
	(in millions of US$)(1)		(in millions of *reais*)	
	Actual	As Adjusted	Actual	As Adjusted
Existing debt(2):				
Step-Up Perpetual Notes/Amended Notes	US$ 325.0	US$ 325.0	R$ 1,042.6	R$ 1,042.6
4.875% Senior Notes	300.0	300.0	962.4	962.4
Step-Up Senior Notes	200.0	200.0	641.6	641.6
Bank credit notes (CCB)	70.1	70.1	225.0	225.0
Finimp	6.3	6.3	20.1	20.1
Accrued and unpaid interest	17.0	17.0	54.5	54.5
Total debt	918.4	918.4	2,946.3	2,946.3
Equity				
Total equity(3)	3,461.9	3,461.9	11,105.8	11,105.8
Total capitalization(4)	US$ 4,380.3	US$ 4,380.3	R$ 14,052.1	R$ 14,052.1

(1) Solely for the convenience of the reader, *real* amounts as of March 31, 2015 have been translated into U.S. dollars at the selling exchange rate as of March 31, 2015 of R$3.2080.

(2) For a description of Globo's existing debt, see "Description of Other Indebtedness of Globo."

(3) Globo's authorized and outstanding share capital consists of 333,335 ordinary shares and 666,665 preferred shares. All outstanding ordinary shares and preferred shares of Globo are fully paid and non-assessable.

(4) Total capitalization is the sum of total debt and total equity. Total capitalization does not reflect the payment of US$3.0 million of estimated commissions and expenses in connection with this offering and the Mandatory Exchange. Does not reflect payment of the exchange fee payable to holders of SENs in connection with the Mandatory Exchange.

There has been no material change in the capitalization or indebtedness of Globo since March 31, 2015.

DESCRIPTION OF THE SENS ISSUER

General

The SENs Issuer was incorporated as an exempted company with limited liability on May 14, 2015 under the laws of the Cayman Islands, with registration number 299739. The SENs Issuer has been incorporated for an indefinite period. The SENs Issuer's registered office is located at Intertrust SPV (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands ("Intertrust SPV"). The SENs Issuer's authorized share capital is US$250, divided into 250 ordinary shares of US$1.00 each, 250 of which have been issued. The Shares will be fully paid and held by the Share Trustee under the terms of the Declaration of Trust under which the Share Trustee will hold the Shares on trust ultimately for charitable purposes and, until the Termination Date, may only dispose or otherwise deal with the Shares with the approval of the SENs Trustee for so long as there are SENs outstanding. The Termination Date shall be the earlier of (i) 149 years from the date of the Declaration of Trust, (ii) the day immediately following the Mandatory Exchange or (iii) such earlier date as the Share Trustee may determine provided there are no SENs then outstanding. Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has power with the consent of the SENs Trustee to confer benefit upon the holders of the SENs or qualified charities. No distribution will be made while any SENs is outstanding. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares.

The SENs Issuer will not be registered under the U.S. Investment Company Act of 1940, as amended.

Business

According to the Memorandum and Articles of Association of the SENs Issuer, the objects for which the SENs Issuer has been established are unrestricted. However, as long as the SENs remain outstanding, the SENs Indenture will limit the SENs Issuer's business activities. See "Description of the SENs — Covenants." The SENs Issuer has no independent operations and will have no assets, other than the gross proceeds from the sale of the SENs in this offering and amounts from time to time remaining from the proceeds of issuance of the Shares and any fee payable to it in connection with the issuance of the SENs. Globo has transferred to the SENs Issuer the option to purchase all of the outstanding Step-Up Perpetual Notes on July 20, 2015 at a price equal to 100% of their principal amount and the SENs Issuer has agreed to purchase the outstanding Step-Up Perpetual Notes on July 20, 2015, all in accordance with the provisions of the Step-Up Perpetual Notes Indenture. Pending the purchase of the Step-Up Perpetual Notes as described herein, the SENs Issuer will deposit the gross proceeds from the sale of the SENs in the Escrow Account pursuant to the Escrow Agreement. The SENs Escrow Agent will invest the gross proceeds in Eligible Investments.

The SENs are the obligations of the SENs Issuer alone and not of the Share Trustee or the SENs Trustee. Furthermore, they are not obligations of, or guaranteed in any way by, the Initial Purchasers, Globo or any of its subsidiaries, or any other party.

Save in respect of the fee generated in connection with the SENs (being US$250), any related profits and the proceeds of any deposits and investments made from such fee or from amounts representing its issued and paid-up share capital, the SENs Issuer does not expect to accumulate any surpluses. Fees payable by the SENs Issuer to the administrator of the SENs Issuer, the SENs Trustee, the SENs Escrow Agent and the SENs Paying Agent (the "Agents") will be paid out in advance of the issue of the SENs. Additionally, the Agents have agreed that the payments of outstanding fees or expenses (if any) not paid up front (of which there are currently not expected to be any) shall be limited to amounts available, following application in accordance with the terms of the SENs Indenture, to discharge such liabilities.

Limited Recourse

The SENs Issuer is a special purpose company established for the specific purpose of issuing the SENs, purchasing the Step-Up Perpetual Notes and exchanging the SENs for the Amended Notes. The obligations of the SENs Issuer to its creditors, including the SENs Trustee and holders of the SENs and under the SENs and the SENs Indenture from time to time and at any time, are limited to the lesser of (a) the nominal amount of the claim of the relevant creditor determined in accordance with the SENs and the SENs Indenture (the "Claim"); and (b) the product of (i) the Net Proceeds (as defined below) at such time divided by the aggregate gross amount of the Claim and all obligations of the SENs Issuer ranking pari passu with the Claim and (ii) the nominal amount of the Claim. "Net Proceeds" means the net proceeds of realization of all the assets of the SENs Issuer (other than the amounts remaining from the proceeds of issuance of the SENs Issuer's ordinary share capital and the transaction fee charged by the SENs Issuer and any interest earned thereon) after payment of, or provision for, all debts, costs, expenses and other obligations of the SENs Issuer as determined by the directors of the SENs Issuer in their absolute discretion other than the Claim and any obligations ranking pari passu with or behind the Claim. For the avoidance of doubt, if there are no Net Proceeds available for distribution, (i) the SENs Issuer shall have no further obligations to the relevant creditor, (ii) no other assets will be available for payment of the deficiency and (iii) the obligations of the SENs Issuer to pay such deficiency shall be extinguished and shall not thereafter revive.

In addition, the SENs Issuer's obligations under the SENs and the SENs Indenture are solely the corporate obligations of the SENs Issuer, and creditors shall not have any recourse against any of the directors, officers or employees of the SENs Issuer for any claims, losses, damages, liabilities, indemnities or other obligations whatsoever in connection with any transactions contemplated by the SENs and the SENs Indenture.

Non-Petition

The SENs Indenture provides that creditors of the SENs Issuer shall not be entitled to take any action or commence any proceedings against the SENs Issuer to recover any amounts due and payable by the SENs Issuer thereunder except as expressly permitted by the provisions of the SENs Indenture. In addition, creditors are not entitled to take any action or commence any proceedings or petition a court for the winding up or liquidation of the SENs Issuer, nor enter into any arrangement, reorganization or insolvency proceedings in relation to the SENs Issuer whether under the laws of the Cayman Islands or other applicable bankruptcy laws until one year and one day after the later to occur of the payment in respect of the Claim or the extinction of such creditor's rights in respect of the Claim.

Capitalization

The following table sets out the SENs Issuer's capitalization on the date of this offering memorandum:

Share Capital		
Total authorized share capital (ordinary shares of US$1.00 each)	US$	250
Total issued and paid up share capital (250 ordinary shares of US$1.00, fully paid)	US$	250

As at the date of this offering memorandum, the SENs Issuer has no borrowings or indebtedness in the nature of borrowings, term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

The SENs Issuer's directors are Evert Brunekreef and Christopher Bryan. The registered office for the directors of the SENs Issuer is located at Intertrust SPV (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands. The directors of the SENs Issuer serve as directors of, and provide services to, other special purpose entities that issue collateralized obligations, and perform other duties for the Intertrust SPV, SENs Issuer's administrator.

Intertrust SPV is the SENs Issuer's administrator. Its duties include the provision of certain management, administrative and related services. The appointment of the Intertrust SPV may be terminated and Intertrust SPV may retire upon 30 days' written notice.

Since the date of the SENs Issuer's incorporation, the SENs Issuer has not prepared financial statements. The SENs Issuer is not required by Cayman Islands law, and does not intend, to publish audited financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF GLOBO

The following discussion of the financial condition and results of operations of Globo is based on, and should be read in conjunction with:

- Globo's audited consolidated financial statements as of and for the years ended December 31, 2014, 2013, and 2012, prepared in accordance with the accounting practices adopted in Brazil and with IFRS issued by the International Accounting Standards Board ("IASB"), and Globo's unaudited interim condensed consolidated financial information as of March 31, 2015 and for the three months ended March 31, 2015 and 2014, prepared in accordance with IAS 34, included elsewhere in this offering memorandum; and
- the information presented under "Presentation of Financial and Other Information."

The following discussion contains forward-looking statements that involve risks and uncertainties. Globo's actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including those set forth in "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors."

Overview

Globo is the largest media group in Brazil. Globo controls, among other businesses, the leading broadcast television network in Brazil, the leading pay-TV programmer in Brazil, as well as Internet content and service provider, music label and magazine publishing companies. Globo is indirectly owned by and is under the leadership of the Marinho family, whose interests in Brazilian broadcast television date back to 1965 when TV Globo began broadcasting from Rio de Janeiro under the leadership of Mr. Roberto Marinho.

For the years ended December 31, 2014, 2013 and 2012, Globo had net sales, advertising and services of R$16,243.9 million, R$14,635.7 million and R$12,710.2 million, respectively, gross profit of R$7,715.7 million, R$6,891.0 million and R$5,777.5 million, respectively, net income of R$2,357.1 million, R$2,503.3 million and R$2,948.1 million, respectively, and Adjusted EBITDA of R$4,597.1 million, R$3,889.5 million and R$3,132.0 million, respectively. For the three months ended March 31, 2015 and 2014, Globo had net sales, advertising and services of R$3,622.2 million and R$3,672.1 million, respectively, gross profit of R$1,896.0 million and R$2,019.1 million, respectively, net income of R$912.4 million and R$935.7 million, respectively, and Adjusted EBITDA of R$1,234.2 million and R$1,352.6 million, respectively. See "Summary Historical Consolidated Financial Information of Globo" for an explanation of Adjusted EBITDA as well as a reconciliation of net income to Adjusted EBITDA for the corresponding periods.

Globo's principal lines of business are:

- Broadcast television;
- Pay-TV programming;
- Internet;
- Publishing; and
- Music label.

Globo reports its results of operations in the following segments: television, editorial and other businesses. The television segment includes Globo Network and Globosat; the editorial segment includes Editora Globo and Globo's joint venture with Condé Nast; and the other businesses segments include Internet services and music content, among other minor businesses. Based on the relative size of its segments, Globo focuses the discussion of its results of operations on the television segment, providing a more detailed analysis of advertising revenues.

Globo's consolidated net sales, advertising and services by revenue source are as follows:

	Three months ended March 31,		Year ended December 31,		
	2015	2014	2014	2013	2012
	(in millions of *reais*)				
Advertising	R$ 2,281.4	R$ 2,447.2	R$ 11,189.0	R$ 10,214.4	R$ 8,961.7
Content/Programming	R$ 1,220.7	R$ 1,089.1	R$ 4,578.0	R$ 3,823.1	R$ 3,215.9
Other	R$ 120.1	R$ 135.8	R$ 476.9	R$ 598.2	R$ 532.6
Total	**R$ 3,622.2**	**R$ 3,672.1**	**R$ 16,243.9**	**R$ 14,635.7**	**R$ 12,710.2**

"Advertising" includes all advertising revenues, such as advertising from broadcast television, pay-TV, Internet service, publishing and others. "Content/Programming" includes all revenues related to content and programming, such as pay-TV programming, sales of television programming abroad, Internet (content and ISP), sports rights for television and subscriptions from the publishing business. "Other" includes all revenues not classified above, such as music label services and others.

Factors Affecting Operating Results

Brazilian Advertising Market

Globo's results of operations have been, and will continue to be, influenced by the performance of not only the overall advertising market in Brazil but also the broadcast and pay-TV advertising markets in Brazil, as a significant portion of Globo's revenue comes from broadcast and pay-TV advertising. Total advertising expenditures in Brazil in 2014 were approximately R$33.5 billion, representing a 4.1% increase over 2013. Historically, television, including broadcast and pay-TV, has been the largest advertising medium in Brazil, capturing more advertising revenues than all other media combined, accounting for 75.1% of total advertising expenditure in 2014 and 71.4% in 2013, according to Projeto Intermeios. The major international Internet players do not report advertising revenues to Projeto Intermeios. In July 2014, the major Brazilian websites stopped reporting their advertising revenues to Projeto Intermeios.

The table below presents advertising expenditures in Brazil by medium, as reported by Projeto Intermeios (amounts may not sum due to rounding):

	Year ended December 31,					
	2014		2013		2012	
	Expenditures (R$ million)	Change vs. Prior Period (%)	Expenditures (R$ million)	Change vs. Prior Period (%)	Expenditures (R$ million)	Change vs. Prior Period (%)
Broadcast TV	R$ 23,162	8.1	R$ 21,432	9.8	R$ 19,511	8.3
Newspaper	2,882	(11.6)	3,261	(3.8)	3,388	0.7
Magazines	1,477	(17.0)	1,780	(7.6)	1,925	(5.4)
Radio	1,332	1.8	1,308	10.5	1,184	4.8
Pay-TV	2,023	28.0	1,580	18.0	1,338	12.3
Internet	1,064	(25.7)	1,433	(5.6)	1,518	4.4
Other(1)	1,589	12.3	1,415	10.0	1,290	2.1
Total	**R$ 33,530**	**4.1**	**R$ 32,209**	**6.8**	**R$ 30,154**	**6.0**

(1) Billboards, yellow pages and cinema.

Source: Projeto Intermeios

TV Globo Audience Performance

Globo's results of operations are also impacted by Globo's ability to attract and retain viewers on the Globo Network. As shown in the table below, in the years ended December 31, 2014, 2013 and 2012 and in the twelve months ended March 31, 2015, Globo's audience ratings remained at high levels, at over 15% and 23% for the time slots from 7:00 AM to midnight and from 6:00 PM to midnight, respectively.

	TV Globo		Total	
	Rating (%)	Share (%)	Rating (%)	Share (%)
7 AM to midnight				
LTM March 2015	15	37	42	100
2014	15	37	41	100
2013	16	40	40	100
2012	17	42	40	100

	TV Globo		Total	
	Rating (%)	Share (%)	Rating (%)	Share (%)
6 PM to midnight				
LTM March 2015	23	42	55	100
2014	23	42	55	100
2013	26	47	54	100
2012	27	50	54	100

Source: IBOPE Telereport—PNT 2012/2013/2014/2015 (through March 2015)

In the table above, information regarding (i) audience share is expressed as the result of the number of households with a television set tuned to a specific channel during the time of broadcast divided by the total number of households with a television set turned on, including other uses of television such as DVD, video-recorder and other appliances connected to a television, and (ii) audience ratings is expressed as the result of the number of households with a television set tuned to a specific channel during the time of broadcast divided by the total number of households with at least one television set, regardless of whether it is turned on or off.

Globo competes with various other sources of entertainment and news—including other television, premium pay-TV and subscription VoD services, feature films, the Internet, home entertainment products, videogames, social networking, print media, pirated content, live sports and other events—for consumers' leisure and entertainment time and discretionary spending. The increasing number of media and entertainment choices available to consumers has made it much more difficult to maintain audience ratings and audience share.

Transmission and Exhibition Rights

Olympic Games

In August 2009, Globo and Globosat acquired, respectively, the free and pay-TV non-exclusive transmission rights to the 2016 Olympic Games to be held in Rio de Janeiro, Brazil. The free television broadcast rights were jointly acquired by Globo and Bandeirantes de Comunicação, one of Globo's competitors. The Internet, radio and mobile device transmission rights were also acquired by Globo.

FIFA World Cups

Globo has acquired, on an exclusive basis, free and pay-TV rights, as well as mobile and Internet rights, with respect to upcoming editions of the FIFA World Cup and other FIFA events, such as FIFA Confederations Cup.

Certain Material Dispositions and Acquisitions

A summary description of certain material dispositions and acquisitions of Globo follows. For a more extensive description of Globo's dispositions and acquisitions since January 1, 2012, and for a more detailed discussion of the dispositions described below, see the notes to the financial statements of Globo included in this offering memorandum.

In January 2013, Grupo Globo completed the acquisition of ZAP S.A. – Internet ("ZAP"), an Internet advertising site focusing on real estate. Grupo Globo had previously acquired a 50% equity interest in ZAP. ZAP is an Internet service company that operates a classified advertisement site primarily focused on the real estate sector. On June 6, 2013, Grupo Globo contributed its investment in ZAP to UGB Participações S.A., a wholly owned subsidiary of Globo, in exchange for equity in the amount of R$102 million, thereby diluting Globo's equity interest in UGB from 100% to 56.25%. Grupo Globo's interest in UGB is presented as "non-controlling interests."

In November 2013 and January 2014, Globo sold its subsidiaries Valônia Serviços de Intermediação e Participações S.A., Mosaico Negócios de Internet S.A., Mundi Negócios de Internet Ltda., Gazeus Negócios de Internet S.A. and Gazzag Serviços de Internet Ltda. and recognized a loss of R$110 million, which is recorded under "investment results" in the consolidated statement of income for the year ended December 31, 2014.

At the end of 2013, Globo also discontinued its promotion and events activities and recognized an impairment loss with respect to the related assets, including goodwill, of R$18 million, which is recorded under "other investment results" in the consolidated statement of income for the year ended December 31, 2013.

In December 2014, ZAP acquired Pense Imóveis Serviços de Internet S.A. ("Pense"). Pense is an Internet service company that operates a classified advertisement site primarily focused on the real estate sector. The fair value assessment of the assets acquired and liabilities assumed was concluded in March 2015. The excess paid over net assets, in an aggregate amount of R$27.4 million, was allocated to "trademarks and patents", "customer relationships", "non-compete agreements" and "goodwill" on the balance sheet at March 31, 2015.

Several changes have been made in Globo's ownership interests and agreements with its investees relating to Globo's pay-TV activities as a result of the approval of Law 12,485 in 2011 (the "New Pay-TV Law'), pursuant to which non-Brazilian entities were allowed to own a controlling interest in Brazilian cable companies. In addition, the New Pay-TV Law provides that producers, programmers and broadcasting companies, such as Globo, are not permitted to hold controlling stakes in telecommunication companies in Brazil, either directly or indirectly. These ownership limitations came into force in September 2012.

In order to comply with the requirements of the New Pay-TV Law, the shareholders' agreements for Sky Brasil Serviços Ltda. ("Sky Brasil") and Net Serviços, as well as EG Participações S.A. ("EGpar"), a special purpose company that holds a minority interest in Net Serviços de Comunicação S.A. ("Net Serviços") (now Claro S.A., see "Management's Discussion and Analysis of Financial Condition and Results of Operations of Globo—Certain Material Dispositions and Acquisitions— Ownership Interest in Claro S.A."), have been amended. These agreements no longer contain any provision that could be deemed to grant Globo any control or significant influence over Net Serviços or Sky Brasil. Accordingly, at the end of 2012, these investments were remeasured at fair value and the difference between the fair value and its carrying amount, in an aggregate amount of R$691.9 million, was recorded as "financial income" in the consolidated statement of income for the year ended December 31, 2012. Since then, except for the direct ownership in Net Serviços held by Globo and sold in October 2013, these investments have been classified as available for sale and fair value fluctuations have been recorded in equity.

Ownership Interest in Claro S.A.

In December 2014, following the approval of certain corporate reorganizations of the America Móvil group in Brazil, primarily comprised of Net Serviços, Empresa Brasileira de Telecomunicações S.A. - Embratel ("Embratel") and Claro S.A. ("Claro"), Net Serviços and Embratel were merged into Claro with the objective of creating a consolidated, multiservice company, including cable television services, high-speed Internet access services through cable network, as well as fixed and mobile line telephony service, among other telecommunications services.

Following this reorganization, Globo exchanged its shares in Net Serviços for shares in Claro based on the fair value measurements of both companies. Accordingly, at December 31, 2014, Globo's ownership interest in Claro was 1.85%, held indirectly through EG Participações S.A.

Ownership Interest in Sky Brasil

Sky Brasil operates pay-TV services via satellite (Direct to Home) through the use of mini-parabolic antennas in the Ku band and broadband. Sky Brasil operates the Sky System in Brazil with DirectTV Group. At December 31, 2014 and March 31, 2015, the Company had a 7% interest in Sky Brasil.

Financial Presentation and Accounting Policies

Consolidated Financial Statements

Globo's audited consolidated financial statements as of and for the years ended December 31, 2014, 2013 and 2012 were prepared in accordance with Brazilian GAAP and IFRS, and Globo's unaudited interim condensed consolidated financial information as of March 31, 2015 and for the three months ended March 31, 2015 and 2014 was prepared in accordance with IAS 34.

Critical Accounting Policies

The preparation of Globo's financial position and results of operation requires Globo to make certain judgments and estimates regarding the effects of matters that are inherently uncertain and that impact the carrying value of Globo's assets and liabilities. Actual results could differ from those estimates. In order to provide an understanding about how Globo forms its judgments and estimates about certain future events, including the variables and assumptions underlying the estimates, and the sensitivity of those judgments to different variables and conditions, Globo has summarized the critical accounting policies set forth below.

Transmission and exhibition rights

Transmission and exhibition rights are comprised of film, live events and other exhibition rights, and are recorded at the acquisition cost when such rights become available or when advances are made, whichever occurs first.

Film costs include the unamortized cost of film and television series rights acquired from third parties pursuant to acquisition agreements. A film's amortization is determined based upon the benefit generated for each exhibition throughout its contractual life cycle.

Live events include mainly sports rights, including soccer championships transmission rights, and are amortized as aired.

The recovery of live events and film rights is revised on a title-by-title basis, and, if necessary, is written off when it becomes known that a film or event will not be aired by the end of the contract term.

Casting rights are represented by the total amount of contracts with artists and are allocated to programming production costs using the straight-line method over the contract term.

The production costs of completed and in process *telenovelas*, mini-series, series and other television programming are also recorded as exhibition rights. These rights are expensed as the programs are aired. Programs are written off when it is determined they will not be aired.

Business combination and goodwill

The purchase method of accounting is used to account for business combinations. The cost of an acquisition is measured as the total consideration transferred, including assets given and any equity or debt instruments issued, at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. Acquisition costs incurred are expensed as incurred. Identifiable assets acquired and liabilities, and contingent liabilities assumed in a business combination, are measured initially at their fair values at the acquisition date.

Goodwill is initially measured as the difference between the transferred consideration exceeding the acquired net assets (identifiable net assets acquired and liabilities assumed). After initial recognition, goodwill is measured at cost, net of any accumulated impairment losses, and not subject to amortization.

There were no significant business combinations in 2014 and 2013.

Other intangibles

Other intangible assets are comprised mainly of software acquired separately and measured on initial recognition at cost and assets acquired in business combinations, and measured at fair value on initial recognition. The useful lives of these intangible assets are assessed as finite and they are amortized over the useful economic lives. Globo assesses for impairment whenever there is an indication that the intangible asset may be impaired.

Property, plant and equipment

Land and buildings are comprised mainly of studios, production facilities and offices. All property, plant and equipment is stated at acquisition or construction cost, less accumulated depreciation and/or accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Globo and the cost of the item can be measured reliably. The carrying amount of the replaced part is written off. All other repairs and maintenance are charged to the consolidated statement of income during the financial period in which they are incurred.

Depreciation is recorded using the straight-line method based upon the estimated economic useful lives of the asset. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end.

Provisions for contingencies and other liabilities

Provisions for contingencies are recognized when: Globo has a present legal obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, and the increase in the provision due to passage of time is recognized as interest expense.

Income tax and social contribution

Current income tax and social contribution is calculated based on profit, adjusted by additions and deductions as determined by the current tax legislation. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax and social contribution are recognized on tax loss carryforwards, negative basis of social contribution and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax and social contribution assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Results of Operations

Three Months Ended March 31, 2015 Compared to Three Months Ended March 31, 2014

The following table sets out the components of Globo's unaudited interim condensed consolidated statements of income for the three months ended March 31, 2015 and 2014:

	Three months ended March 31, 2015	2014
	(in millions of *reais*) (*unaudited*)	
Consolidated Statements of Income:		
Net sales, advertising and services	R$ 3,622.2	R$ 3,672.1
Cost of sales, advertising and services	(1,726.2)	(1,653.0)
Selling expenses	(312.9)	(346.9)
General and administrative expenses	(425.5)	(383.1)
Gain on sale of property, plant and equipment	0.3	2.4
Other operating expenses	(12.4)	(12.9)
Financial income, net	121.4	64.8
Equity pick-up	58.5	43.2
Investment results	(2.8)	–
Income tax and social contribution	(410.2)	(450.9)
Net income for the period	R$ 912.4	R$ 935.7
Other Data:		
Adjusted EBITDA (1)	R$ 1,234.2	R$ 1,352.6
Adjusted EBITDA margin (1)(2)	34.1%	36.8%

(1) See footnote 4 under "Summary Historical Consolidated Financial Information of Globo" for an explanation of Adjusted EBITDA and a reconciliation of net income to Adjusted EBITDA.
(2) Adjusted EBITDA margin is equal to Adjusted EBITDA divided by net sales, advertising and services.

Net sales, advertising and services

Globo's net sales, advertising and services decreased by R$49.9 million, or 1.4%, from R$3,672.1 million in the three months ended March 31, 2014 to R$3,622.2 million in the three months ended March 31, 2015, due primarily to (i) a R$165.8 million decrease in advertising revenues driven primarily by a weaker advertising market in Brazil in the three months ended March 31, 2015 as compared to the three months ended March 31, 2014 and (ii) a R$15.7 million decrease in other revenues primarily as a result of Globo's merchandising activities, partially offset by (iii) a R$131.6 million increase in content/programming revenues resulting principally from growth in the overall pay-TV subscriber base.

Cost of sales, advertising and services

Globo's cost of sales, advertising and services increased R$73.2 million, or 4.4%, from R$1,653.0 million in the three months ended March 31, 2014 to R$1,726.2 million in the three months ended March 31, 2015. Depreciation and amortization related to assets used in production included in cost of sales, advertising and services was R$37.1 million in the three months ended March 31, 2014 and R$44.5 million in the three months ended March 31, 2015. The increase in cost of sales, advertising and services was primarily a result of (i) a R$78.9 million increase in costs associated with transmission and exhibition rights and (ii) a R$24.9 million increase in personnel expenses as a result of an increase in the total number of Globo employees and annual labor union wage adjustments under collective bargaining agreements, offset in part by (iii) a R$38.0 million decrease in other costs mainly related to rentals, travel expenses, production costs, maintenance and other costs.

Selling expenses

Globo's selling expenses decreased R$34.0 million, or 9.8%, from R$346.9 million in the three months ended March 31, 2014 to R$312.9 million in the three months ended March 31, 2015. Selling expenses include depreciation and amortization of R$0.2 million in each of the three months ended March 31, 2014 and 2015. The decrease in selling expenses was primarily the result of: (i) a R$29.5 million decrease attributable to lower sales commissions paid as a result of weaker advertising sales during the quarter; and (ii) a R$11.1 million decrease in marketing and promotion, IT services, travel and other expenses, partially offset by provisions for bad debts; partially offset by a R$6.7 million increase in other expenses primarily attributable to higher employee expenses from an increase in the number of Globo's employees and annual labor union wage adjustments under collective bargaining agreements.

General and administrative expenses

Globo's general and administrative expenses increased R$42.4 million, or 11.1%, from R$383.1 million in the three months ended March 31, 2014 to R$425.5 million in each of the three months ended March 31, 2015. General and administrative expenses include depreciation and amortization of R$29.2 million in the three months ended March 31, 2014 and R$34.0 million in the three months ended March 31, 2015. The increase in general and administrative expenses was primarily due to: (i) a R$15.8 million increase in employee expenses due to an increase in the number of Globo's employees and annual labor union wage adjustments under collective bargaining agreements; (ii) a R$14.9 million increase in rent expense and other administrative expenses; and (iii) a R$6.9 million increase in expenses such as IT services, partially offset by a decrease in maintenance, consulting and third party expenses.

Gain on sale of property, plant and equipment

Globo recorded a gain on sale of property, plant and equipment of R$0.3 million for the three months ended March 31, 2015 compared to a gain of R$2.4 million for the three months ended March 31, 2014 due to the impact of the sale of a property in the three months ended March 31, 2014.

Other operating expenses

Globo had other operating expenses of R$12.4 million in the three months ended March 31, 2015, compared to other operating expenses of R$12.9 million in the three months ended March 31, 2014. The increase in other operating expenses in the three months ended March 31, 2015 as compared to the prior year period was primarily the result of higher taxes related to intercompany revenues.

Financial income, net

Globo's financial income, net increased R$56.6 million, or 87.3%, from a financial income, net of R$64.8 million in the three months ended March 31, 2014 to a financial income, net of R$121.4 million in the three months ended March 31, 2015. This increase was principally due to (i) a R$463.2 million increase in financial income, from R$247.2 million in the three months ended March 31, 2014 to R$710.4 million in the three months ended March 31, 2015, primarily related to financial gains resulting from derivatives transactions with respect to cash flow hedging and higher interest rates (CDI) on cash equivalents and marketable securities balances in the three months ended March 31, 2015; which was partially offset by (ii) a R$406.6 million increase in financial expenses, from R$182.4 million in the three months ended March 31, 2014 to R$589.0 million in the three months ended March 31, 2015, primarily related to a R$460.3 million foreign exchange variation expense in the three months ended March 31, 2015 as a result of the 20.8% depreciation of the real against the U.S. dollar over the three months ended March 31, 2015 compared to a 3.4% appreciation of the real against the U.S. dollar over the three months ended March 31, 2014.

Equity pick-up

Globo's equity pick-up increased R$15.3 million, or 35.4%, from a gain of R$43.2 million in the three months ended March 31, 2014 to a gain of R$58.5 million in the three months ended March 31, 2015 primarily as a result of our portfolio companies' improved operational results in 2015.

Investment results

Globo recorded no impact on sale of interest in associates and other investment results for the three months ended March 31, 2014 as compared to a loss of R$2.8 million for the three months ended March 31, 2015, primarily due to expenses associated with minor investments.

Income tax and social contribution

Globo's income tax and social contribution decreased R$40.7 million, or 9.0%, from an expense of R$450.9 million in the three months ended March 31, 2014 to an expense of R$410.2 million in the three months ended March 31, 2015, primarily due to a decrease in taxable income.

Net income for the period

As a result of the factors discussed above, Globo's net income decreased R$23.3 million, or 2.5%, from R$935.7 million in the three months ended March 31, 2014 to R$912.4 million in the three months ended March 31, 2015.

Adjusted EBITDA

Globo's Adjusted EBITDA decreased R$118.4 million, or 8.8%, from R$1,352.6 million in the three months ended March 31, 2014 to R$1,234.2 million in the three months ended March 31, 2015, primarily attributable to Globo's declining operating results in line with the performance of the advertising market in 2015.

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

The following table sets out the components of Globo's consolidated statements of income for the years ended December 31, 2014 and 2013:

	Year ended December 31,	
	2014	2013
	(in millions of *reais*)	
Consolidated Statements of Income:		
Net sales, advertising and services	R$ 16,243.9	R$ 14,635.7
Cost of sales, advertising and services	(8,528.1)	(7,744.7)
Selling expenses	(1,701.0)	(1,557.1)
General and administrative expenses	(1,798.0)	(1,761.2)
Loss on sale of property, plant and equipment	(28.6)	(4.3)
Other operating expenses	(69.2)	(45.5)
Finance income, net	42.7	219.8
Equity pick-up	185.9	152.1
Investment results	4.7	(132.8)
Income tax and social contribution	(1,995.2)	(1,258.8)
Net income for the year	R$ 2,357.1	R$ 2,503.3
Other Data:		
Adjusted EBITDA(1)	R$ 4,597.1	R$ 3,889.5
Adjusted EBITDA margin(2)	28.3%	26.6%

(1) See footnote 4 under "Summary Historical Consolidated Financial Information of Globo" for an explanation of Adjusted EBITDA and a reconciliation of net income to Adjusted EBITDA.
(2) Adjusted EBITDA margin is equal to Adjusted EBITDA divided by net sales, advertising and services.

Net sales, advertising and services

Globo's net sales, advertising and services increased R$1,608.2 million, or 11.0%, from R$14,635.7 million in 2013 to R$16,243.9 million in 2014, mainly due to (i) a R$974.6 million increase in advertising revenues driven by a 4.10% growth in the overall advertising market in Brazil in 2014 and by the 2014 World Cup and (ii) a R$754.9 million increase in content/programming revenues resulting from a growth in pay-TV subscriber base as well as pay-per-view orders, partially offset by (iii) a R$121.3 million decrease principally related to the discontinuation of certain businesses.

Cost of sales, advertising and services

Globo's cost of sales, advertising and services increased R$783.4 million, or 10.1%, from R$7,744.7 million in 2013 to R$8,528.1 million in 2014. Depreciation and amortization related to assets used in production included in cost of sales, advertising and services was R$162.5 million in 2014 and R$141.9 million in 2013. The increase in cost of sales, advertising and services was principally a result of (i) a R$639.0 million increase in costs associated with transmission and exhibition rights and third-party services mostly related to the 2014 World Cup; (ii) a R$94.2 million increase in personnel expense as a result of an increase in the total number of Globo employees and annual labor union wage adjustments under collective bargaining agreements, partially offset by payroll-tax cuts that became effective in 2014; and (iii) a R$29.6 million increase in other costs, mainly in production costs, rentals and travel expenses attributable to higher overall programming activities. This increase was partially offset by a decrease in cost of sales, advertising and services related to the discontinuation of certain businesses.

Selling expenses

Globo's selling expenses increased R$143.9 million, or 9.2%, from R$1,557.1 million in 2013 to R$1,701.0 million in 2014. Selling expenses include depreciation and amortization of R$0.7 million in 2013 and R$0.7 million in 2014. The increase in selling expenses was primarily the result of (i) a R$143.8 million increase in sales compensation and (ii) a R$51.6 million increase in marketing and promotion expenses. The increase in selling expenses was offset in part by (iii) a R$15.5 million decrease in personnel expenses, largely attributable to payroll-tax cuts that became effective in 2014 (the impact of which was mitigated by an increase in the number of Globo's employees and annual labor union wage adjustments under collective bargaining agreements), and (iv) a R$36.0 million decrease in other expenses largely attributable to the discontinuation of certain businesses (the impact of which was mitigated by an increase in costs associated with travel and IT services in Globo's continuing businesses).

General and administrative expenses

Globo's general and administrative expenses increased R$36.8 million, or 2.1%, from R$1,761.2 million in 2013 to R$1,798.0 million in 2014. General and administrative expenses include depreciation and amortization of R$108.3 million in 2013 and R$123.4 million in 2014. The increase in general and administrative expenses was primarily due to (i) a R$62.8 million increase in expenses such as IT services, services rendered by third parties, rent and advisory services and rentals, and (ii) a R$10.6 million decrease in employee expenses due to the discontinuation of certain businesses in 2013, partially offset by an increase in the number of Globo's employees and expenses due to an increase in the number of Globo's employees and annual labor union wage adjustments under collective bargaining agreements. These increases were partly offset by a R$30.5 million decrease in other expenses largely attributable to payroll-tax cuts that became effective in 2014 and the discontinuation of certain businesses in 2013.

Loss on sale of property, plant and equipment

Globo recorded a loss on sale of property, plant and equipment of R$28.6 million in 2014 compared to a loss of R$4.3 million in 2013, mainly due to a charitable donation of a property in 2014.

Other operating expenses

Globo had other operating expenses of R$69.2 million in 2014, compared to other operating expenses of R$45.5 million in 2013. The increase in other operating expenses in 2014 was primarily the result of (i) taxes related to intercompany revenues and (ii) the recognition of intangible assets loss.

Financial income, net

Globo's financial income, net decreased R$177.1 million, or 80.6%, from financial income, net of R$219.8 million in 2013 to financial income, net of R$42.7 million in 2014. This decrease was principally due to (i) a R$345.4 million increase in financial expense, from R$530.0 million in 2013 to R$875.4 million in 2014, primarily due to a one-time recognition of the impact of a refinancing tax program in 2014 of R$354.4 million and an increase in exchange rates applicable to Globo's foreign currency debt interest expense in 2014; which was partially offset by (ii) a R$168.3 million increase in financial income, from R$749.8 million in 2013 to R$918.1 million in 2014, mostly related to higher interest rates (CDI) applied on cash equivalents and marketable securities balances along with dividends received from Sky Brasil, partially offset by a decrease in financial gains from derivatives transactions carried out solely for cash flow hedging purposes.

Equity pick-up

Globo's equity pick-up increased R$33.8 million, or 22.2%, from a gain of R$152.1 million in 2013 to a gain of R$185.9 million in 2014, primarily as a result of our portfolio companies' improved operational results in 2014.

Investment results

Globo's investment results changed by R$137.5 million from a loss of R$132.8 million in 2013 to a gain of R$4.7 million in 2014 mainly due to: (i) net gain on the sale of a subsidiary in 2014, partially offset by (ii) losses on the sale of Globo's Internet subsidiaries and impairment losses on promotion and events activities in 2013.

Income tax and social contribution

Globo's income tax and social contribution increased R$736.4 million, or 58.5%, from an expense of R$1,258.8 million in 2013 to an expense of R$1,995.2 million in 2014, mainly due to the one-time recognition of the impact of a refinancing tax program in the third quarter, as well as increased taxable income. For further information with respect to Globo's participation in the refinancing tax program, see note 15 to our audited consolidated financial statements as of and for the years ended December 31, 2014 and 2013.

Net income for the year

As a result of the factors discussed above, Globo's net income decreased R$146.2 million, or 5.8%, from R$2,503.3 million in 2013 to R$2,357.1 million in 2014.

Adjusted EBITDA

Globo's Adjusted EBITDA increased R$707.6 million, or 18.2%, from R$3,889.5 million in 2013 to R$4,597.1 million in 2014, primarily as a result of growth in net operating revenues, offset in part by increased cost of sales, advertising and services, selling expenses, and general and administrative expenses.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

The following table sets out the components of Globo's consolidated statements of income for the years ended December 31, 2013 and 2012:

	Year ended December 31,	
	2013	2012
	(in millions of *reais*)	
Consolidated Statements of Income:		
Net sales, advertising and services	R$ 14,635.7	R$ 12,710.2
Cost of sales, advertising and services	(7,744.7)	(6,932.7)
Selling expenses	(1,557.1)	(1,372.1)
General and administrative expenses	(1,761.2)	(1,553.9)
Gain (loss) on sale of property, plant and equipment	(4.3)	0.2
Other operating expenses	(45.5)	(35.9)
Financial income, net	219.8	910.0
Equity pick-up	152.1	197.9
Investment results	(132.8)	(38.1)
Income tax and social contribution	(1,258.8)	(937.6)
Net income for the year	R$ 2,503.3	R$ 2,948.1
Other Data:		
Adjusted EBITDA[1]	R$ 3,889.5	R$ 3,132.0
Adjusted EBITDA margin[1][2]	26.6%	24.6%

(1) See footnote 4 under "Summary Historical Consolidated Financial Information of Globo" for an explanation of Adjusted EBITDA and a reconciliation of net income to Adjusted EBITDA.

(2) Adjusted EBITDA margin is a non-GAAP measure and is equal to Adjusted EBITDA divided by net sales, advertising and services.

Net sales, advertising and services

Globo's net sales, advertising and services increased R$1,925.5 million, or 15.1%, from R$12,710.2 million in 2012 to R$14,635.7 million in 2013, primarily due to (i) a R$1,252.7 million increase in advertising revenues mainly due to higher sales volume combined with Globo's periodic readjustment of prices; (ii) a R$607.2 million increase in content/programming revenues resulting from growth in pay-TV subscriber base; and (iii) a R$65.6 million increase in other revenues, primarily related to sales of music label for downloading and ringtones, copyright fees for the public performance of musical works, sublicensing of sports transmission and exhibition rights and higher revenue from the sale of live events.

Cost of sales, advertising and services

Globo's cost of sales, advertising and services increased R$812.0 million, or 11.7%, from R$6,932.7 million in 2012 to R$7,744.7 million in 2013. Cost of sales, advertising and services included depreciation and amortization of R$141.9 million in 2013 and R$139.5 million in 2012. The increase in cost of sales, advertising and services was mainly due to (i) a R$484.1 million increase in costs associated with transmission and exhibition rights; (ii) a R$221.3 million increase in personnel expense as a result of an increase in the total number of Globo employees and annual labor union wage adjustments under collective bargaining agreements; and (iii) a R$104.2 million increase in other costs, mainly related to third-party services, rentals, travel expense and other costs.

Selling expenses

Globo's selling expenses increased R$185.0 million, or 13.5%, from R$1,372.1 million in 2012 to R$1,557.1 million in 2013. Selling expenses include depreciation and amortization of R$0.7 million in 2013 and R$0.7 million in 2012. The increase in selling expenses was primarily a result of (i) a R$141.8 million increase in expenses driven by higher sales commissions as a result of increased advertising sales; (ii) a R$30.4 million increase mainly attributable to higher employee expenses due to an increase in the number of Globo's employees and annual labor union wage adjustments under collective bargaining agreements; and (iii) a R$12.8 million increase in business infrastructure, marketing and promotion expenses and third-party services.

General and administrative expenses

Globo's general and administrative expenses increased R$207.3 million, or 13.3%, from R$1,533.9 million in 2012 to R$1,761.2 million in 2013. General and administrative expenses include depreciation and amortization of R$108.3 million in 2013 and R$94.3 million in 2012. The increase in general and administrative expenses was primarily due to (i) a R$96.3 million increase in other expenses mainly due to the one-time recognition of the impact of a refinancing tax program in the fourth quarter of 2013 and higher provision for contingencies; (ii) a R$53.8 million increase in employee expenses due to an increase in the number of Globo's employees and annual labor union wage adjustments under collective bargaining agreements; and (iii) a R$43.2 million increase in expenses such as business infrastructure services, consulting, travel expense, rentals and third-party services.

Gain (loss) on sale of property, plant and equipment

Globo recorded a loss on sale of property, plant and equipment of R$4.3 million in 2013 compared to a gain of R$0.2 million in 2012, primarily as a result of an impairment loss in fixed assets in 2013.

Other operating expenses

Globo had other operating expenses of R$45.5 million in 2013, compared to other operating expenses of R$35.9 million in 2012. The increase in other operating expenses in 2013 was primarily due to taxes related to higher intercompany revenues.

Financial income, net

Globo's financial income, net decreased R$690.2 million, or 75.8%, from financial income, net of R$910.0 million in 2012 to financial income, net of R$219.8 million in 2013. This decrease was principally due to (i) a R$504.7 million decrease in financial income, from R$1,254.5 million in 2012 to R$749.8 million in 2013 mostly related to a one-time fair value adjustment relating to the investment in Net Serviços and Sky Brasil in 2012 and due to lower interest rates in 2013, partially offset by financial income resulting from higher cash equivalents and marketable securities balances in 2013; (ii) a R$185.5 million increase in financial expense, from R$344.5 million in 2012 to R$530.0 million in 2013, mainly as a result of monetary and exchange rate variations as a result of the 14.6% depreciation of the *real* against the U.S. dollar in 2013 compared to a 8.9% depreciation of the *real* against the U.S. dollar in 2012; and the interest expense related to the one-time recognition of the impact of a refinancing tax program in the fourth quarter of 2013, partially offset by the prepayment of local currency debt that occurred in April 2012.

Equity pick-up

Globo's equity pick-up decreased R$45.8 million, or 23.1%, from a gain of R$197.9 million in 2012 to a gain of R$152.1 million in 2013, primarily from the discontinuation of the equity method of accounting applied to the investments made in Sky Brasil and Net Serviços in 2012, partially offset by improved results of Globo's associate and jointly controlled entities in 2013.

Investment results

Globo's investment results changed by R$94.7 million to a loss of R$132.8 million in 2013 compared to a loss of R$38.1 million in 2012, mainly due to a loss on the sale of Globo's Internet subsidiaries and impairment loss of promotion and events activities in 2013.

Income tax and social contribution

Globo recorded income tax and social contribution expense of R$1,258.8 million in 2013 compared to income tax and social contribution expense of R$937.6 million in 2012, the increase was primarily as a consequence of the increase in taxable income in 2013.

Net income for the year

As a result of the factors described above, Globo's net income decreased R$444.8 million, or 15.1%, from R$2,948.1 million in 2012 to R$2,503.3 million in 2013.

Adjusted EBITDA

Globo's Adjusted EBITDA increased R$757.4 million, or 24.2%, from R$3,132.0 million in 2012 to R$3,889.5 million in 2013, mainly due to strong operating results in line with the strong performance of the advertising market, as well as an improvement of pay-TV subscriber base in 2013.

Liquidity and Capital Resources

Globo generally relies on operating income to fund its working capital needs, capital expenditures, acquisitions, investments and interest and principal payments on indebtedness. Globo's financial condition and liquidity are influenced by a variety of factors, including macroeconomic conditions in Brazil and in Latin America in general, the strength of the overall advertising and broadcast television markets in Brazil, Globo's ability to attract and retain viewers on the Globo Network, the strength of pay-TV market in Brazil, Globo's ability to generate cash flows from its operations, Globo's level of outstanding indebtedness and the interest it is required to pay thereon, its ability to hedge interest rate and currency fluctuations (especially of the *real* against the U.S. dollar), and its capital expenditure requirements.

In 2014, Globo's primary source of liquidity was from cash provided by operating activities.

In 2014, cash flow generated was used primarily to pay dividends, for working capital and capital expenditures. As of December 31, 2014, 2013 and 2012, Globo's consolidated cash, cash equivalents and marketable securities amounted to R$7,752.7 million, R$9,045.1 million and R$7,077.8 million, respectively. As of March 31, 2015, Globo's consolidated cash, cash equivalents and marketable securities amounted to R$7,997.2 million.

Cash Flows

Cash flows for the three months ended March 31, 2015 and 2014

	Three months ended March 31,	
	2015	2014
	(in millions of *reais*)	
Net cash provided by operating activities	R$ 1,113.2	R$ 806.1
Net cash used in investing activities	(1,995.1)	(498.8)
Net cash used in financing activities	(753.3)	(1,396.1)
Decrease in cash and cash equivalents	**R$ (1,635.2)**	**R$ (1,088.8)**

Operating activities

Globo's net cash provided by operating activities increased R$307.1 million, or 38.1%, from R$806.1 million in the three months ended March 31, 2014 to R$1,113.2 million in the three months ended March 31, 2015. The increase was primarily due to a decrease in transmission and exhibition rights from R$1,077.6 million in the three months ended March 31, 2014 to R$760.1 million in the three months ended March 31, 2015.

Investing activities

Globo's net cash used in investing activities increased R$1,496.3 million from R$498.8 million in the three months ended March 31, 2014 to R$1,995.1 million in the three months ended March 31, 2015. This increase was primarily due to an increase of R$1,488.9 million in marketable securities.

Financing activities

Globo's net cash used in financing activities decreased R$642.8 million from R$1,396.1 million in the three months ended March 31, 2014 to R$753.3 million in the three months ended March 31, 2015. This decrease was primarily due to a decrease of R$660.7 million in dividends paid.

Cash flows for the years ended December 31, 2014, 2013 and 2012

	Year ended December 31,		
	2014	2013	2012
		(in millions of *reais*)	
Net cash provided by operating activities	R$ 2,524.6	R$ 3,457.8	R$ 2,365.5
Net cash provided by (used in) investing activities	596.1	(554.8)	(1,845.0)
Net cash used in financing activities	(3,216.6)	(1,308.0)	(83.6)
Increase (decrease) in cash and cash equivalents	**R$ (95.9)**	**R$ 1,594.9**	**R$ 437.0**

Operating activities

Globo's cash provided by operating activities decreased R$933.2 million, or 27.0%, from R$3,457.8 million in 2013 to R$2,524.6 million in 2014. The decrease was primarily due to an increase of payments of income tax and social contribution of R$1,241.6 million mainly due to the one-time recognition of the impact of a refinancing tax program in the third quarter, which was partially offset by an increase of R$590.2 million in income before tax and social contribution.

Globo's cash provided by operating activities increased R$1,092.3 million, or 46.2%, from R$2,365.5 million in 2012 to R$3,457.8 million in 2013. The increase was primarily due to an increase in the cash generated by Globo's operations and advances from customers of R$464.3 million.

Investing activities

Globo's net cash provided by (used in) investing activities changed R$1,150.9 million from net cash used in investing activities of R$554.8 million in 2013 to net cash provided by investing activities of R$596.1 million in 2014. This change was primarily due to a net redemption of R$1,196.4 million in marketable securities in 2014 compared to an increase in marketable securities of R$372.3 million.

Globo's net cash used in investing activities decreased R$1,290.2 million, from R$1,845.0 million in 2012 to R$554.8 million in 2013. This decrease was primarily due to a decrease of R$1,045.0 million in the acquisition of marketable securities.

Financing activities

Globo's net cash used in financing activities increased R$1,908.6 million from R$1,308.0 million in 2013 to R$3,216.6 million in 2014. The increase was primarily due to an increase in the amount of dividends paid to shareholders, from R$1,327.9 million in 2013 to R$3,460.3 million in 2014.

Globo's net cash used in financing activities increased R$1,224.4 million from R$83.6 million in 2012 to R$1,308.0 million in 2013. The increase was primarily due to dividends paid to shareholders, from R$525.3 million in 2012 to R$1,327.9 million in 2013.

Indebtedness

Debt Financing

As of March 31, 2015, Globo had total assets of R$19,639.5 million compared to R$18,393.5 million as of December 31, 2014. Given its strong cash position, Globo's cash and cash equivalents and marketable securities exceeded its total debt. Globo had negative net debt, i.e., net cash of R$5,050.9 million at March 31, 2015, compared to net cash of R$5,267.2 million at December 31, 2014. Net debt (cash) is calculated as total debt less cash and cash equivalents and marketable securities. Net debt (cash) is a non-GAAP measure and is not a recognized measure under Brazilian GAAP or IFRS.

Globo's total debt of R$2,946.3 million as of March 31, 2015 (all of which was unsecured) increased by 18.5% compared to R$2,485.6 million as of December 31, 2014. Globo's short-term debt represented 2.5% of Globo's total debt as of March 31, 2015 compared to 2.8% as of December 31, 2014. Globo's U.S. dollar-denominated debt as of March 31, 2015 represented 92.2% of Globo's total debt, compared to 89.7% as of December 31, 2014.

For a description of the terms of Globo's existing debt, see "Description of Other Indebtedness of Globo."

The following tables show certain material terms, conditions and the repayment schedule of Globo's debt financing as of March 31, 2015 (in millions of *reais*):

Description	Accrued and unpaid interest	Within one year	2016 – 2021	2022	After 2022	Total
Step-Up Perpetual Notes	12.7	—	—	—	1,042.6	**1,055.3**
Step-Up Senior Notes	13.1	—	—	641.6	—	**654.7**
4.875% Senior Notes	22.0	—	—	962.4	—	**984.4**
Bank credit notes	6.2	—	154.7	28.1	42.2	**231.2**
Finimp	0.5	20.1	—	—	—	**20.6**
TOTAL	54.5	20.1	154.7	1,632.1	1,084.8	2,946.3

Description	Currency	Interest rate	Maturity	Guarantees
Step-Up Perpetual Notes	US$	6.25%/9.375%	No Maturity	None
Step-Up Senior Notes	US$	5.307%/7.25%	May 2022	None
4.875% Senior Notes	US$	4.875%	April 2022	None
Bank credit notes	R$	95% CDI	June 2024	None
Finimp	US$	Various	June 2015	None

Short-Term Indebtedness

Globo's consolidated short-term debt increased by R$5.5 million to R$74.7 million as of March 31, 2015 from R$69.2 million as of December 31, 2014, primarily as a result of the maturity of the Bank Loans described in "Description of Other Indebtedness of Globo" in March 2015.

Globo's short-term debt of R$74.7 million as of March 31, 2015 consisted of the following (in millions of *reais*):

Description	Accrued and unpaid interest	Principal due within one year	Total
Step-Up Perpetual Notes	12.7	—	12.7
Step-Up Senior Notes	13.1	—	13.1
4.875% Senior Notes	22.0	—	22.0
Bank credit notes	6.2	—	6.2
Finimp	0.5	20.1	20.6
TOTAL	54.5	20.1	74.7

Long-Term Indebtedness

Globo's consolidated long-term debt increased by R$455.2 million to R$2,871.6 million as of March 31, 2015 from R$2,416.4 million as of December 31, 2014, primarily as a result of the depreciation of the *real* against the U.S. dollar applied to Globo's U.S. dollar-denominated debt obligations.

Globo's long-term debt of R$2,871.6 million as of March 31, 2015 consisted of the following (in millions of *reais*):

Description	2016 – 2021	2022	After 2022	TOTAL
Step-Up Perpetual Notes	—	—	1,042.6	1,042.6
Step-Up Senior Notes	—	641.6	—	641.6
4.875% Senior Notes	—	962.4	—	962.4
Bank credit notes	154.7	28.1	42.2	225.0
TOTAL	**154.7**	**1,632.1**	**1,084.8**	**2,871.6**

Off-Balance Sheet Financing Arrangements

As of March 31, 2015, Globo had no off-balance sheet arrangements.

Commitments

In connection with its operational activities, Globo has commitments related to its acquisition of transmission and exhibition rights, including live events, films, documentaries, television series and other rights. Globo's main commitments as of March 31, 2015 consisted of the following (in millions of *reais*):

	Within one year	After one year and less than five years	After five years	Total
Transmission and exhibition rights	3,689.3	6,134.2	3,427.6	13,251.1

Seasonality

Globo's cash flows historically have been greater in the second half of each year as a result of several factors, including the holiday season and up-front sales of advertising.

Quantitative and Qualitative Disclosures About Market Risk

Risk Management

Globo considers market risk to be the potential loss arising from adverse changes in market rates and prices. Globo is exposed to a number of market risks arising from its normal business activities.

Such market risks principally involve the possibility that changes in interest rates or exchange rates will adversely affect the value of Globo's financial assets and liabilities or future cash flows and earnings. Globo periodically reviews its exposure to market risks and determines at the senior management level how to manage and reduce the impact of these risks. Globo uses derivative financial instruments solely for the purpose of managing market risks, primarily fluctuations in foreign exchange. While these hedging instruments fluctuate in value, such fluctuations are generally offset by the value of the underlying hedged exposures. The counterparties to these contractual arrangements are primarily futures market and major financial institutions knowledgeable in foreign exchange derivative instruments and interest rate swaps. As a result, Globo does not believe that it is subject to any material credit risk arising from these contracts, and accordingly, Globo does not anticipate any material credit-related losses. Globo does not enter into derivative or other hedging instruments for speculative purposes. For further detail on derivatives positions held by Globo as of March 31, 2015, see Note 20.1.5 to Globo's unaudited interim condensed consolidated financial information included elsewhere in this offering memorandum.

Cash Flow, Fair Value Interest Rate Risk and Price Risk

Globo has fixed and floating rate indebtedness. As of March 31, 2015, 92.2%, or R$2,715.1 million, of Globo's consolidated total debt outstanding of R$2,946.3 million was fixed-rate debt. As a result, Globo does not have significant interest rate risk from debt.

In addition, Globo has part of its cash held at fixed rates. However, Globo manages its cash flow interest rate risk by using fixed-to-floating interest rate swaps. These swaps mitigate the risk of losses in fixed interest rate marketable securities. Globo also has part of its cash invested in multimarket investment funds. Therefore, this portion of cash shares many of the same types of price risk as other investment classes, including fixed interest rate, variable income, among others.

For further detail on the estimated effect on Globo's pretax income of certain assumed changes in interest rates as of March 31, 2015, see Note 20.1.6 to Globo's unaudited interim condensed consolidated financial information included elsewhere in this offering memorandum.

Foreign Currency Risk

Globo is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S.dollar. The foreign exchange exposure arises mainly from long-term debt, certain accounts payable, commitments to purchase programming rights denominated in foreign currencies and net investments in foreign operations. As a substantial portion of Globo's debt is denominated in U.S. dollars, Globo is exposed to market risk related to exchange movements between the *real* and the U.S. dollar. As of March 31, 2015, 92.2%, or R$2,715.1 million, of Globo's debt was denominated in U.S. dollars. Globo has set up a policy to manage its foreign exchange risk against its functional currency, and hedges part of the foreign exchange risk exposure with certain derivative instruments. Globo's currency exposure arising from investments in foreign operations is insignificant.

Globo is exposed to the effects of exchange rate variations that could adversely impact its cash flows, financial position and operations, regarding the assets and liabilities, as follows:

	March 31, 2015
	(in millions of *reais*)
Liabilities	
Debt denominated in U.S. dollars	**2,715.1**
Accounts payable denominated in U.S. dollars	**445.0**
Currency exposed liabilities	**3,160.1**
Assets	
Cash, cash equivalent and marketable securities denominated in U.S. dollars	**(1,575.6)**
Other assets denominated in foreign currencies, mostly accounts receivable	**(74.9)**
Currency exposed assets	**(1,650.5)**
Currency exposure (net)	**1,509.6**

For further detail on the estimated effect on Globo's pretax income of certain assumed changes in the rate of exchange of the U.S. dollar against the Brazilian *real* as of March 31, 2015, see Note 20.1.6 to Globo's unaudited interim condensed consolidated financial information included elsewhere in this offering memorandum.

BUSINESS OF GLOBO

Business

Globo is the largest media group in Brazil and controls the leading broadcast television network and the leading pay-TV programmer in Brazil, as well as a diversified group of publishing, Internet content and music label companies. Globo's Internet business has a presence in online sports, news and entertainment content in Brazil. Globo is indirectly owned by and is under the leadership of the Marinho family, whose interests in Brazilian broadcast television date back to 1965 when TV Globo began broadcasting from Rio de Janeiro under the leadership of Mr. Roberto Marinho.

For the years ended December 31, 2014, 2013 and 2012, Globo had net sales, advertising and services of R$16,243.9 million, R$14,635.7 million and R$12,710.2 million, respectively; gross profit of R$7,715.7 million, R$6,891.0 million and R$5,777.5 million, respectively; net income of R$2,357.1 million, R$2,503.3 million and R$2,948.1 million, respectively; and Adjusted EBITDA of R$4,597.1 million, R$3,889.5 million and R$3,132.0 million, respectively. For the three months ended March 31, 2015 and 2014, Globo had net sales, advertising and services of R$3,622.2 million and R$3,672.1 million, respectively; gross profit of R$1,896.0 million and R$2,019.1 million, respectively; net income of R$912.4 million and R$935.7 million, respectively; and Adjusted EBITDA of R$1,234.2 million and R$1,352.6 million, respectively. See "Summary Historical Consolidated Financial Information of Globo" for an explanation of Adjusted EBITDA as well as a reconciliation of net income to Adjusted EBITDA for the corresponding periods.

Grupo Globo

Globo is part of Organizações Globo Participações S.A. ("Grupo Globo"), a diversified media group that also includes a portfolio of newspapers and radio networks in Brazil. Grupo Globo is also controlled by the Marinho family, which traces its holdings in these companies to the establishment of "O Globo" in 1925, one of Brazil's leading daily newspapers, by Mr. Irineu Marinho, Mr. Roberto Marinho's father.

Globo's principal lines of business are:

- **Television**. Globo's television business comprises: (i) broadcast television and (ii) pay-TV programming. Total television revenues, including advertising, content, programming and other revenues accounted for 96% of Globo's consolidated net sales, advertising and services in 2014.
    - **Broadcast television**. The Globo Network comprises five television stations owned by Globo in Rio de Janeiro, São Paulo, Recife, Brasília and Belo Horizonte, as well as 118 independent affiliated television stations that broadcast the Globo channel throughout Brazil. As of December 31, 2014, the Globo Network covered more than 99% of the estimated 63.0 million television households in Brazil. The Globo Network's broadcast programming includes news and sports programs, *telenovelas* (soap operas), miniseries, films licensed by Globo from international distributors, variety shows, and educational and public service programs. Globo produced approximately 92% of the prime time programming and approximately 77% of all programming it broadcasted in 2014. The majority of Globo's entertainment production occurs at Projac in Rio de Janeiro, one of the most modern entertainment content production centers in the world, covering approximately 1.65 million square meters. News programs are produced in other facilities in Rio de Janeiro and São Paulo.
    - **Pay-TV programming**. Globosat, a subsidiary of Globo, is the leading provider of pay-TV programming for cable Multi System Operators ("MSOs"), IPTV and satellite television distributors in Brazil. Globosat is the most important source of Globo's content and programming revenues. Globosat's portfolio of channels is the most diverse of any television programmer operating in Brazil and includes 49 24-hour pay-TV channels for the Brazilian market, including eight of the top 20 channels in Brazil based on prime time audience share in 2014, according to IBOPE. Globosat's portfolio of channels covers many television content categories from news and sports to movies, documentaries and entertainment. Globosat's programming offering includes popular television content (including pay-per-view ("PPV") programs) produced by Globo as well as content licensed from third parties. Globo also owns 50% of Telecine, a joint-venture with Latin America Finance Company, Lisarb Holding B.V., Universal Studios Pay Television B.V. and Metro-Goldwyn-Mayer South America B.V., which produces movie channels that are part of Globosat's portfolio. Globosat also owns approximately 48% of NBCUniversal Brasil, a joint-venture with USA Holdings and 50% of Canal Brazil, a joint-venture with several Brazilian movie producers. Globosat owns 60% of PB Brasil, a joint venture with Playboy TV Latin America, LLC to develop and distribute adult content in Brazil. Globosat provides, pursuant to long-term agreements, programming to Net Serviços, Claro TV, Sky Brasil, GVT, Vivo, Oi and other independent operators.
- **Internet**. Each of Grupo Globo's companies have digital operations and are responsible for extending their brands and content and interactivity with the audience. For example, the Internet content of TV Globo is offered through subscription and VoD platforms. The content of pay-TV channels is also offered on other platforms to subscribers. Globo's magazines can be read on computers, tablets and mobile phones. Globo also offers specific digital content, such as the webseries of TV Globo and the G1 news portal. In addition, Globo has an online real-estate classified business under the brand ZAP S.A. ("ZAP").

- **Publishing**. Editora Globo, the publishing arm of Globo, is one of the largest magazine publishers in Brazil in terms of circulation and advertising revenues. Editora Globo's titles include Época, the second largest newsweekly in Brazil with an average weekly circulation of 385,016 units in 2014, as well as Quem, a weekly celebrity title in Brazil, and Marie Claire, a premier women's interest title. In July 2010, Editora Globo and Condé Nast Publications, entered into a joint venture to form Globo Condé Nast which publishes Vogue, Casa Vogue, GQ and Glamour in Brazil. Editora Globo and Condé Nast Publications hold a 70% and 30% stake in the capital stock of Globo Condé Nast, respectively.
- **Music label**. Som Livre is one of the major music companies in Brazil. It has expanded its operations to new music platforms including recorded and live music. It sells music content in both physical and digital formats and is responsible for dozens of live events each year. In addition, the music publishing company represents the copyright of important Brazilian and international composers.

Globo's consolidated net sales, advertising and services by revenue source are as follows:

	Three months ended March 31,		Year ended December 31,		
	2015	2014	2014	2013	2012
	(in millions of *reais*)				
Advertising	R$ 2,281.4	R$ 2,447.2	R$ 11,189.0	R$ 10,214.4	R$ 8,961
Content/Programming	R$ 1,220.7	R$ 1,089.1	R$ 4,578.0	R$ 3,823.1	R$ 3,215
Other	R$ 120.1	R$ 135.8	R$ 476.9	R$ 598.2	R$ 532
Total	**R$ 3,622.2**	**R$ 3,672.1**	**R$ 16,243.9**	**R$ 14,635.7**	**R$ 12,710**

As set out above, "Advertising" includes all advertising revenues, such as advertising from broadcast television, pay-TV, Internet service, publishing and others. "Content/Programming" includes all revenues related to content and programming, such as pay-TV programming, sales of television programming abroad, Internet (content and ISP), sports rights for broadcast television and subscriptions from the publishing business. "Other" includes all revenues not classified above, such as music label services.

Advertising Market Overview

Brazil is one of the largest advertising markets in the world. In 2014, Brazilian media advertising expenditures reached approximately R$33.5 billion, which represents an increase of 4.1% from 2013, when media advertising expenditures amounted to approximately R$32.2 billion. The amount of total advertising expenditures in Brazil as a percentage of Brazilian GDP was 0.61% for the year ended December 31, 2014 and 0.62% in the year ended December 31, 2013, according to IBGE and *Projeto Intermeios*. According to Projeto Intermeios, television (including broadcast and pay-TV) is the largest advertising medium in Brazil, generating more advertising revenue than all other types of media combined. In the year ended December 31, 2014, total television advertising revenues in Brazil were R$25.2 billion, or 75.1% of total media advertising revenues. In the year ended December 31, 2013, total television advertising revenues were R$23.0 billion, or 71.4% of total media advertising revenues. The major international Internet players do not report advertising revenues to Projeto Intermeios. In July 2014, the major Brazilian websites stopped reporting their advertising revenues to Projeto Intermeios.

Brazil is the largest television market in Latin America, with approximately 63.0 million television households and approximately 199.0 million individuals in these households as of April 30, 2015, according to Globo's *Atlas de Cobertura*. Television viewing is an important leisure activity in Brazil. The average Brazilian television household spent approximately six hours per day watching television in 2014. Broadcast television reached 99% of Brazil's 5,570 cities as of April 30, 2015, according to Globo's *Atlas de Cobertura*.

Globo relies heavily upon advertising and programming revenues, and therefore seeks to maximize its audience share and ratings. TV Globo has been the audience share leader for most programming segments and for most periods of the day since the early 1970s. Globosat, the first pay television programmer in the country, has been the audience share leader in the Brazilian pay-TV market since 2001, when audiences started being surveyed/measured.

Globo competes with various other sources of entertainment and news—including other television, premium pay-TV and subscription VoD services, feature films, the Internet, home entertainment products, videogames, social networking, print media, pirated content, live sports and other events—for consumers' leisure and entertainment time and discretionary spending. The increasing number of media and entertainment choices available to consumers has made it much more difficult to maintain audience ratings and audience share.

With respect to the Brazilian pay-TV market, as of March 31, 2015, there were approximately 19.8 million pay-TV (cable, satellite and Direct to Home - satellite ("DTH")) subscribers. Globosat's portfolio of 49 channels, together with channels it accesses through joint ventures with other programming providers, reached the largest average daily audience among pay-TV channels in Brazil and accounted for 31% of the average prime-time pay-TV viewing time in 2014.

Globo's Strengths

The following strengths distinguish Globo from its competitors:

- **Premier media brand with Brazilian audiences and advertisers**. The Globo brand has been one of the most powerful brands in Brazil and in Latin America among both consumers and advertisers for five decades since the first TV Globo station began broadcasting in Rio de Janeiro in 1965. Since 1991, Globo has been a pioneer in the Brazilian pay-TV market, fostering a new paradigm of entertainment, information and leisure.

- **Unparalleled reach to target Brazilian audiences**. Globo's programs are among the leading television programs in Brazil in terms of ratings and audience share. For the year ended December 31, 2014, TV Globo had a national average prime time audience share of 42% and an overall average national audience share of 37%, in each case more than double that of its closest competitor, and Globosat had a national average prime time audience share of 31% among pay-TV channels, according to IBOPE Telereport—PNT/2014 (TL). Globo's leadership across multiple periods of time during the day (morning, prime time) and programming segments (sports, news, *telenovelas*) provides advertisers with an unparalleled opportunity to reach a large number of target audiences.

- **Content that is deeply attuned to Brazilian culture and values**. Globo creates audiovisual content that values Brazilian culture and is tailored to the interests and tastes of the Brazilian public, based on intensive use of surveys and expert studies. Globo continuously innovates with respect to its audiovisual content and program formats to remain in step with changing viewer media consumption habits and preferences in Brazil.

- **Largest and most diversified program offering and media content library in Brazil**. Globo maintains the most complete and leading programming schedule in Brazil, both for the Globo Network and, through Globosat, for pay-TV distributors. Globo consistently provides high-quality coverage of the most important live sports and entertainment events in Brazil and of interest to Brazilian viewers outside of Brazil. In addition, Globo has one of the most extensive portfolios of film rights in Brazil.

- **Highest creative quality and production values**. Globo has been able to attract and retain many talented and innovative authors, directors and artists. In addition, Globo is able to maintain high standards for content quality and production value by producing most of its content in-house. Globo's production facilities in Rio de Janeiro and São Paulo are the largest in Brazil and among the largest in the world. They leverage proprietary audiovisual production systems and cutting-edge technology to create high quality audiovisual content.

- **Market leadership in news and sports coverage**. Globo operates the largest news gathering organization in Brazil, with more than 6,900 news gathering and production professionals. Globo broadcasts "*Jornal Nacional*", the top-rated news program in Brazil with an average audience share of 44% in 2014 In addition, Globo provides coverage of most of the major sporting events of interest to Brazilian audiences, including future FIFA World Cups and Olympic Games, the Brazilian Soccer Championship (both first and second league), the UEFA European Championship association football competition, and the FIVB World League volleyball championship. As of December 31, 2014, Globo was the leader in Internet news and sports coverage in Brazil mainly through its websites G1 (*www.g1.globo.com*) and *www.globoesporte.com*, according to *Comscore*.

- **Globo's relationship with Brazil's leading pay-TV operators**. Globo's close commercial relationships with Brazil's leading pay-TV operators enable the company to work together with these operators to further develop the Brazilian pay-TV market.

Globo's Strategy

The Globo brand is one of the most recognized brands in Brazil and Latin America. To maintain its strong brand and leadership in its markets, Globo has adopted a strategy that has the following principal components:

- **Maintain Globo's position as the leading producer of audiovisual content in Brazil**. Globo's intention is to continue to produce award-winning and highly rated audiovisual content that responds to the values, preferences and media consumption habits of Brazilian audiences. Globo plans to continue to build strong relationships with emerging and established artistic and creative talent and to continue to incorporate emerging production technologies into Globo's production processes to sustain quality and to drive further innovation in Globo's content and program formats.

- **Continue to develop the most complete programming schedule in the Brazilian market**. Globo intends to build on the success of its programs across premium genres, including drama, news, sports and films. Globo also intends to leverage its programming strategy that provides top quality content at the same time of day on most days. Globo believes that its programming strategy will continue to drive high viewer loyalty and consistently strong ratings.

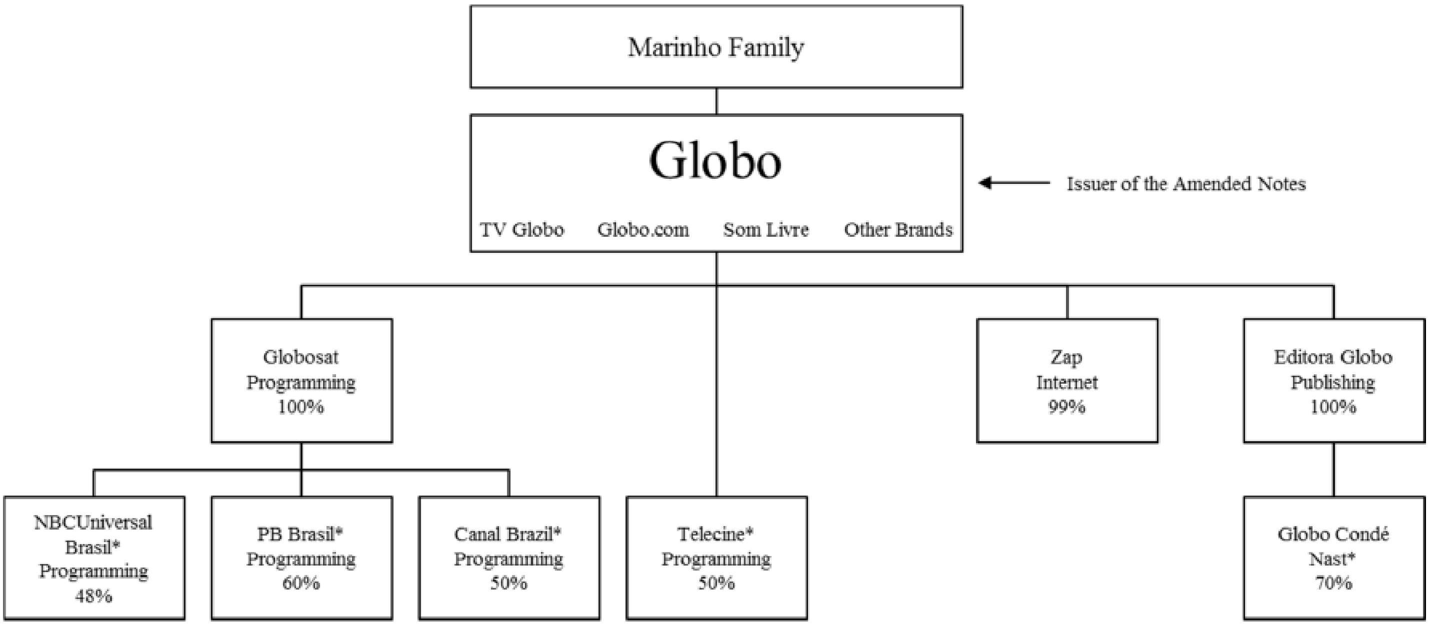
- **Deepen strong relationships with advertisers**. Globo intends to strengthen its relationship with advertisers as a leading provider of access to Brazilian consumers through innovative advertising formats and a diversified portfolio of high quality audiovisual content backed by the strong Globo brand. For example, Globo has implemented a strategy of increasing its upfront sales of advertising, creating a relationship with these advertising partners that extends over the course of the year.

- **Increase cross-platform integration and interactivity to leverage Globo's content on existing and emerging platforms**. Globo intends to continue to leverage its existing content and to create new content and formats tailored to the Internet, mobile devices and other emerging platforms by focusing on increasing audience interactivity and developing an array of digital products to respond to evolving consumer media consumption habits and preferences. For example, as part of the "TV Everywhere" strategy, in 2014, Globosat launched "Globosat Play" and an OTT service, to provide Globosat content online only to pay-TV subscribers. Globosat also distributes its VoD content to pay-TV operators who are long-standing distribution partners on its traditional platforms.

- **Keep strong relationships with pay-TV operators**. Globo maintains close relationships with Brazil's leading pay-TV operators and intends to continue its strategy of operating with these operators under long-term agreements.

Globo's Organization

The following chart is a simplified overview of the direct and indirect ownership structure of Globo and its principal subsidiaries as of April 30, 2015. Ownership percentages have been rounded.



* Globo's partners in these joint ventures are: NBCUniversal Brasil—USA Holdings; PB Brasil—Playboy TV Latin America, LLC; Canal Brazil—GCB Empreendimentos Participações; Telecine— Latin America Finance Company, Lisarb Holding B.V., Universal Studios Pay Television B.V. and Metro-Goldwyn-Mayer South America B.V.; and Globo Condé Nast—Condé Nast Publications.

Television

Globo's television business comprises: (i) broadcast television and (ii) pay-TV programming.

Broadcast Television

Overview

TV Globo, the leading broadcast television network in Brazil, was established in 1965 by Mr. Roberto Marinho and includes television stations in some of the major Brazilian cities: Rio de Janeiro, São Paulo, Recife, Brasília and Belo Horizonte. In addition to the five television stations owned by Globo, as of March 31, 2015, the Globo Network included 118 full-time, independent affiliated television stations that broadcast throughout Brazil. As of December 31, 2014, the Globo Network covered approximately 99% of the estimated 63.0 million total television households in Brazil, comprising approximately 198 million individuals as of April 30, 2015.

The 118 independent affiliated stations mentioned above, which are part of the Globo Network but not owned by Globo, are independent TV broadcasters in Brazil that receive and transmit the Globo broadcasting signal. Globo provides affiliated stations with advertising sales support and receives a percentage of regional sales as a fee for sales services performed. These affiliated stations have long-term agreements with Globo and are contractually obligated to observe rules set by Globo.

The Globo Network's broadcast programming includes news and sports programs, *telenovelas*, miniseries, films licensed by Globo from international distributors, variety shows, and educational and public service programs. As of December 31, 2014, Globo's broadcasting programming business produced approximately 77% of its programming broadcast. As of December 31, 2014, Globo produced approximately 92% of its prime time (Monday to Sunday, 6:00 PM to 12:00 AM) programming. The majority of these production activities occurs in studios and production facilities in Rio de Janeiro and São Paulo.

Audience Market Share

According to Globo's *Atlas de Cobertura*, the Globo Network, similar to the other five competing national television networks, relies heavily on advertising revenues, and therefore seeks to maximize its audience share and ratings. Audience share represents the number of households with a TV set turned on a specific channel during the time of broadcast divided by the total number of households with a TV set turned on, including other uses of a TV set such as DVD, video-recorder and other appliances connected to a TV. Audience ratings represent the number of households with a TV set turned on a specific channel during the time of broadcast divided by the total households with at least one TV set, regardless of whether it is turned on or off. Accordingly, audience ratings will be directly affected by the number of television sets that are turned on and, for this reason, tend to increase during the course of the day, with peak viewing occurring between 6:00 PM and 12:00 AM.

According to estimates published by IBOPE, the Globo Network had an average nationwide broadcast television audience share of 37% for the year ended December 31, 2014. For the same period, the Globo Network's primary competitors, Record, SBT, Bandeirantes and Rede TV, accounted for average nationwide broadcast television audience shares of 13%, 12%, 5% and 2%, respectively. The Globo Network's audience share in 2013 and 2012 was 40% and 42%, respectively.

The Globo Network's audience-share leadership is evident during prime time, where its audience share was 42%, 47% and 50%, for the years ended December 31, 2014, 2013 and 2012, respectively, compared to 11%, 11% and 12% for SBT, and 12%, 12% and 13% for Record, its two closest competitors, for the same periods. TV Globo reaches its peak audience during prime time. TV Globo reaches up to 67 million adults during prime time, according to Globo's *Atlas de Cobertura* and IBOPE Telereport—PNT 2012/2013/2014.

Competition

The Globo Network primarily competes with four Brazilian national television networks: Record, SBT, Bandeirantes and Rede TV. The sixth Brazilian national network, CNT, attracts very low audience shares and ratings compared to the other national networks and has not been included in the audience and ratings table set out below. There are also a number of smaller, state-owned television stations that broadcast in their respective states. The state-owned television stations generally attract smaller audiences than the national networks.

Average Audience Shares
7am to midnight
(expressed as a percentage)

Network	Twelve months ended March 31, 2015	Year ended December 31, 2014	2013	2012
Globo	37	37	40	42
Record	13	13	14	15
SBT	13	12	13	14
Bandeirantes	5	5	6	6
Rede TV	2	2	2	2

Average Audience Ratings
7am to midnight
(expressed as a percentage)

Network	Twelve months ended March 31, 2015	Year ended December 31, 2014	2013	2012
Globo	15	15	16	17
Record	5	5	6	6
SBT	5	5	5	6
Bandeirantes	2	2	2	2
Rede TV	1	1	1	1

(Source: IBOPE Telereport—PNT 2012/2013/2014/2015)

In addition to other broadcast networks, Globo's broadcasting business faces competition from pay-TV programmers, including affiliates of Globo. However, the Globo broadcast channel also maintains a high audience rating on the cable and DTH platforms. As of December 31, 2014, approximately 19.6 million Brazilian television households subscribed for pay-TV services, according to Anatel.

Strategy

The Globo Brand in Broadcasting

Since the 1970s, Globo's broadcasting business has invested heavily in quality programming and a stable show line-up, leading to the strengthening of the Globo brand and a leadership position in audience ratings.

Building on its brand focus and leadership position, Globo seeks continuously to improve its production process, thereby significantly enhancing productivity and increasing in-house production. The integration of the whole production cycle in one site—Projac—in 1995 was a landmark of this process. In recent years, Globo has focused on extending the life cycle of its products, increasing productivity and reinforcing the strength of the Globo brand by implementing strategies for brand extensions and multi-platform product use.

Globo has adopted various strategies to maintain the strength of the Globo brand, including:

- using its expertise to produce and exploit high quality audiovisual content;
- distributing its audiovisual content as broadly as possible on several existing platforms and innovative new formats;
- maintaining a complete programming schedule addressing the specific needs of the Brazilian market, thereby creating viewer loyalty;
- combining its contents, brands and different platforms to enhance interactivity and to strengthen connections with the customer, thereby maximizing value from this relationship;
- searching for new revenues in addition to advertising, including content licensing, direct revenues from end users and international sales; and
- continuing to improve its governance and production systems.

Focus on Cash Generation

Globo focuses on maximizing net sales by increasing efficiency in the advertising market and maintaining the lead broadcast position while also searching for new sources of revenue.

Brand Extension and Other Sources of Revenues

The television industry has undergone and continues to undergo technological changes. To maintain Globo's broadcasting business' leading position in the market, Globo must stay abreast of these changes by adapting to the new demands of the market. To meet these new demands, Globo includes multi-platform uses for its new products in the early stages of their development. For example, Globo has an application, Globo.tv, that can access Globo's content on computer, mobile or tablet, through payment of a monthly subscription fee.

As a leader in the television industry, Globo's goal is to lead the modernization of the Brazilian media industry by transforming traditional television programs into interactive products that can be "consumed" anytime and anywhere by end-viewers. Allowing viewers to interact with television programs improves Globo's content and provides new sources of revenue for Globo. End-viewer consumption provides Globo with direct access to viewers and reinforces the Globo brand with those end-viewers. Globo's principal brand extension initiatives include the following: (i) the expansion of Globo's presence on the Internet (accessed via broadband, narrowband and mobile); (ii) the licensing of branded products; (iii) the expansion of Globo's international sales/international channel; and (iv) the development of additional content through Globo Filmes.

Operations

Broadcast TV Programming Schedule

Globo's broadcasting business uses a horizontal programming concept, which consists of generally broadcasting the same type of programming at the same time each weekday. For example, during prime time on Monday through Saturday, a *telenovela* would generally be broadcast from 6:30 PM to 7:15 PM, followed by local news from 7:15 PM to 7:35 PM, another *telenovela* from 7:35 PM to 8:30 PM, national news from 8:30 PM to 9:05 PM, and a third *telenovela* from 9:05 PM to 10:15 PM. This differs from a vertical programming approach, which varies the genres broadcast during time slots across different days of the week. Horizontal programming creates the habit of watching television every day, promoting loyalty among the viewers. It is a key factor with respect to Globo's high audience share and ratings.

In order to target multiple audiences and advertising needs, Globo Network's programming is broken down in diverse genres, as follows: 36% entertainment, 25% news, 25% films and cartoons, 11% sports and 3% educational.

The programming schedule is based on audience feedback through surveys and audience research.

The diverse programming schedule used by Globo is suitable for a broad range of advertisers, as it appeals to many segments of the Brazilian population.

Multi-platform Integration

Globo continues to evaluate and implement aspects of multi-platform integration to develop new products and upgrade existing ones. Although more visible in the reality show format, the concept of audience interactivity and multiple platforms is present in some form across Globo's programming.

In-house Entertainment Production

Globo's entertainment programming is diverse and targeted at multiple audiences. Entertainment programming (up to 10 daily programs and up to 12 weekly programs) accounts for approximately 44% of the content broadcast by Globo (based on a 24-hour grid) and reached a 48% average audience share during 2014.

Entertainment programming formats include *telenovelas*, miniseries, weekly sitcoms and variety shows (including talk shows, investigative shows and reality shows). The format that generates the largest audience share on a regular basis is the *telenovela*, which is a soap-opera-like drama that is typically shown for an hour each day, six days a week, and runs for approximately 180 episodes. Globo is one of the world's largest producers of *telenovelas*. Globo's survey system allows alterations in plot lines and character development during the course of the *telenovela* based on audience input. Globo-produced *telenovelas* are also exported to a number of other countries (See "—International Sales/International Channel" for more information about TV Globo's international activities) and licensed for exihibition on the Globosat pay-TV channel Viva.

Globo's broadcasting business has also adapted "reality television" programming to appeal to the Brazilian market and to incorporate other Globo media platforms, including the Internet, pay-TV and PPV.

The popularity of reality television has grown rapidly. For example, through a partnership with Endemol Globo, "*Big Brother*" was adapted to the Brazilian market and has maintained very high broadcast TV audience share numbers compared to other programming and has been popular on pay-TV channels, PPV and on the Internet. Globo incorporates audience voting and interactivity into the reality television genre by allowing voting through the Internet, telephone and mobile wireless technology. In 2014, the reality show "Big Brother Brasil 14" received a significant number of viewer votes through SMS (2.9 million), phone and cell phones (2.2 million) and through the Internet (287.6 million).

Exclusive Casting

Globo's artistic talent is a competitive advantage that reinforces the Globo brand. Globo's cast has approximately 740 long-term exclusive contracts as of December 31, 2014. In addition, for specific additional needs, talent is contracted on a program-by-program basis. For example, from January 1 to December 31, 2014, a monthly average of 603 contracts were entered into on this basis.

Projac

Projac is the largest entertainment content production center in the Americas and one of the largest in the world. Projac encompasses substantially all of Globo's broadcasting business' in-house entertainment production in one location by providing infrastructure, technology and production processes capable of simultaneously and continuously producing dramaturgy, shows and live broadcasts. The consolidation of these activities in one location has facilitated production, increased program quality, and reduced television production costs. The facilities combine cutting-edge technology with management production systems developed in-house.

Projac's current capacity includes: 162,000 square meters of constructed area; three scenographic cities covering more than 160,000 square meters; ten acoustically treated studios with the most advanced lighting resources in the world and an aggregate studio area of 8,200 square meters; and a stage set and scenographic city factory. Other facilities at Projac include costume design and wardrobe, rehearsal space, make-up and hairdressing and office space for directors, producers, screenwriters and other production personnel.

Projac was built with a special awareness of the environment, with 1,000,000 square meters of Atlantic rainforest being preserved. The facility also provides its own sewage treatment station, intelligent water use programs and environmentally friendly cooling systems. Projac also independently produces enough power to service a city of 90,000 inhabitants.

In addition to Projac, Globo has another set of studios and news production facilities in São Paulo. Additionally, there is a news production facility in Jardim Botânico, Rio de Janeiro.

News Coverage

Globo's broadcasting business is a powerful news gathering television company in Brazil. Together with its affiliated stations, Globo is present in all Brazilian states and selected cities throughout the world and has approximately 6,900 professionals involved in the gathering and production of news programs and events. The strength of Globo's news programming and broadcasting reinforces the Globo brand.

Globo broadcasts 11 daily news programs that provide a total of over eight hours of live news every day. These news programs account for approximately 29% of the content broadcast by Globo (based on a 24-hour grid) and reached a 42% average audience share in 2014.

Globo broadcasts "*Jornal Nacional*," a national news program, throughout Brazil at 8:30 PM six nights a week. This news broadcast obtained audience shares of 44%, 49%, 53% for 2014, 2013 and 2012, respectively, according to IBOPE Telereport—PNT 2012/2013/2014.

In addition to news gathered by Globo's journalists in Brazil and abroad, Globo also retransmits international news broadcasts and uses the services of a variety of international news agencies.

Sports Coverage and Rights

Globo's broadcasting business is present at most of the major sporting events (particularly any event that includes Brazilian athletes), including the FIFA World Cup and other FIFA events, the 2016 Summer Olympic Games, the Brazilian Soccer Championship, the most followed state soccer championships (such as the São Paulo and Rio de Janeiro championships), the Brazil Cup, Libertadores Cup, Formula One races, all Volleyball World Championships and many other important Brazilian and international championships such as basketball, gymnastics and swimming. In 2014, a FIFA Brazil World Cup year, sports coverage in general accounted for approximately 12% of the content broadcast by Globo (based on a 24-hour grid) and reached a 35% average audience share during 2014. In August 2009, Globo and Globosat acquired, respectively, the free and pay-TV non-exclusive transmission rights to the 2016 Olympic Games to be held in Rio de Janeiro, Brazil. The free television broadcast rights were jointly acquired by Globo and Bandeirantes de Comunicação, one of Globo's competitors. The Internet, radio and mobile device transmission rights were also acquired by Globo.

During the 2014 FIFA World Cup, the transmission of Brazilian soccer matches by Globo reached an audience share of 45%, according to IBOPE Telereport—PNT.

Globo has also acquired, on an exclusive basis, free and pay-TV rights, as well as mobile and Internet rights, with respect to upcoming editions of the FIFA World Cup and other FIFA events, such as FIFA Confederations Cup.

In 2012, Globo acquired free-television, Internet, mobile and international rights, and Globosat acquired pay-TV and PPV rights with respect to the Brazilian Soccer Championship (Series A), seasons 2015 – 2018. Globo's broadcasting business audience share with respect to sporting events is generally not affected by the broadcast of the same sporting event by a competitor. Therefore, in order to reduce costs, Globo usually tries to sublicense its previously acquired exclusive rights to other television stations.

Film Transmission Rights

Films provide both programming convenience and commercial attractiveness by being flexible with respect to screening times and providing advertisers with a product that the advertisers are familiar with. Globo broadcasts a "blockbuster" film every Monday night (approximately 51 films per year). Overall, including late night films, TV Globo broadcasted over 1,011 films in 2014. Films and cartoons historically represented 13% of the content broadcast from 7:00 AM to 12:00 AM. and had an average 41% audience share in 2014, according to IBOPE Telereport—PNT(TL). Globo purchases films from major United States movie studios (e.g., Columbia, Twentieth Century Fox, Paramount, DreamWorks and BuenaVista International/Disney).

The recent growth in Brazilian film productions led by Globo Filmes also creates opportunities to air Brazilian "blockbuster" productions, strengthening Globo's broadcasting business and Globosat programming.

See "—Pay-TV Programming—Globosat" for more information on Globosat.

Licensing

Globo is also engaged in licensing activities that permit third parties and related parties to use certain names and characters appearing in the Globo Network programs. In 2014, this business included over 600 licensed products relating to approximately 85 brands.

Commercial Operations

TV Globo's Department of Business is responsible for TV Globo's relationship with the advertising market. It creates initiatives that encourage advertisers and agencies across sectors to leverage new commercial opportunities through television and researches and applies technology to provide efficient operations for advertisers. For example, it uses an electronic media acquisition system connected to 1,208 advertising agencies across Brazil that manages approximately 16.3 million advertisements per year. As of December 31, 2014, approximately 4.792 entities, including both advertising agencies and individual companies, are included in Globo's client list. Approximately 1,280 clients advertise with Globo's broadcasting business each month.

Globo's strong relationship with the advertising market allows its General Managing Department of Business to create and value innovative commercial formats and to sell commercial plans with added value and up-front cash payments. These commercial plans are carried out pursuant to arrangements under which large advertisers are offered special advertising rates for the sponsorship of important televised events, such as the FIFA World Cup, the Olympic Games, the Brazilian Soccer Championship, the UEFA European Championship association football competition, and the FIVB World League volleyball championship. Accordingly, large advertisers are encouraged to sponsor an event over a specified period of time rather than for a specific broadcast. This allows Globo to develop a relationship with the advertiser with the objective of generating advertising revenue to Globo over the long term.

Technology

Throughout its history, Globo's broadcasting business has been a pioneer in Brazil in the use of new technologies. Globo currently uses new technologies on a daily basis in its operations, such as digital distribution to its affiliated stations across Brazil, virtual advertising, high quality high definition television format ("HDTV") production, tapeless production and multi-platform content development. Globo is also a technology pioneer, testing new technologies which are not broadly available in the market, as exemplified by the recent coverage of the 2014 Soccer World Cup in high-definition ("HD") and 8K, or Full Ultra HD, format.

Globo has also invested in the conversion of its operations into digital format. This process started with content creation and is moving towards content distribution. Globo produces 100% of its entertainment content in digital form and uses digital mobile units and transmission links to cover live sports events. Globo is investing in 4K resolution-format productions. A number of Globo's journalism and all of Globo's entertainment programs, such as "Globo Repórter," and miniseries are produced in HDTV format, as well as all *telenovelas*. The first *telenovela* was broadcasted in this format in October 2007. Globo also transmits and produces a variety of sporting events and concerts in HDTV format. At least twice a week, Globo broadcasts different soccer games in the HDTV format.

With respect to news broadcasting, Globo has replaced its analog equipment and installations with digital technology. Globo is also pursuing the advantages of the transition from linear, tape-based operations to file-based (tapeless) operations. The 2004 Athens Olympic Games marked the beginning of the use of a digital, server-based news production system in tapeless format, and other examples include "Big Brother Brasil," GloboNews and sports-related content.

Globo has invested in seven fully digital master controls and associated digital satellite uplinks, for national (five owned and 118 independent affiliated stations) and international distribution, all installed in Rio de Janeiro.

Globo's five owned stations in Rio de Janeiro, São Paulo, Belo Horizonte, Recife and Brasilia have regional digital distribution networks.

Brazilian digital terrestrial television transmission began in 2007 in the city of São Paulo and expanded to Rio de Janeiro and Belo Horizonte in 2008, and to Recife and Brasília in 2009. The Brazilian system is based on Japanese digital TV technology and has become one of the most modern terrestrial digital TV systems. With this technology, Globo expects to be able to: (i) broadcast its high definition content with high quality, (ii) broadcast its signal to mobile telephones equipped with TV receivers (free of charge for users), (iii) broadcast to TV receivers installed in buses, cars and subways, and (iv) broadcast interactive content.

Globo expects that the next steps in its digital conversion will be: (i) the conversion of its infrastructure to full IP; (ii) the indexing and digitalization of Globo's content library in order to create new distribution opportunities and revenues; (iii) the conclusion of the process of conversion of certain equipment and systems to digital format; and (iv) the development of a compelling OTT platform and user experience.

Employees

As of March 31, 2015, Globo's broadcasting business had approximately 12,400 full-time employees, most of which belong to unions, including unions of journalists, radio-professionals and artists. Each year the unions meet with 24 employee union leaders to negotiate wage increases and other employment conditions. Globo's broadcasting business has not experienced any strikes in the last 20 years. Globo believes that its employee relations are good.

Globo's broadcasting business compensation system has both fixed and variable components. Variable compensation is calculated on an annual basis, with employees receiving semi-annual payments, based on the achievement of budgetary targets.

Globo's broadcasting business also provides employees with a benefits plan that includes medical care, life insurance and a private pension program, among other features.

Globo's Content

Globo produces the content for the "GloboNews" channel. GloboNews is a pay-TV channel with distribution of its exhibition rights intermediated by G2C Globosat Comercialização de Conteúdos S.A. ("G2C"). Globosat is responsible for the advertising sales for the GloboNews channel. Globo pays a monthly commission to Globosat equivalent to 27% of net revenues based on the advertising aired on the GloboNews channel. In addition, Globosat provides technical services to Globo related to the GloboNews channel in exchange for a monthly fee under a service agreement.

Globo produces and licenses content for "SPORTV," "SPORTV2" and "SPORTV3" pay-TV channels offered by Globosat. Each month, Globosat pays an amount to Globo, as agreed to between Globosat and Globo, and each year Globosat pays an additional amount to Globo based on advertising net revenue growth. Globosat also pays an additional fee based on net results of major events (such as FIFA World Cups and Olympic Games).

Globo also represents Globosat for the distribution of the "PFC International" channel, a Brazilian soccer channel, broadcasted worldwide.

Globo licenses in-house productions programming for "Canal Viva," a pay-TV channel offered by Globosat released in 2010, pursuant to a licensing agreement which sets forth monthly payments according to the exhibition time of Globo's content in the Canal Viva.

Globo and Globosat have a programming exchange agreement, pursuant to which Globo licenses to Globosat certain of its television programs for exhibition on Globosat's channels in Brazil and Globosat licenses certain of its programs for exhibition by Globo on its international ethnic channel.

International Sales/International Channel

Globo International Division ("Globo International") carries out overseas sales of Globo's broadcast business' programs. Traditionally, the largest export market for Globo's *telenovelas* and miniseries has been Portugal.

Globo, the leading Brazilian broadcaster, was the first Portuguese language pay-TV programmer overseas.

Globo develops, produces and broadcasts six channels on five continents and serves a daily audience of more than 2 million households in 95 countries, of which 2 million subscribe to basic-tier and 724,000 to premium or a la carte options. In addition to Globo brands, it also distributes PFC – The Soccer Channel, a 24/7 soccer channel with more than 600 live matches of Brazilian and main regional championships.

Globo's signals are distributed worldwide via satellite, cable, IPTV and OTT. Sent from Rio de Janeiro, the signal is adjusted and customized in accordance with the specific needs of each location.

Licenses

Globo's broadcasting business renewed its five licenses to broadcast from its television stations in October 2007 and such licenses are valid until 2022, at which time Globo expects the licenses will be renewed. The first broadcasting license was originally granted to former TV Globo by the Brazilian government in 1957 and has been renewed (together with the additional four licenses obtained afterwards) ever since. See "Risk Factors—Risks Relating to Globo's Business—Globo's businesses are highly dependent on their continued ability to maintain government licenses."

Insurance

Globo's broadcasting business has an "all risks" insurance policy that provides protection for all significant assets owned by Globo's broadcasting business and for those assets that Globo's broadcasting business is responsible for or are assigned to third parties. This policy also provides coverage for possible losses from advertising due to exhibition interruptions.

Globo's broadcasting business also has insurance against third-party liabilities arising from damages during its activities and coverage for national and international transportation.

Globo generally renews its insurance policies annually and the current "all risks" and civil liability insurance policies are valid until August 2015.

When purchasing insurance, Globo's broadcasting business seeks coverage in the domestic and international insurance markets at levels compatible with Globo's broadcasting business enterprise size and activities.

Pay-TV Programming

Pay-TV services became commercially available in Brazil in the early 1990s with the construction of several major cable systems in the south and southeast of Brazil and with the launch of MMDS in São Paulo and Rio de Janeiro. According to Anatel, as of March 31, 2015, the total number of pay-TV subscribers in Brazil reached 19.8 million. The programming provided by pay-TV operators competes directly with that offered by broadcast television networks, with the six largest national broadcasting channels and their affiliates providing services to a substantial portion of Brazilian homes, free of charge and without any subscription requirements (e.g., Globo's broadcast television channel is presented in more than 99% of Brazilian homes as of April 30, 2015), according to Globo's *Atlas de Cobertura*.

Globo's pay-TV programming operations include production and licensing of pay-TV content in Brazil. Globo is primarily focused on developing programming and ensuring the pay-TV market receives high quality content.

Globo holds 100% of Globosat, the leading Brazilian pay-TV producer and programmer and 100% of Horizonte Conteúdos Ltda. ("Horizonte"), a provider of non-linear content for distribution over any media platform, including, but not limited to, pay-TV, Internet and cellular phones in PPV and video-on-demand ("VoD") formats. Globo also has a 50% interest in Telecine, a programming company that is a joint venture with certain major U.S. movie studios. Globo also owns 100% of G2C which negotiates the purchasing of Brazilian programming on behalf of Sky Brasil and Net Serviços. Globosat also owns approximately 48% of NBCUniversal Brasil, a joint-venture with NBCUniversal and Canal Brazil, a joint-venture with several Brazilian movie producers. Globosat also owns 60% of PB Brasil, a joint venture with Playboy TV Latin America, LLC. In addition, Globo owns or operates the following pay-TV businesses:

- Telecine;
- GNT;
- SporTV;
- Multishow;
- Viva;
- Globo News;
- Canal Brasil;
- Megapix;
- Premiere;
- PFC International;
- Big Brother Brasil PPV;
- Combate;
- Globosat+;
- BIS;
- Canal OFF;
- Gloob;
- Telecine Play;
- Globosat Play;
- Combate Play;
- Premiere Play;
- SyFy; and
- Studio Universal.

The following is a discussion of Globo's pay-TV programming businesses:

Globosat

Overview

Globosat was incorporated in 1991 as a subsidiary of Globo to develop pay-TV programming in Brazil. Today, Globosat is the leading provider of pay-TV programming in Brazil, and strives to maintain a level of excellence in its product and service offerings. Globosat provides pay-TV content (including PPV content) and operating channels that are sold directly to MSOs or through G2C. Globosat's content is available to cable, Multichannel Multipoint Distribution Service ("MMDS"), DTH and Fiber to Home ("FTFH") subscribers and its channels are available to subscribers of Net Serviços, Claro, Sky Brasil, Telefonica, TVA, Oi, GVT and other independent operators.

Globosat has had a significant impact on the television industry in Brazil. Globosat first established a single programming standard in Brazil. When Globosat set up pay-TV channels, it was the first pay-TV operator in Brazil and it introduced viewers to a new way of watching television by offering segmented programming that offered numerous choices. Globosat regularly updates its content offerings in response to viewer demand and preferences, including by introducing particular program formats requested by certain groups of viewers. This broad range of content offerings and program formats has allowed Globosat to target particular segments of its audience, thereby enhancing Globosat's appeal as a vehicle for advertisers.

As of March 31, 2015, Globosat had 17.1 million subscribers. Globosat estimates its programming is part of the lives of more than 53 million viewers across Brazil. As of March 31, 2015, Globosat and its joint ventures offered 49 24-hour channels (20 in high definition), which are included in the pay-TV packages of various operators in the country. Globosat believes that its offerings, consisting of both Globosat-produced content and content generated through joint ventures in Brazil and elsewhere, constitute the widest range of pay-TV content available in Brazil, including films, serial programs and journalism; programming relating to sports, culture and educational topics; and programming specifically targeted to women, youth and kids.

Globosat believes that this diverse product offering, coupled with Globosat's emphasis on maintaining excellence in its programming and its long-term agreements with Brazil's leading pay-TV operators provides a leading position in the Brazilian pay-TV market. According to the 20th Pay-TV POP Survey, as of June 2014, five Globosat channels were among the ten channels considered "essential" by subscribers to maintaining a pay-TV subscription.

Globosat strives to maintain ongoing relationships with advertisers, and its strong market position lends credibility in the advertising market. As a result, Globosat is able to develop novel advertising formats that engage viewers and contribute to the commercialization efforts for the relevant products and services. Globosat believes that these advertising strategies, together with Globosat's highly segmented market, are valuable to companies seeking reliable ways to determine the social and economic profile of their audience.

Globosat is also recognized within the industry for its leadership position in technological advancement. Globosat's 1,697 employees have operated out of state-of-the-art 24,000 square meter facilities in Rio de Janeiro since 2010.

Strategy

For more than 20 years, Globosat's goal has been to deliver high quality programming that provides entertainment and information and that values Brazilian culture, while respecting and accommodating the diversity of Globosat viewers' interests. Globosat's strategy to accomplish that goal is to remain a leading provider of pay-TV programming by acquiring and producing popular and premium content for distribution by third parties and by adding channels to its programming offerings. The wide variety of channels that Globosat delivers to its viewers has contributed to Globosat's leading position in its market. Globosat believes that it offers superior national and international programming, and has demonstrated a continuous commitment to innovation, which position Globosat to satisfy the preferences of a highly discriminating audience.

Globosat also expects to be a major content provider for new digital platforms in the pay-TV market following the "TV Everywhere" concept, which enables pay-TV subscribers to watch TV on multiple platforms and devices. Globosat also offers its channels through the Internet and applications (on simulcast basis), as well as content through its VoD platform called "Globosat Play" which is restricted to pay-TV subscribers.

Operation

Globosat generates its revenue by (i) selling its programming, (ii) selling its advertising time and (iii) providing technical services to other channels. PPV revenue (included in programming revenues) has increased in the last few years.

Globosat's programs are either produced in-house or are purchased from third-party and related-party producers. Globo's portfolio of channels contains 49 24-hour pay-TV channels for the Brazilian market, including eight of the top 20 in Brazil based on prime time audience share in December 2014. These channels cover all major categories of content, including news, sports, movies, documentaries, kids, adult and entertainment.

Globosat is a "shared services provider" of technical services to related pay-TV channels and provides all these related pay-TV channels with access to shared advertising sales and marketing, general administration, information technology, engineering services, research and programming acquisition services.

Over the last ten years, Globosat and TV Globo have benefited from increased synergies by strengthening their production links. This progressive collaboration has resulted in significant gains for the business since 2002, including the creation of PPV windows for TV Globo productions such as "*Big Brother Brasil*". Since 2003, the synergies of the feed production for SporTV with TV Globo's sports division have resulted in an improvement in quality, a reduction in costs and the ability to use TV Globo's on-air talent in SporTV programming. Since March 2010, TV Globo licenses library content to a Globosat's channel called Canal Viva.

In 2008, Globosat was the first programmer to launch an HDTV pay-TV channel in Brazil called "Globosat HD," which provided a mix of all the Globosat channels' content in HDTV. Today, all of Globosat's channels are available also in HD format.

Pursuant to its "TV Everywhere" strategy, Globosat launched an OTT platform for Globosat's channels' content called "Globosat Play" in 2014, which is available only to Globosat content subscribers.

Globosat also has content available on a Net Serviços VoD platform called "Now." Such content is available only for pay-TV content subscribers.

Horizonte

Overview

Horizonte was incorporated in 2013 as a subsidiary of Globo to develop content programming for distribution over any media plataform, including, but not limited to, pay-TV, Internet and mobile devices in PPV and VoD format through operators such as Net Serviços, Sky Brasil, Vivo, Claro, Oi, GVT and other smaller operators, or directly to subscribers.

Strategy

Horizonte's strategy is to become a leading provider of PPV and VoD in Brazil and abroad by acquiring and producing popular and premium content for distribution by third parties.

Operation

Horizonte generates its revenue by (i) selling its programming, (ii) selling its advertising time and (iii) providing technical services to channels. PPV revenue (included in programming revenues) has increased in the last few years.

Horizonte's programs are either produced in-house or are purchased from third-party and related-party producers.

Telecine

Overview

Telecine was organized in 1994 as a joint venture among Globo, who owns 50%, and Latin America Finance Company, Lisarb Holding B.V., Universal Studios Pay Television B.V. and Metro-Goldwyn-Mayer South America B.V, who own 12.5% each (together, the "Studio Partners"). Telecine operates a film programming service which consists of six movie channels in SD and six movie channels in HD targeted to the premium packages of the pay-TV operators and one movie channel in SD and one movie channel in HD targeted to the basic packages of the pay-TV operators.

The channels are sold to pay-TV operators by G2C.

Telecine channels show films produced and/or distributed by Paramount Spain S.L.U., DreamWorks, MGM International Television Distribution Inc., Universal City Studios Productions LLP, Twentieth Century Fox International Television Inc. and Buena Vista International, Inc. ("Buena Vista") and licensed to Telecine, as well as films licensed from other independent producers/distributors. Telecine has more than 1,000 films in its licensed collection at any time.

In October 2014, Telecine signed an exclusive five-year license agreement with Buena Vista, a film studio controlled by The Walt Disney Company, to exhibit films produced by Buena Vista.

Telecine also sells its content for VoD services operated by Net Serviços, Claro, Sky Brasil, GVT, Vivo and Oi.

Using tax benefits, Telecine has invested in many Brazilian audiovisual projects to support and promote the Brazilian audiovisual content market.

Strategy

Telecine aims to be the ultimate movie watching entertainment experience, offering through seven different channels, 24 hours a day, the most recent blockbusters and the best collection of Hollywood hits and award winning movies from all around the world. To maximize consumer satisfaction, within the network, the same blockbusters are offered in both original and dubbed versions.

Telecine believes that the key to its success lies in its large film collection, with each channel offering various titles according to genres, its ability to meet subscribers' expectations and its marketing strategy.

Operation

In 2014, Telecine's programming revenues accounted for 91% of Telecine's revenues.

Telecine has the following channel brands:

- Telecine Premium, which shows the most recent and major box office hits in SD and HD;
- Telecine Action, which shows action films, thrillers, horror movies, westerns and science fiction in SD and HD;
- Telecine Touch, which shows drama, adventures and romances in SD and HD;
- Telecine Fun, which shows comedies in SD and HD;
- Telecine Pipoca, which shows the best of the Telecine network films dubbed in Portuguese in SD and HD;
- Telecine Cult, which shows the great classics in the history of cinema, cult movies and award-winning independent productions from all around the world in SD and HD;
- Megapix, a basic channel in SD and HD, which shows re-run films, dubbed in Portuguese;
- Telecine On Demand, a VoD channel focusing on new releases; and
- Telecine Play, a VoD channel providing pay-TV subscribers with a broad choice of viewing options.

GNT

GNT's lifestyle and current-events content is intended to be a core pay-TV channel for female audiences that provides subscribers with high quality special-interest content consistent with the Globo brand.

The channel presents diverse ideas relating to a range of topics such as fashion, beauty, culinary, health, wellness, décor and maternity issues, and has hosts who are recognized by subject matter. The channel focuses on national programming and production of high-quality in-house miniseries.

The website gnt.com.br offers videos, articles, tips and exclusive information in addition to the aired content. GNT also offers applications for smartphones and tablets that serve as a vehicle for tips on fashion, beauty and culinary matters.

SporTV

SporTV's channels offer comprehensive coverage of sports news and event coverage. In 2014, SporTV's channels captured approximately 70% of the sports audience in pay-TV during prime time.

SporTV has the following channel brands:

- SporTV, the flagship channel brand since 1995, which is the audience share leader during prime time – as compared to both Brazil's other pay-TV channels and the country's other sports channels;
- SporTV2, which has been on the air since 2004, and is the second most watched sports channel among Brazil's pay-TV channels; and
- SporTV3, which was launched in October 2011, and features specialized sports programming for alternative schedules.

SporTV channels cover events such as the Brazilian Soccer Championship (both first and second league), and the FIVB World League volleyball championship, the Copa do Brasil, the Novo Basquete Brasil (men's basketball), the Futsal League, The Wimbledon Championship and the Davis Cup.

Multishow

The Multishow channel offers diverse content relating to topics such as travel and adventure, music and humor, and includes both Brazilian-produced productions and shows produced internationally. Multishow is distributed by major pay-TV operators.

Multishow is a leader among pay-TV channels. It is consistently ranked among the top ten rated pay-TV channels during prime time throughout the period from 2009 to 2015.

Multishow also produces exclusive Internet and mobile content, including videos and reports on Multishow programming, as well as news relevant to the channel's target audience.

Viva

Launched in May 2010, the Viva channel targets family audiences, offering broadly accessible content including *telenovelas*, films, series, miniseries and comedy shows. Much of the programming presented on Viva consists of previously-aired programming produced by TV Globo. According to IBOPE, Viva was ranked among the top 10 pay-TV channels during prime time in 2013 and 2014.

NBCU Channels

Launched in 2004, the joint venture between NBC Universal and Globosat began its operations with Universal Channel, a movie and serial programming channel which is presently available in approximately 85% of households with pay-TV in Brazil.

The Universal channel features Hollywood blockbusters and long-running television shows. The channel also shows select scenes from great motion pictures, special reports with exclusive interviews relevant to the entertainment industry and star profiles.

The partnership was expanded in 2012 to include Syfy, an original science fiction and fantasy entertainment channel, and Studio Universal, a movie channel. All three channels are operated by the JV's management team.

Globo News

Globo News was Brazil's first 24-hour news channel and has been a landmark in high quality real-time news coverage and analysis for 19 years.

Globo News prides itself on its experienced and knowledgeable team of journalists, commentators and analyst guests, and on its collaboration with the Globo TV network, broadcast relay stations and affiliates in major cities around the world.

Canal Brasil

The Canal Brasil channel focuses on Brazilian cinema, music, drama, humor and culture. The channel features films, documentaries, interviews, concerts, jam sessions, series and programs, all with full domestic content.

Films occupy approximately 85% of the channel's schedule. Since its inception in 1998, Canal Brasil has featured more than 2,400 short films, medium films and feature films including both Brazil's classic films and films from less established filmmakers.

Premiere

Premiere is a Brazilian soccer-focused PPV channel that is offered for a fixed monthly fee.

Premiere has the widest coverage of the Brazilian Championship League A and B, as well as coverage of the state championships of São Paulo, Rio de Janeiro, Minas Gerais, Rio Grande do Sul, Paraná and Santa Catarina. Premiere airs more than 1,100 live games per year on up to eight simultaneous channels. Globo has entered into agreements with the teams in League A whereby the teams receive a proportionate share of subscription sales based on team affiliations.

Subscribers also have access to a 24-hour channel with programming dedicated to reruns of games and interactive and exclusive programs, including manager interviews and interactive question-and-answer sessions. Premiere channels are also available in HD format as well as in a VoD platform called Premiere Play, available only to premium subscribers.

PFC International

PFC International is an "export-oriented" Portugese-language channel that targets soccer fans and Brazilians living abroad. The channel broadcasts more than 600 live games per year, including the State Championships of São Paulo, Rio de Janeiro, Rio Grande do Sul, Minas Gerais, Santa Catarina, Paraná, Pernambuco, Bahia and Goiás, Copa do Brasil, Copa São Paulo de Futebol Jr., Futsal, Showbol, Brazilian Under 20 Championship and Brazilian Championship League A and B. It also offers reruns of recent major matches and classic matches as well as highlight reels.

Big Brother Brasil PPV

Big Brother Brasil's subscribers on PPV are privileged observers of the top-rated reality show on Brazilian television, with access to interactive resources. Subscribers follow the day-to-day life of those living in the most monitored house in Brazil at any time.

Combate

Combate offers 24-hour programming featuring coverage of boxing matches, ultimate fighting championship, or UFC, matches, and mixed martial arts ("MMA") competitions and tournaments. The Combate channel also features intense on-the-scenes programming and news from the fighting universe, such as round-table discussions and interviews as well as screenings of the great classic matches of international boxing. The channel is produced and marketed by Globosat and is available to subscribers *à la carte*. Combate is also available in HD format as well as in a VoD platform called Combate Play.

Globosat +

Globosat + offers international programming otherwise unavailable in Brazil including documentaries, talk shows and national productions on varied subjects. Globosat + is available in SD and HD formats.

BIS

BIS is a channel for music lovers. The channel offers HD and SD broadcasts of live shows, biographies and documentaries on artists from different genres and eras. In 2014, BIS transmitted 14 live events.

OFF

The OFF channel features extreme sport-related content in HD and SD formats. The programming includes domestic and international content, starring people who adore adventure or well-known athletes from the extreme sports world. The programming is intended to highlight the relationship between man and nature, and to give subscribers a taste of action, adventure and adrenaline.

Gloob

Gloob, Globosat's first children's channel, offers programming for school-aged children dealing with themes such as friendship, companionship, courage, peace and respecting each other's differences. Gloob's programming includes animations and in-house and third-party live-action series and movies, couched in contemporary, interactive and creative language highly suitable for children.

Globosat Play

In 2014, Globosat launched Globosat Play, an OTT service that allows subscribers to enjoy any of Globosat's content anytime and anywhere on Globosat Play's VoD system. It also includes live streaming of some Globosat channels.

G2C

Overview

G2C negotiates the purchasing of Brazilian programming, thus obtaining better pricing and payment terms for its affiliated systems. G2C also represents certain Globo pay-TV content providers with respect to non-affiliate systems.

Strategy

G2C seeks to maintain and increase the high level of penetration of the channels and content of Globosat and Horizonte and its joint ventures among the multi-channel systems in the growing Brazilian pay-TV market.

Operations

G2C negotiates the purchasing of Brazilian programming for Sky Brasil and Claro. G2C also represents certain Globo pay-TV content with respect to non-affiliate systems, such as Oi, GVT, Vivo and other pay-TV operators. This content consists of programming from Globosat and certain joint ventures (such as Telecine and PB Brasil), linear channels, as well as non-linear content for VoD through set top box consumption and other platforms.

Claro and Sky Brasil

Globo indirectly, through EGpar, holds a minority interest in Claro, which provides diverse telecommunications services. Globo also holds a minority interest in Sky Brasil, which operates pay-TV and broadband services. For more information with respect to Globo's ownership of these entities, see "Management's Discussion and Analysis of Financial Condition and Results of Operations of Globo—Certain Material Dispositions and Acquisitions— Ownership Interest in Claro S.A." and "—Ownership in Sky Brasil."

Internet

Each of Grupo Globo's companies have digital operations and are responsible for extending their brands and content and interactivity with the audience. For example, the Internet content of TV Globo is offered through subscription and VoD platforms. The content of pay-TV channels is also offered on other platforms to subscribers. Globo's magazines can be read on computers, tablets and mobile phones. Globo also offers specific digital content, such as the webseries of TV Globo and the G1 news portal. Several TV shows are based on the interactivity with the end user, which is done through applications, websites and other forms of interaction. Globo offers second screen applications that enrich the content and user experience. Globo is now focusing on platforms for the provision of its content wherever, whenever and on all devices the user may have. For example, Globo has its OTT services, Globo.tv and Globosat Play. Globo also offers content on third-party platforms, such as services on demand to cable TV operators, who are already Globo's long-standing distribution partners on traditional platforms.

G1, Globo's news portal, was launched in September 2006. It comprises content from all of Globo's news programs as well as content that is produced exclusively for the portal.

Globoesporte.com is Globo's sports portal. This website, together with Sportv.com.br (or Sportv.globo.com), makes Globo the leader in terms of unique audience in the sports segment, according to Comscore.

In entertainment, the aggregation of all of Globo's Internet initiatives and the extension of Globo's traditional media business makes Globo the most important player in this segment.

The users' experience of Globo's news, sports and entertainment sites are enhanced by videos that are embedded in most of Globo's sites.

Globo is an audience leader in sports, news and entertainment websites. According to data published by Comscore, as of February 28, 2015, the Globo.com portal is the fifth largest in Brazil, with over 62.4 million unique visitors per month when considering home, work and mobile data measurements.

Globo.com

Globo.com operates Grupo Globo's digital platforms providing technology services and web platforms and serves as strategic support in the Internet planning. Such services are provided under a service agreement, in exchange for a monthly fee corresponding to the amount of service used. Globo.com is also responsible for uniting and organizing the content produced by the different businesses on the portal's homepage. In addition, Globo.com also provides Internet access and services to end-users, such as webmail.

ZAP S.A.

ZAP is the largest on-line classified player in Brazil, with approximately 3.8 million unique visitors as of March 31, 2015, according to comScore, which represents 23% more unique visitors than its closest competitor.

ZAP provides real estate listings featuring photos, videos and maps for people looking to rent, buy or sell properties, available on computers, smartphones, tablets and other devices, through its website and app. ZAP is currently present in 10 different states in Brazil and invests strongly in advertising.

ZAP is also the main reference and service provider for the Brazilian real estate market, responsible for publishing FipeZAP, main real estate price index, together with Fundação Instituto de Pesquisas Econômicas (Fipe), an acknowledged economic research institute, connected to University of São Paulo (USP), as well as producing relevant editorial content for those building, refurbishing, decorating and maintaining real estate.

Publishing

Editora Globo, based in São Paulo, is the publishing arm of Globo. Editora Globo is one of the leading publishing companies in the Brazilian market. Editora Globo publishes magazines and books that are sold throughout Brazil. Magazine publishing and advertising accounted for 82% of Editora Globo's total revenue, while other revenue, including book publishing, accounted for the remaining 18% as of December 31, 2014.

The main products in Editora Globo's portfolio are (i) Época, the second largest newsweekly in Brazil; (ii) Quem, a weekly celebrity magazine launched in 2000; (iii) Marie-Claire, which Globo believes is a prestigious magazine in the women's interest sector; and (iv) Época Negócios, a business magazine. In addition, Editora Globo publishes nine other monthly magazine titles covering subjects such as automobiles, science, agribusiness and home decoration. Magazine revenues consist of subscriptions (41%), newsstand sales (8%), advertising (46%) and other revenue (5%) as of December 31, 2014.

In July 2010, Editora Globo and Condé Nast Publications, through its subsidiary Condé Nast Brasil, entered into a joint venture to form a company, Edições Globo Condé Nast S.A. Editora Globo and Condé Nast Publications hold 70% and 30% of the capital stock of the new company, respectively. Edições Globo Condé Nast S.A publishes four magazine titles in Brazil: Vogue, Casa Vogue, GQ, and Glamour.

Music Label

Globo's music business consists of four Globo majority-owned or wholly-owned subsidiaries that are involved in various aspects of the music industry. On December 31, 2014, Globo held (i) 99.99% of SIGEM—Sistema Globo de Edições Musicais Ltda. ("SIGEM"); (ii) 99.99% of Sigla Sistema Globo de Gravações Audiovisuais da Amazônia Ltda. ("Sigla da Amazônia"); (iii) 99.99% of Zende Serviços de Entretenimento Ltda. ("Zende"); and (iv) 99.99% of Comercial Fonográfica RGE Ltda. ("RGE" and, together with SIGEM, Sigla da Amazônia and Zende, "Som Livre"). Music content is a component of Globo's audiovisual content and programming strategy. Som Livre was founded in 1969 with the purpose of producing, promoting and selling soundtracks for Globo's *telenovelas* and other shows, which it did mainly by licensing tracks from other established record companies. Over time, Som Livre started signing and recording its own acts.

The recorded music part of Som Livre's business as of December 31, 2014 encompasses a catalog of over 45,000 original tracks, a number that grows weekly with the addition of new masters through contracts of full ownership or licenses for exclusive distribution. Som Livre has a strong cast of current Brazilian pop music artists from many genres. In physical and digital sales, it ranks third in Brazil only behind powerhouses Universal Music and Sony Music, both backed by major international hits, and much ahead of Warner Music and Independent labels, according to *Associação Brasileira de Produtores de Discos—ABPD*.

Som Livre is one of the major music companies in Brazil. It has expanded its operations to new music platforms including recorded and live music. It sells music content in both physical and digital formats and is responsible for dozens of live events each year, such as "Festeja" and "Arena Pop". In addition, the music publisher represents the copyright of important Brazilian and international composers.

Brazilian Broadcasting and Pay-TV Industries Regulations

Telecommunications Industry

The Brazilian Constitution establishes that the federal government has the authority to operate, either directly or by means of an authorization, concession or permission, the telecommunications services, pursuant to a specific law, which, among other things, would regulate the organization of the telecommunications services and create a regulatory body. The Brazilian Constitution also establishes that the federal government has the authority to operate radio and TV broadcasting services, either directly or by means of an authorization, concession or permission. On July 16, 1997, the General Telecommunications Law was enacted to (i) authorize the privatization of the 29 companies that comprised the Telebrás System, the national publicly-owned telecommunications holding company, (ii) regulate the privatization process of telecommunications services in Brazil and (iii) create Anatel, which regulates telecommunications services in Brazil.

Anatel is an agency integrating the indirect federal public administration, connected to the Ministry of Communications, responsible for the development of the telecommunications services in Brazil. Anatel has wide-ranging authority, including, but not limited to: (i) implementing a national telecommunications policy; (ii) regulating concessions, permissions and authorizations, managing concession agreements and supervising the rendering of telecommunications services; (iii) regulating, monitoring and revising pricing for telecommunications services under the public regime; (iv) issuing regulations relating to the standards of telecommunication services; and (v) deciding on the interpretation of the telecommunications legislation and settling any conflicts that may arise among telecommunications service providers.

The granting of radio and TV broadcasting services is excluded from Anatel's jurisdiction and remains within the executive power's authority, through the Ministry of Communications. Nevertheless, Anatel is responsible for the distribution and monitoring of the spectrum of broadcasting frequencies, taking into consideration the technological aspects.

Pay-TV Industries

In September 2011, the Brazilian Congress passed Law 12,485, which was signed into law by the president of Brazil on September 12, 2011. Law 12,485 created a new legal framework for subscription television services in Brazil, replacing and unifying the previously existing regulatory frameworks that used to govern various forms of pay-TV services, such as cable television, MMDS and DTH. Pay-TV services are called “Conditioned Access Services” (*Serviço de Acesso Condicionado-SeAC*), a collective interest telecommunication service provided under private regime, under Law 12,485.

In summary, Law 12,485 (i) eliminated the regulatory asymmetries that existed among the technologies used to provide pay-TV services to subscribers, making them all subject to the same regulations; (ii) allows telecommunication companies, who were previously allowed to provide pay-TV services using only MMDS and DTH, to enter the cable television market in Brazil; (iii) removes foreign ownership limitations on companies to provide pay-TV services via cable in Brazil; (iv) prevents telecommunications companies from controlling or holding an equity interest above 30% of the total and voting stock of broadcast TV providers, producers and programmers headquartered in Brazil; (v) prevents broadcast TV providers, producers and programmers headquartered in Brazil from controlling or holding an equity interest above 50% of the total and voting stock of telecommunications companies; (vi) establishes minimum quotas for domestic content programming on channels and channel packages offered to subscribers; (vii) establishes rules and limits for advertising; and (viii) establishes Ancine as the regulatory body responsible for regulating and supervising the activities related to content programming and channel packages.

Resolution 581 was enacted on March 26, 2012 to regulate certain aspects of Law 12,435, such as procedure to obtain and transfer the SeAC license, applicable penalties and sanctions, among others. This resolution is under amendment by Anatel. Ancine also enacted a number of rules (Instruções Normativas) which further regulate certain aspects of Law 12,485.

Broadcast Television Services

The provision of broadcast television services in Brazil is governed by (i) Law 4,117 of August 27, 1962 (which was revoked by the General Telecommunications Law, except with respect to penal matters not covered by the General Telecommunications Law and with respect to provisions related to radio and TV services); (ii) Decree No. 52,795 of October 31, 1963; and (iii) complementary regulation. These regulations are supplemented by rules issued by the Ministry of Communications, which has the overall responsibility for regulating the Brazilian television industry.

Decree No. 52,795 establishes the conditions that must be met by television stations to be granted the right to renew their respective licenses (*e.g.*, concessions), *provided* that an automatic renewal only occurs if there has been no decision from the competent authority within 120 days of the renewal request. Those conditions are basically: (i) compliance with all applicable provisions of Brazilian law related to the broadcasting industry and the applicable concession agreement; (ii) moral, technical and financial ability to operate the television station; and (iii) the renewal of the license being consistent with public interest. Decree No. 7,670 of January 16, 2012 requires the prior approval of the president of Brazil for the renewal of television broadcasting licenses. In addition, if upon 120 days after the filing of a license renewal request the competent authority does not decide as to whether or not to grant the renewal, the license shall be considered renewed. The refusal to renew a license is subject to the approval of at least two-fifths of the members of the Brazilian Congress.

A legal entity may have licenses to operate a maximum of ten television stations throughout Brazil, with no more than five stations broadcasting in very high frequency (“VHF”) and subject to a maximum of two stations in each Brazilian state. Similarly, no individual may hold shares in licensed entities if as a result he would hold shares in licensed entities which operate more than two stations in any one state or which operate more than five stations broadcasting in VHF.

Transfers of licenses are restricted and require the prior consent of the federal government. No license can be transferred within the first five years from the date of the issuance of the operational license certificate (See Article 91 of Decree No. 52,795). Any amendment to the by-laws of the legal entity operating a television broadcasting station that triggers a change in the control or in the purpose of the company requires the prior approval of the the Ministry of Communications. The Ministry of Communications must also be informed of any other amendment to the by-laws or of any changes in Globo’s management within 60 days after such amendment becomes effective. These limitations on the ownership of television stations and on the transfer of licenses are designed to reduce the possibility of a consolidation of television stations into one group.

There is a legal obligation to ensure that at least 5% of daily programming is set aside for news broadcasts and that at least five hours per week of educational programming are broadcast. In addition, advertisement slots are limited to a maximum of 25% of total daily programming. There are no formal censorship laws applicable to the television industry in Brazil, though a system of self regulation is in place with respect to broadcasting and advertisement. The primary industry association is the *Associação Brasileira de Empresas de Rádio e Televisão*. Advertisers and advertising agencies are members of the *Conselho de Auto-Regulação Publicitária* (“CONAR”), a self-regulating body which makes recommendations as to the content of advertisements in Brazil. Although CONAR has no legal powers to enforce their recommendations, they are generally respected in Brazil.

Monitoring of television stations is conducted by the Ministry of Communications, which has the power to impose fines on television stations, suspend their licenses for infringement of the law, and make recommendations that a license be revoked. Revocation of a license can only be effected by the executive branch of the government under certain limited circumstances, e.g., an infraction committed by means of a television broadcast, repeated violations of the law, suspension of broadcast services for more than 30 consecutive days without consent of the Ministry of Communications and the inability of a television station, for technical or financial reasons, to continue to operate. Moreover, revocation of a license requires a judicial decision (obtained through a due process of law), according to Paragraph 4 of article 223 of the Brazilian Constitution. Neither Globo nor any of the television stations comprising the Globo Network have ever had their licenses suspended.

The Brazilian Constitutional Amendment No. 36 as of 2002 and Law 10,610 as of 2002 allowed foreign ownership of radio and television broadcasting services through companies incorporated under Brazilian law and headquartered in Brazil, provided, however, that such foreign participation is limited to 30% of the voting and non-voting shares of that radio or television broadcasting company. The other 70% of the shares must be held, directly or indirectly, by Brazilian nationals or persons who have held Brazilian nationality for more than ten years. In addition, the management of a broadcasting company can only be exercised by a Brazilian national or a person who has held Brazilian nationality for more than ten years.

With the approval of Law 12,485, no new licenses for the provision of cable TV or authorizations for Television and Audio Signal Broadcasting to Subscribers via DTH, MMDS, cable TV or pay-TV Special Service shall be granted. According to Law 12,485, companies whose old licenses and authorization are still in force have the option to keep them until the expiration thereof or can migrate immediately to the new service (*i.e.*, SeAC), created by Law 12,485. Nevertheless, if those companies need to submit an approval request to Anatel to transfer their control, to change their corporate structure, to alter their corporate documents or to transfer their licenses, it will be mandatory to migrate to the new service. All the major pay-TV providers have already migrated to the new service.

In June of 2006, the Federal Government enacted Decree 5,820, which created the Digital Television System ("SBTVD-T"). Such regulation establishes that the television transmitters and repeaters must shift from analogue system to SBTVD-T, provided that such migration started in 2015 and should be finalized by 2018. Notwithstanding the requirement of migration to SBTVD-T, during the transition period transmitters and repeaters may convey operations in both systems. Upon the expiration of the transition period, the possession of all radiofrequencies authorized to operate analogue transmission shall be returned to the Federal Government.

Intellectual Property Legislation

Brazilian intellectual property laws were edited in accordance with the Brazilian Constitution, which grants to authors the exclusive right over works, creations and trademarks. Such laws were written based on international treaties currently in effect, especially the Bern Convention, the Paris and Rome Conventions, as well as the TRIPS Agreement. This legal scenario legitimates Globo as the holder of all audiovisual works it produces, all of its creations and trademarks.

Based upon the legal protection granted by Brazilian Law and the International Treaties, Globo adopts any and all existing legal measures in order to protect and enforce such exclusive rights, which includes any rights of third parties eventually licensed to Globo, working hard to obtain the most updated technological measures to prevent any unauthorized use of its intellectual property—works, creations and trademarks.

Legal Proceedings

Globo and its subsidiaries are party to legal proceedings in the regular course of business. While it is impossible to determine with certainty the ultimate outcome of these matters, Globo makes provisions for these contingencies based on the opinion of internal and external legal counsel and the probability that financial resources will be required to settle the claim, where settlement amounts may be estimated with sufficient certainty. Provisions for contingencies are recognized when (i) Globo has a present legal obligation as a result of past events, (ii) it is probable that an outflow of resources will be required to settle the obligation, and (iii) the amount has been reliably estimated. Provisions are recorded at amounts considered sufficient to cover probable losses based on the opinions of internal and external legal counsel.

Tax Claims

ICMS Tax Infringement Communication Services

In November 2014, the Secretary of the Treasury of the State of Rio de Janeiro imposed two tax assessments claiming that ICMS tax should be levied on advertising revenue from Globo's pay-TV channel Globonews and from the Internet portal Globo.com for the period from 2009 to 2013. The tax authorities claim that this revenue would be considered from communication services, which triggers the ICMS tax. As of March 31, 2015, the total contingency amounted to R$821.0 million. The Company has presented its administrative defense and is now waiting judgment. The Company, based on opinions of internal and independent legal counsel, believes that a favorable outcome is possible and, therefore, no provision has been recorded.

IRPJ and CSLL Tax Assessment—Goodwill

In 2009 and 2014, the Brazilian tax authorities imposed tax assessments and ordered Globo to pay Corporate Income Tax (*Imposto de Renda sobre Pessoa Jurídica—IRPJ*) and Social Contribution on Net Profit (*Contribuição Social sobre Lucro Líquido—CSLL*) on goodwill recorded in connection with an investment in 2005 in one of Globo's subsidiaries, which was amortized and used for determination of taxable income in the calendar years between 2005 and 2010. The tax authorities alleged that Globo failed to add to the calculation basis of IRPJ and CSLL the values corresponding to such goodwill. Globo defended this claim, but in August 2014, Globo settled these assessments by joining the Refinancing Tax Program issued by the Federal Government through Law 12,996 of June 18, 2014. The total estimated contingency amount in connection with these assessments was R$1,792.8 million and Globo paid R$1,081.2 million to settle this matter.

IRPJ and CSLL Tax Assessment—Goodwill—Globosat

In 2010 and 2012, the Brazilian tax authorities issued tax assessments against Globosat related to the deductibility of goodwill originated in 2004 and amortized for determination of taxable profit from 2004 to 2008. Globosat defended this claim, but in August 2014, decided to settle these assesments by joining the Refinancing Tax Program issued by the Federal Government. The total estimated contingency amount in connection with this assessment was R$460.2 million and Globosat paid R$216.4 million to settle this matter.

Offset Relating to the Notice of Goodwill Infringement

Globo filed applications with the Brazilian tax authorities in the years of 2007 and 2008, in order to offset credits relating to income tax and social contribution on credits related to profits in 2006 with debts relating to PIS and COFINS. Because of the tax assessments described above under "—IRPJ and CSLL Tax Assessment—Goodwill," the proposed set-off was not accepted. As a result, in January 2012, Globo received a notice from the tax authorities demanding payment relating to credits used in the amount of R$123.2 million as of March 2015, including principal and penalties. Globo expects that the amount will be substantially reduced as the assessments described above under "—IRPJ and CSLL Tax Assessment—Goodwill" were paid in August 2014. Globo defended this claim and is now awaiting a decision. Based on the opinion of internal and external legal counsel, Globo believes that a favorable outcome is possible and therefore, no provision has been recorded.

INSS Tax Assessment for Services Rendered to Globo

In 2007 and 2008, the Brazilian tax authorities imposed tax assessments on Globo related to social security contributions ("INSS") in connection with payment of services rendered by certain legal entities from December 2001 to December 2005. In the fourth quarter of 2013, Globo decided to resolve the part of this matter relating to the tax assessments for the period from December 2002 to December 2005 by joining the Refinancing Tax Program. Globo paid at the Refinancing Tax Program R$76.7 million to resolve the December 2002 to December 2005 portion of this matter. The remainder of the assessment for period totals R$25.6 million as of March 31, 2015 and is still under discussion with the Brazilian tax authorities. Based on the opinion of internal and external legal counsel, Globo believes the result is possible and therefore no provision has been recorded.

On April 28, 2015, the Brazilian tax authorities imposed a tax assessment on Globo in the amount of R$274.5 million relating to INSS, primarily in connection with payment of services rendered by certain legal entities from April to December 2010. Based on the opinion of internal and external legal counsel, Globo believes that a favorable outcome is possible and, therefore, no provision has been recorded.

Offsets Relating to Withholding Income Tax on Credits and Other Taxes

Globo filed applications with the Brazilian tax authorities for a tax refund and offsets related to withholding income tax on credits related to profits in 1997, 1998 and 1999, which were granted in September 2002. However, in 2007, the Brazilian tax authorities reversed these prior determinations. Globo defended this claim by arguing that the statute of limitations on the tax authorities' right to review these credit applications had expired. In March 2015, Globo obtained a favorable outcome and reduced the amount to R$30 million. Based on an opinion of legal counsel, Globo believes that a favorable outcome is possible and, therefore, no provision has been recorded. Globo also obtained a favorable outcome and reduced the withheld amount of the tax refund to R$10.6 million and, based on an opinion of legal counsel, Globo believes that the total amount withheld may be classified as having a remote chance of loss.

Labor Litigation

On March 31, 2015, Globo was party to labor lawsuits with a total contingency amount of R$192.9 million. The claims asserted in such lawsuits relate to: (i) Globo's recognition of employment relationships involving certain service providers and the payment of compensation to such service providers, (ii) Globo's payment of severance amounts to such service providers, (iii) Globo's payment of fines to such service providers as a result of its delay in the payment of such severance amounts and (iv) Globo's payment of overtime to such service providers. Globo has established provisions in its consolidated financial statements for amounts relating to claims in which an unfavorable outcome is probable. The total amount provisioned as of March 31, 2015, was R$105.9 million. Such amount includes the lawsuits filed by formal workers who rendered services through various legal entities.

Globo filed a lawsuit against the federal authorities (*União Federal*) challenging legal and constitutional aspects regarding the increase of the applicable rate of labor insurance (*seguro de acidente trabalho*) ("SAT") from 1% to 3% as set by Decree No. 6,042 of February 12, 2007. Globo deposited the amount corresponding to the percentage in question, 2%, monthly. In December 2011, there was a favorable decision that resulted in the classification at the CNPJ (Corporate Register Number) of primary occupation at locations which resulted in the reduction of the SAT rate at such locations. A claim to refund the deposits was granted in December 2012 which offset credits received as a result of the reduction of the rate during 2013 and 2014.

OWNERSHIP AND MANAGEMENT STRUCTURE OF GLOBO

The Board of Directors is Grupo Globo's highest corporate governance body and is comprised of Roberto Irineu Marinho (chairman), João Roberto Marinho, José Roberto Marinho, Octávio Florisbal, Pedro Ramos de Carvalho and Jorge Luiz Nóbrega.

Globo is 100% owned indirectly by the Marinho family. Globo is managed by its managing directors and other executive officers.

Board of Directors

The following is a list of Grupo Globo's members of the Board:

Name	Title
Roberto Irineu Marinho	Chief Executive Officer and Chairman of the Board
João Roberto Marinho	Vice-president, Editorial and Institutional Relations and member of the Board
José Roberto Marinho	Vice-president, Social Responsibility and member of the Board
Octávio Florisbal	Member of the Board
Pedro Ramos de Carvalho	Member of the Board
Jorge Luiz Nóbrega	Executive Vice-president and member of the Board

The business address of the members of the Board is Avenida Afrânio de Melo Franco 135, Rio de Janeiro, RJ 22430-060, Brazil.

The biographies of the members of the Board are set forth below.

Roberto Irineu Marinho. Mr. Roberto Irineu Marinho is the CEO and Chairman of the Board. Mr. Marinho began his career as a journalist working for the O Globo newspaper in 1966 and, after being trained at the ABC Television Network in New York in 1977, held the position of Executive Vice-president of TV Globo up to 1998. He is also a board member of a number of companies belonging to the Marinho family.

João Roberto Marinho. Mr. João Roberto Marinho is a Vice-president and member of the Board. Mr. Marinho began his career as a journalist working for the O Globo newspaper, where he held a number of positions including that of Editor, Production Chief, Executive Director and Vice-president up to 1998.

José Roberto Marinho. Mr. José Roberto Marinho is a Vice-president and member of the Board. Mr. Marinho began his career as a journalist working for the O Globo newspaper, and joined the Globo Rádio Network in 1984, where he held the position of Vice-president until 1998. Mr. Marinho also serves on the Board of Fundação Roberto Marinho and other charitable and environmental foundations.

Octávio Florisbal. Mr. Florisbal is the former Managing Director of TV Globo, where he had worked since 1982. He was Marketing Executive Director for TV Globo until 1990 and Superintendent of the Commercial Division of TV Globo until August 2004. He previously worked as the Media Executive Director of the J. Walter Thompson advertising agency, and as the Planning Executive Director of Lintas International. Mr. Florisbal currently holds a senior post at CONAR and is a member of the Board.

Pedro Ramos de Carvalho. Mr. Carvalho is a former Executive of Globo, where he had worked since 1981. He has also been Vice-President of SIC, a television broadcaster in Portugal. Currently, he is an entrepreneur in the shopping-center development sector, a member of the Board of Curators of the Roberto Marinho Foundation and a member of the Board.

Jorge Luiz Nóbrega. Mr. Nóbrega is an Executive Vice-president and member of the Board. He joined the company in 1998 as Executive Director of Business Strategy. During this period, he was responsible for strategic planning, competitive intelligence and the assessment of business results. He is responsible for overseeing Globo's various businesses and for Globo's corporate functions (finance, legal, planning, institutional, human resources, communications, audit and business development). Previously, Mr. Nóbrega worked for the World Bank, the Interamerican Development Bank and Xerox, among other companies.

Executive Officers

The following is a list of Globo's executive officers:

Name	Title
Roberto Irineu Marinho	Chief Executive Officer and Chairman of the Board
João Roberto Marinho	Vice-president, Editorial and Institutional Relations and member of the Board
José Roberto Marinho	Vice-president, Social Responsibility and member of the Board
Jorge Luiz Nóbrega	Executive Vice-president and member of the Board
Paulo Ricardo Tonet Camargo	Vice-president, Institutional Relations
Carlos Henrique Schroder	Managing Director, TV Globo (Broadcast Television)
Alberto Pecegueiro	Managing Director, Globosat (Pay-TV Programming)
Frederic Zoghaib Kachar	Managing Director, Editora Globo (Publishing)
Juarez de Queiroz Campos Júnior	Managing Director, Globo.com (Internet)
Marcelo Luís Mendes Soares	Managing Director, Som Livre (Music Label)
Ali Kamel	General Executive Director of News and Sport of TV Globo
Rossana Fontenele Berto	General Executive Director of Planning and Management of TV Globo
Willy Haas	General Executive Director of Business of TV Globo
Antonio Claudio Ferreira Netto	General Legal Counsel
Cláudia Falcão da Motta	Corporate Executive Director, Human Resources
Cristiane Delecrode Lopes Sut Ribeiro	Corporate Executive Director, Planning and Control
Renata Frota Pessoa	Corporate Executive Director, Technology and Digital Integration
Sergio Lourenço Marques	Corporate Executive Director, Finance and Investor Relations

The business address of the executive officers is Avenida Afrânio de Melo Franco 135, Rio de Janeiro, RJ 22430-060, Brazil.

The biographies of the executive officers are set forth below. The biographies of Roberto Irineu Marinho, João Roberto Marinho, José Roberto Marinho and Jorge Luiz Nóbrega are set forth above under "—Board of Directors."

Paulo Ricardo Tonet Camargo. Mr. Camargo has been Globo's Vice President of Institutional Relations since December 2011. He is responsible for managing the relationship between the companies owned by the Marinho family and the legislative and executive branches of the Brazilian government, as well as regulatory agencies. Mr. Camargo is also responsible for Globo's social media organization relationship with traditional and new media industry associations.

Carlos Henrique Schröder. Mr. Schröder has been the Managing Director of TV Globo since 2013. He started his career in journalism in 1982, as a reporter for the Folha da Tarde in Porto Alegre. He Joined TV Globo in 1984 responsible for the production of Jornal Hoje (news). He was editor in chief and editor of national issues for Jornal Nacional (national news) between 1988 and 1989. In 2001, he took over Globo News Division. In 2009, Carlos Schröder took over the position of General Executive Director of News and Sports Division.

Alberto Pecegueiro. Mr. Pecegueiro has been the Managing Director of Globosat since January 1995. Mr. Pecegueiro began his career at his own publishing company in 1974. In 1979, he moved to Editora Globo as Magazine Director, where he stayed until 1987. After leaving Editora Globo in 1987, Mr. Pecegueiro joined Editora Abril S.A. ("Editora Abril"). Mr. Pecegueiro remained at Editora Abril until 1993 and held the positions of Managing Director for various Publications Groups and Publishing Executive Director of Editora Abril.

Frederic Zoghaib Kachar. Mr. Kachar is the Managing Director of Editora Globo, the publishing business of Globo. He joined Globo in 1997 as a financial analyst at Infoglobo Comunicação e Participações S.A. ("Infoglobo"), a newspaper company. In 2001, Mr. Kachar became CFO of Diario de São Paulo (formerly known as Diario Popular) when it was acquired by Infoglobo. In 2002, he joined Editora Globo as CFO and has been the Managing Director since 2008. Prior to joining Globo, Mr. Kachar worked at Deloitte Touche Tohmatsu.

Juarez de Queiroz Campos Júnior. Mr. Queiroz Campos, Jr. has been the Managing Director of Globo.com since February 2001. Previously, Mr. Queiroz was the Marketing & Corporate Vice-president of Tele Norte Leste Participações S.A. and the Marketing and Sales Executive Director of Souza Cruz S.A.

Marcelo Luís Mendes Soares. Mr. Soares was promoted to Managing Director of Som Livre, the music business of Globo, in March 2011. He joined Som Livre as New Business Executive Director in 2007. Mr. Soares previously held logistics and marketing positions in companies such as Globo.com, Ambev and TIM.

Ali Kamel. Mr. Kamel has been the General Executive Director of News and Sports of TV Globo since 2013, starting his career in 1982 at Rádio Jornal do Brasil. He joined Grupo Globo in 1989 working as a journalist for the O Globo newspaper and holding the positions of Editor, Executive Editor and Editor-in-Chief. Mr. Kamel moved to TV Globo in 2001 as General Executive Director of News and Sports. He is also a member of the Editorial board of Grupo Globo.

Rossana Fontenele Berto. Ms. Berto has been the General Executive Director of Planning and Management of TV Globo since 2013. Previously, Ms. Berto was the Corporate Executive Director of Strategic Planning and Control of Globo (and, prior to the Restructuring~~,~~ of Globopar and TV Globo) from 2002 to 2013, General Executive Director of Sky Brasil from 1999 to February 2002, General Executive Director of Net Rio from 1998 to 1999 and Controller of Multicanal from 1993 to 1998.

Willy Haas. Mr. Haas has been the General Executive Director of Business of TV Globo since 2013. He started his career in 1971, holding marketing positions at Pereira de Souza. Four years later, he moved to Rádio e TV Difusora, today known as TV Bandeirantes. Mr. Haas joined Globo in 1979 and become the Commercial Manager in 1982. Afterwards, he was the Sales Executive Director of Spot Division between 1988 and 1991, Globo Commercial Development Executive Director from 1991 and 2000, Globo Sales Director from 2000 to 2004 and General Executive Director of Sales between 2004 and 2013.

Antonio Claudio Ferreira Netto. Mr. Netto has been the General Legal Counsel of Globo since January 2008. Previously, he was the Director, Legal Counsel of TV Globo from 2003 to 2007. Mr. Netto has worked as a legal counsel of Globo since 1987.

Cláudia Falcão da Motta. Ms. Falcão has been the Corporate Executive Director of human resources since 2014. She has previously worked in the Human Resources departments of large Brazilian corporations such as Grupo Gerdau, Natura and Libra Group.

Cristiane Delecrode Lopes Sut Ribeiro. Ms. Ribeiro has been the Corporate Executive Director of Planning and Control since 2015. She started her professional career as an investment analyst. For six years, she worked in telecommunication companies Telemar/Oi and Embratel. She joined Globo in 2005 in the area of business analysis.

Renata Frota Pessoa. Ms. Pessoa has been the Corporate Executive Director of Technology and Digital Integration since 2015. She started her career in 1998 at Accenture, working in her last two years as a leader for projects at Globo, and before that for other clients in the telecommunications and media field.

Sergio Lourenço Marques. Mr. Marques has been the Corporate Executive Director of Finance and Investor Relations of Globo since 2010. He joined Globo in February 2000 as Head of Financial Operations in the Treasury Department and became the Corporate Treasury Executive Director in 2002. Previously, Mr. Marques held positions at Banco Pactual, Atlantic Petroleo and Ipiranga Petroleo.

RELATED PARTY TRANSACTIONS OF GLOBO

For further information about related party transactions, see note 7 to the (i) audited consolidated financial statements of Globo as of and for the years ended December 31, 2014 and 2013; (ii) audited consolidated financial statements of Globo as of and for the years ended December 31, 2013 and 2012; and (iii) unaudited interim condensed consolidated financial information of Globo as of March 31, 2015 and for the three months ended March 31, 2015 and 2014, both included elsewhere in this offering memorandum.

Dividends Paid and Payable to Shareholders

During the three months ended March 31, 2015 and the years ended December 31, 2014, 2013 and 2012, Globo made dividend payments of R$728.1 million, R$3,460.3 million, R$1,327.9 million and R$525.3 million, respectively. As of March 31, 2015, December 31, 2014, 2013 and 2012, the dividends payable to shareholders totaled R$551.1 million, R$560.2 million, R$2,524.4 million and R$3,238.9 million.

Lease Guarantees

Globo has guaranteed the obligations of Aero Rio Táxi Aéreo Ltda., a Brazilian limited liability company (“Aero Rio”), with respect to an aircraft lease that was executed in 2010 and renewed in October 2013 for a term ending in October 2016. The Marinho family indirectly holds 100% of Aero Rio’s shares. The outstanding balance under the lease was R$82.9 million as of December 31, 2014 and R$98.6 million as of March 31, 2015.

Agreements Between Globosat and Affiliated Companies

Globosat provides management and technical services to Canal Brazil S.A. (“Canal Brazil”), NBCUniversal Networks International Brasil Programadora S.A. (“NBCU Brasil”), Telecine Programação de Filmes Ltda. (“Telecine”) and PB Brasil Entretenimento S.A. (“PB Brasil”) in exchange for a monthly fee determined under a service agreement.

Globosat purchases and sells advertising time to and from affiliates such as Infoglobo, NBCU Brasil, Telecine, PB Brasil, Canal Brazil and others. Certain sales are made through barter transactions.

Internet Services Agreements between Globo’s Internet Division, Globo.com, and Affiliates

Grupo Globo, through its Internet business unit, Globo.com, provides Internet and related technology services to related parties, such as Infoglobo and most of its joint controlled entities (Canal Brazil, NBCU Brasil and Telecine). Such services are provided under a service agreement, in exchange for a monthly fee corresponding to the amount of service used.

Sale of Advertising and Licensing by Globo to Related Parties

Globo, as part of its broadcasting business, sells advertising time to related parties, such as Infoglobo, a wholly-owned subsidiary of Grupo Globo, and others. Certain sales are made through barter transactions.

Globo also licenses certain in-house production content to be used by certain related parties, including, occasionally, the right to use the “Globo” trademark solely for the purpose of linking Globo and its licensed content.

Endemol Globo

Globo owns 50% in Endemol Globo S.A. (“Endemol Globo”) which is engaged in developing, distributing and producing audiovisual programs based on formats owned by the shareholders and licensed on a worldwide basis. Globo pays a license fee to Endemol Globo to broadcast these licensed programs.

Globo’s Guarantee of G2C’s Obligations under Certain Telecine Agreements

Globo guarantees the performance by G2C, a wholly-owned subsidiary of Globo, of its obligations under G2C’s distribution arrangements with Telecine, pursuant to which Telecine sells its content through G2C to pay-TV operators in Brazil. G2C bears financial responsibility for remitting monthly per-subscriber payments to Telecine regardless of whether G2C has received payments from MSOs, which include Claro S.A. and Sky Brasil Serviços Ltda.—the principal MSOs on which Telecine is exhibited. As a result of the Globo guarantee, Globo currently has an obligation to make these payments to Telecine in the event G2C fails to do so. Nonetheless, G2C, and consequently Globo, shall be released from any further obligation of payment upon delivery of a release notice to Telecine (except for the obligations outstanding prior to the delivery of such release notice). See “Business of Globo—Television—Pay-TV Programming—Telecine.”

Agreements between Horizonte and Affiliated Companies

Horizonte provides technical services to Canal Brazil, NBCU Brasil, Telecine and PB Brasil in exchange for a monthly fee corresponding to the amount of service used.

DESCRIPTION OF OTHER INDEBTEDNESS OF GLOBO

The following description is a summary of the principal amounts of consolidated outstanding debt of Globo as of March 31, 2015 in millions of *reais*.

Step-Up Perpetual Notes	R$	1,042.6
Step-Up Senior Notes	R$	641.6
4.875% Senior Notes	R$	962.4
Bank credit notes	R$	225.0
Finimp	R$	20.1

Step-Up Perpetual Notes

Ranking, Maturity and Prepayments

The 6.25%/9.375% Step-Up Perpetual Notes (the "Step-Up Perpetual Notes") are unsecured and unsubordinated obligations of Globo, ranking equal in right of payment with Globo's existing and future unsubordinated obligations. The Step-Up Perpetual Notes are effectively subordinated to any secured debt of Globo to the extent of the value of the assets securing such debt and structurally subordinated to all debt and other liabilities of Globo's subsidiaries. The Step-Up Perpetual Notes have no fixed final maturity date and will be repaid only in the event that Globo redeems them, they are purchased by another person at Globo's option or upon acceleration due to an event of default.

Globo may, at its option, redeem the Step-Up Perpetual Notes in whole or in part, at 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, on any date on or after July 20, 2015; *provided* that no less than US$150.0 million aggregate principal amount of the Step-Up Perpetual Notes remains outstanding following any partial redemption. In addition, Globo may redeem the Step-Up Senior Notes at 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, at any time upon the occurrence of specified events relating to Brazilian tax law. Globo may provide that payment of the redemption amount of Step-Up Perpetual Notes and the performance of its obligations with respect to a redemption may be performed by another person (which may include, at Globo's option, transferring to another person the right to purchase the Step-Up Perpetual Notes).

The SENs Issuer will use the gross proceeds from the sale of the SENs in this offering to purchase all of Globo's outstanding Step-Up Perpetual Notes on July 20, 2015 in accordance with the provisions of the Step-Up Perpetual Notes Indenture. See "Use of Proceeds."

Interest

Interest on the Step-Up Perpetual Notes accrues at the rate of 6.25% per annum from (and including) July 20, 2010 to (but excluding) July 20, 2015. Thereafter, interest on the Step-Up Perpetual Notes will accrue at the rate of 9.375% per annum. Interest on the Step-Up Perpetual Notes is payable in cash quarterly in arrears on January 20, April 20, July 20 and October 20 of each year.

Covenants

The Amended and Restated Indenture contains a limited number of covenants, including limitation on liens, limitation on consolidation, merger or transfer of assets and certain reporting requirements, subject in each case to important exceptions.

Events of Default

Under the Amended and Restated Indenture, an event of default is defined to include: non-payment of interest or principal, breach of other obligations, cross-default (with a US$20,000,000 threshold), unsatisfied judgments and enforcement proceedings and insolvency-related events.

Step-Up Senior Notes

Ranking, Maturity and Prepayments

The 5.307%/7.25% Step-Up Senior Notes due 2022 (the "Step-Up Senior Notes") are unsecured and unsubordinated obligations of Globo, ranking equal in right of payment with all of Globo's unsecured, unsubordinated obligations. The Step-Up Senior Notes are effectively subordinated to any secured debt of Globo to the extent of the value of the assets securing such debt and structurally subordinated to all debt and other obligations of Globo's subsidiaries. The Step-Up Senior Notes have a final maturity date of May 11, 2022.

Globo may, at its option, redeem the Step-Up Senior Notes, in whole or in part, at 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, on any date on or after May 11, 2017; provided that no less than US$100.0 million in principal amount of Step-Up Senior Notes remains outstanding following any partial redemption or purchase. In addition, Globo may redeem the Step-Up Senior Notes at 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, at any time upon the occurrence of specified events relating to Brazilian tax law. Globo may provide that payment of the redemption amount of Step-Up Senior Notes and the performance of its obligations with respect to a redemption may be performed by another person (which may include, at Globo's option, transferring to another person the right to purchase the Step-Up Senior Notes).

Interest

Interest on the Step-Up Senior Notes accrues at the rate of 5.307% per annum from (and including) May 11, 2012 to (but excluding) May 11, 2017. Thereafter, interest on the Step-Up Senior Notes will accrue at the rate of 7.25% per annum. Interest on the Step-Up Senior Notes is payable in cash semi-annually in arrears on May 11 and November 11 of each year.

Covenants

The indenture governing the Step-Up Senior Notes contains a limited number of covenants, including limitation on liens, limitation on consolidation, merger or transfer of assets and certain reporting requirements, subject in each case to important exceptions.

Events of Default

Under the indenture governing the Step-Up Senior Notes, an event of default is defined to include: non-payment of interest or principal, breach of other obligations, cross-default (with a US$50,000,000 threshold), unsatisfied judgments and enforcement proceedings and insolvency-related events.

4.875% Senior Notes

Ranking, Maturity and Prepayments

The 4.875% Senior Notes due 2022 (the "4.875% Senior Notes") are unsecured and unsubordinated obligations of Globo, ranking equal in right of payment with Globo's existing and future unsubordinated obligations. The 4.875% Senior Notes are effectively subordinated to any secured debt of Globo to the extent of the value of the assets securing such debt and structurally subordinated to all debt and other liabilities of Globo's subsidiaries. The 4.875% Senior Notes have a final maturity date of April 11, 2022.

Globo may, at its option, redeem the 4.875% Senior Notes on or after April 11, 2017, in whole or in part, at any time by paying the greater of (1) 100% of the principal amount of the 4.875% Senior Notes and (2) the sum of the present values of each remaining scheduled payment of principal and interest thereon (exclusive of interest accrued to the redemption or purchase date and unpaid) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable treasury rate plus 40 basis points, plus accrued and unpaid interest on the principal amount of the 4.875% Senior Notes to the redemption date and additional amounts, if any. In addition, Globo may redeem the Step-Up Senior Notes at 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, at any time upon the occurrence of specified events relating to Brazilian tax law. Globo may provide that payment of the redemption amount of 4.875% Senior Notes and the performance of its obligations with respect to a redemption may be performed by another person (which may include, at Globo's option, transferring to another person the right to purchase the 4.875% Senior Notes).

Interest

Interest on the 4.875% Senior Notes accrues at the rate of 4.875% per annum. Interest on the 4.875% Senior Notes is payable in cash semi-annually in arrears on April 11 and October 11 of each year.

Covenants

The indenture governing the 4.875% Senior Notes contains a limited number of covenants, including limitation on liens, limitation on consolidation, merger or transfer of assets and certain reporting requirements, subject in each case to important exceptions.

Events of Default

Under the indenture governing the 4.875% Senior Notes, an event of default is defined to include: non-payment of interest or principal, breach of other obligations, cross-default (with a US$50,000,000 threshold), unsatisfied judgments and enforcement proceedings and insolvency-related events.

Bank Credit Notes (CCB)

In June 2014, Globo entered into a credit agreement with Itaú Unibanco S.A. that provided for an unsubordinated and unsecured term loan in the aggregate principal amount of R$225.0 million (the "Bank Loan").

Maturity and Prepayments

The Bank Loan matures in June 2024. Globo may prepay the Bank Loan at any time, in whole, at its outstanding principal amount plus accrued and unpaid interest. Globo will repay the principal amount of the Bank Loan in semi-annual installments from December 2016 to June 2024.

Interest

The Bank Loan bears interest at 95% of the interbank deposit rate ("CDI") per annum, payable semi-annually. Interest payment dates are June 27, 28 and 29 and December 27 and 28 of each year.

Events of Default

The Bank Loan provides for certain events of default, including: non-payment, breach of other obligations, insolvency-related events, unsatisfied judgments, corporate restructuring and enforcement proceedings and change of control.

Finimp

Import financing lines of credit ("Finimp") are loans from financial institutions in foreign currency provided to Globo in order to finance the acquisition of goods and services to be imported into Brazil. The Finimp lender typically pays the applicable exporter at the time of purchase in the applicable foreign currency. As of March 31, 2015, Globo had R$20.1 million principal amount outstanding under Finimp lines of credit.

DESCRIPTION OF THE SENS

Pontis III Ltd. (the "SENs Issuer") will issue the Senior Secured Exchangeable Notes (the "SENs") pursuant to an indenture (the "SENs Indenture") among the SENs Issuer, The Bank of New York Mellon, as SENs Trustee, The Bank of New York Mellon Trust (Japan), Ltd., as SENs Principal Paying Agent, and The Bank of New York Mellon (Luxembourg) S.A., as SENs Luxembourg Paying Agent. A copy of the SENs Indenture, including the form of the SENs and the form of the indenture governing the Amended Notes, will be available for inspection during normal business hours at the offices of the SENs Trustee and the paying agents, when available. The SENs Trustee will also act as a transfer agent and the registrar in the event that the SENs Issuer issues physical notes in the limited circumstances described in "Form of Notes."

This Description of the SENs is a summary of the material provisions of the SENs and the SENs Indenture. You should refer to the SENs Indenture for a complete description of the terms and conditions of the SENs and the SENs Indenture, including the obligations of the SENs Issuer and your rights.

You will find the definitions of other terms used in this section under "—Certain Definitions."

General

Overview

The SENs:

- will not bear interest;
- will be unsubordinated obligations of the SENs Issuer;
- will be secured by a pledge of the Escrow Account (as defined below) in which the gross proceeds from the sale of the SENs will be deposited pending the purchase by the SENs Issuer of Globo's outstanding 6.25%/9.375% Step-Up Perpetual Notes (the "Perpetual Notes");
- will be issued in an aggregate principal amount of US$325,000,000;
- will be mandatorily exchangeable for the Amended Notes of Globo on July 20, 2015, or as soon as practicable thereafter and, in any event, on or before July 27, 2015;
- will be issued in registered form in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof; and
- will be represented by one or more registered notes in global form and may be exchanged for notes in definitive form only in limited circumstances.

Globo has transferred to the SENs Issuer the option to purchase all of Globo's outstanding Perpetual Notes on July 20, 2015, and the SENs Issuer has agreed to purchase the outstanding Perpetual Notes on July 20, 2015, all in accordance with the provisions of the indenture, dated July 20, 2010, governing the Perpetual Notes (the "Perpetual Notes Indenture"). The SENs Issuer will use the gross proceeds from sale of the SENs to purchase the Perpetual Notes.

Escrow Agreement and Pledge of Escrow Account

On the closing date of the offering of the SENs, the gross proceeds from the sale of the SENs will be deposited in an escrow account (the "Escrow Account") pursuant to an escrow agreement (the "Escrow Agreement") between the SENs Issuer and The Bank of New York Mellon, as escrow agent. Pending the release of such gross proceeds to fund the purchase of the Perpetual Notes in accordance with the terms of the Escrow Agreement, such gross proceeds will be invested by the escrow agent in Eligible Investments as set forth in the Escrow Agreement. The SENs Issuer will use the proceeds from the investment in Eligible Investments to pay expenses related to its organization and this offering. In addition, the Escrow Account will be pledged on behalf of The Bank of New York Mellon, in its capacity as SENs Trustee and pledged securities intermediary, for the benefit of the holders of the SENs pursuant to a pledge agreement (the "Pledge Agreement"). Pursuant to the terms of the Pledge Agreement, the pledge over the Escrow Account will be released automatically at the time the funds in the Escrow Account are released to the paying agent for the Perpetual Notes to purchase the Perpetual Notes.

Payments and Transfers

There are no payments of interest, principal or other amounts due under the SENs.

If an Event of Default under the SENs Indenture occurs, holders of the SENs will be entitled to the remedies described hereunder in "—Mandatory Exchange—Specific performance" and "—Events of Default."

The SENs Issuer will maintain The Bank of New York Mellon Trust (Japan) Ltd., as SENs Principal Paying Agent, and The Bank of New York Mellon (Luxembourg) S.A., as Luxembourg Paying Agent.

Ranking

The SENs will be unsubordinated obligations of the SENs Issuer, ranking equal in right of payment without any preference among themselves, secured by a pledge of the Escrow Account as described above. Neither Globo nor any of its subsidiaries is a guarantor of the SENs, and holders of the SENs will not have any remedies against Globo or any of its subsidiaries under the SENs and the SENs Indenture.

Mandatory Exchange

Mandatory Exchange

The SENs Issuer will mandatorily exchange each SEN for an equal principal amount of the Amended Notes on July 20, 2015 or as soon as practicable thereafter and, in any event, on or before July 27, 2015 (the "Mandatory Exchange"). If the Mandatory Exchange is not consummated on or prior to July 27, 2015 for any reason, this will constitute an Event of Default under the SENs Indenture and the holders of the SENs will have the remedies available to them under the SENs Indenture as described under "—Mandatory Exchange—Specific performance" and "—Events of Default." The date on which the Mandatory Exchange is effected is referred to herein as the "Mandatory Exchange Date."

Exchange mechanics

On the Mandatory Exchange Date, the SENs Issuer will instruct the SENs Trustee to cause the transfer of the Amended Notes to each holder of the SENs who was a holder of record of the SENs at the close of business on the business day preceding the Mandatory Exchange Date, in a principal amount equal to the principal amount of SENs held by such holder of the SENs.

On the Mandatory Exchange Date, The Depository Trust Company ("DTC") will debit, on its internal system, the individual beneficial interests represented by the Rule 144A Global SENs Note and the Regulation S Global SENs Note (as such terms are defined in the "Form of Notes") from the relevant account and credit equal beneficial ownership interests in the Rule 144A Global Amended Note and Regulation S Global Amended Note (as such terms are defined in the "Form of Notes"), respectively, to such account.

Rights arising on Mandatory Exchange; failure to exchange

Upon consummation of the Mandatory Exchange, each holder of the SENs will (i) be the holder of the applicable Amended Notes delivered upon the Mandatory Exchange for such holder's SENs with effect from (and including) the Mandatory Exchange Date and (ii) be entitled to interest accruing on such Amended Notes from (and including) July 20, 2015 or from the Mandatory Exchange Date; if it occurs at a later date.

If the Perpetual Notes are purchased by the SENs Issuer but the SENs are not exchanged for the Amended Notes, holders of the SENs will not have any rights under the Amended Notes or the Amended and Restated Indenture to be entered into by Globo as described in "Description of the Amended Notes" (the "Amended and Restated Indenture"), but will have the right to seek specific performance to cause delivery by the SENs Issuer of the Amended Notes. See "—Events of Default" and "—Mandatory Exchange—Specific performance."

Exchange Fee

Pursuant to the Amended and Restated Indenture, Globo will agree to pay an exchange fee of US$5.65 per US$1,000 principal amount of the Amended Notes (the "Exchange Fee"), to holders of the Amended Notes as consideration for the exchange of the SENs for the Amended Notes. In addition, Globo will pay an additional fee of US$0.1345 per US$1,000 principal amount of Amended Notes from and including July 20, 2015 for each day that the Mandatory Exchange is not consummated after July 20, 2015. Holders who receive the Amended Notes in the Mandatory Exchange will be entitled to receive the Exchange Fee on the Mandatory Exchange Date.

Voting rights

Holders of SENs will not be entitled to any voting rights to which holders of the Amended Notes are entitled at any time prior to the time of the Mandatory Exchange.

Expenses of Mandatory Exchange

The SENs Issuer will pay all stamp, issue, registration or other similar taxes and duties (if any) arising on the transfer or delivery to holders of the SENs of Amended Notes upon the Mandatory Exchange and all charges of any agents of the SENs Issuer in connection therewith.

Satisfaction and Discharge

Delivery to the holders of the SENs of the Amended Notes in the Mandatory Exchange in accordance with the terms of the SENs Indenture will satisfy and discharge the SENs Indenture, and thereupon the SENs Issuer will be relieved of all obligations and covenants under the SENs Indenture and the SENs.

Cancellation

All SENs that are exchanged by the SENs Issuer upon consummation of the Mandatory Exchange for the Amended Notes shall be cancelled by the SENs Trustee and shall cease to be outstanding upon the consummation of the Mandatory Exchange.

Specific performance

Without limiting the other remedies available to a holder of the SENs, the SENs Issuer acknowledges that any failure by the SENs Issuer to comply with its covenants described in "—Covenants—Purchase of the Perpetual Notes and Mandatory Exchange" below, may result in material, irreparable injury to a holder of the SENs for which there is no adequate remedy at law, that it may not be possible to measure damages for such injuries precisely and that, in the event of such failure, the SENs Trustee or, subject to the requirements of the SENs Indenture described under "—Events of Default," a holder of the SENs may obtain such relief as may be required to specifically enforce the SENs Issuer obligations described in this paragraph.

Covenants

The SENs Issuer shall be subject to the following covenants as long as any SENs remain outstanding:

Purchase of the Perpetual Notes and Mandatory Exchange

The SENs Issuer shall:

(1) use the gross proceeds of the issuance and sale of the SENs to purchase the Perpetual Notes on July 20, 2015 in accordance with the terms of the Perpetual Notes Indenture;

(2) duly and validly consent to the Amended and Restated Indenture on July 20, 2015 in accordance with the terms of the Perpetual Notes Indenture; and

(3) exchange the SENs for the Amended Notes in accordance with the terms of the SENs Indenture on July 20, 2015 or as soon as practicable thereafter and, in any event, on or before July 27, 2015.

Limitation on Obligations

The SENs Issuer shall not incur or permit to exist any Debt, except (a) the SENs Indenture and the SENs, (b) any Debt or obligations representing fees, expenses and indemnities payable in connection with any transaction (including, but not limited to, the Mandatory Exchange) contemplated by the SENs Indenture, the SENs, the Escrow Agreement, the Pledge Agreement or the Purchase Agreement or (c) as required by applicable law.

Limitation on Liens

The SENs Issuer shall not incur or permit to exist any Lien on any property or assets (including Capital Stock or other securities) now owned or hereafter acquired by it or on any of its current or future income or revenues, except for the pledge of the Escrow Account for the benefit of the holders of the SENs or as imposed by law.

Limitation on Creditors

The SENs Issuer shall not create or permit to exist any creditors, other than as permitted under "Limitation on Obligations" above, or as required by applicable law.

Limitation on Business Activities

The SENs Issuer shall not engage at any time in any business or business activity, other than (a) the execution and performance of its obligations under the SENs Indenture, the SENs, the Escrow Agreement, the Pledge Agreement and the Purchase Agreement, (b) as required by law, (c) as described in the offering memorandum or (d) any incidental or related activities in connection with the foregoing or with the purchase of the Perpetual Notes, the amendment of the Perpetual Notes or the Mandatory Exchange.

Limitation on Investments and Loans

The SENs Issuer shall not make or permit to exist any Investment, except for (i) the deposit of the gross proceeds from the sale of the SENs in an Escrow Account in accordance with the terms of Escrow Agreement, (ii) investment of such gross proceeds in Eligible Investments and (iii) the purchase of the Perpetual Notes (Investments permitted by clauses (i), (ii) and (iii), collectively, the "Permitted Investments").

Limitation on Mergers, Consolidation and Sale of Assets

The SENs Issuer shall not merge into or consolidate with any other person, or permit any other person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one or a series of transactions) any of its assets (whether now owned or hereafter acquired), or purchase, lease or otherwise acquire (in one or a series of transactions) any of the assets of any other person, except for the Permitted Investments and as described in the offering memorandum.

Limitation on Leases

The SENs Issuer shall not incur, create, assume or permit to exist any leases.

Limitation on Payment of Dividends

The SENs Issuer shall not declare or pay, directly or indirectly, any dividend or make any other distribution (by reduction of capital or otherwise), whether in cash, property, securities or a combination thereof, with respect to any shares of its Capital Stock or directly or indirectly redeem, purchase, retire or otherwise acquire for value any shares of any class of its Capital Stock or set aside any amount for any such purpose.

Limitation on Issuance of Capital Stock

The SENs Issuer shall not issue any Capital Stock to any entity or person, permit any of its Capital Stock to be transferred to any person or otherwise change its equity structure in any manner.

Limitation on Changes in Organizational Documents

To the extent such matter is within its power or control, the SENs Issuer shall not amend its certificate of incorporation, memorandum or articles of association.

Limitation on Bankruptcy

The SENs Issuer shall not file for, or consent to the filing of, any bankruptcy, liquidation, winding-up or similar proceeding.

Events of Default

An "Event of Default" under the SENs Indenture will occur if:

(1) the SENs Issuer fails to comply with any of its restrictive covenants under the SENs Indenture and such failure is incapable of remedy or remains unremedied for 15 days, in either case, only after the SENs Trustee has given written notice to the SENs Issuer of such failure;

(2) the SENs Issuer fails to purchase the Perpetual Notes on July 20, 2015;

(3) an event of default occurs under the Perpetual Notes Indenture at any time prior to July 20, 2015, and the Trustee under the Perpetual Notes Indenture has given notice to Globo that the Perpetual Notes are due and payable in accordance with the terms of the Perpetual Notes Indenture;

(4) the SENs Issuer fails to consent to the Amended and Restated Indenture on July 20, 2015 or to cause the exchange of the Amended Notes for the SENs on or prior to July 27, 2015 in accordance with the terms of the SENs Indenture;

(5) a final, non-appealable judgment or order for the payment of any amount is rendered against the SENs Issuer and continues unsatisfied or unstayed for a period of 60 days after the date thereof or, if later, the date therein specified for payment;

(6) an involuntary case or other proceeding is commenced against the SENs Issuer with respect to it or its debts under any bankruptcy, winding-up, insolvency or other similar law now or hereafter in effect seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 days; or an order for relief is entered against the SENs Issuer under applicable bankruptcy laws as now or hereafter in effect and such order is not being contested by the SENs Issuer in good faith or has not been dismissed, discharged or otherwise stayed, in each case within 60 days of being made;

(7) (i) the shareholders of the SENs Issuer pass a resolution to effect the winding up of the SENs Issuer on a voluntary basis or (ii) the SENs Issuer (a) commences a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the SENs Issuer for all or substantially all of the property of the SENs Issuer or (c) effects any general assignment for the benefit of creditors; or

(8) any event occurs that under the laws of the Cayman Islands, the United States or any political subdivision thereof has substantially the same effect as any of the events referred to in any of clause (6) or (7) above.

The SENs Trustee is not to be charged with knowledge of any Default or Event of Default or knowledge of any cure of any Default or Event of Default unless an authorized officer of the SENs Trustee with direct responsibility for the SENs Indenture has received written notice of such Default or Event of Default from the SENs Issuer or any holder of the SENs.

If an Event of Default occurs and is continuing prior to the purchase by the SENs Issuer of the Perpetual Notes, the SENs will become due and payable on the Business Day immediately following the date of such Event of Default, as provided in the next paragraph, without any declaration or other act on the part of the Trustee or any holder of the SENs.

If (x) an Event of Default under the SENs Indenture occurs prior to the purchase by the SENs Issuer of the Perpetual Notes or (y) the SENs Issuer fails to purchase the Perpetual Notes, the holders of the SENs will be entitled to receive, and the SENs Trustee will instruct the escrow agent to release to the SENs Paying Agent for payment to the holders of the SENs on the Business Day immediately following the date of the Event of Default, the amount of the gross proceeds from the sale of the SENs held in the Escrow Account in accordance with the Escrow Agreement plus interest earned on the investment of the gross proceeds through and including the date of the Event of Default, after deduction of expenses and applicable taxes. Amounts payable upon an Event of Default will be payable to the holders of record at the close of business on the date of the Event of Default. If an Event of Default under the SENs Indenture occurs at any time after the purchase by the SENs Issuer of the Perpetual Notes, the sole remedy of the holders of the SENs under the SENs Indenture will be an action to cause the delivery by the SENs Issuer of the Amended Notes.

Subject to the provisions of the SENs Indenture relating to the duties of the SENs Trustee, in case an Event of Default under the SENs Indenture occurs and is continuing, the SENs Trustee will be under no obligation to exercise any of its rights or powers under the SENs Indenture at the request or direction of any of the holders, unless such holders will have offered to the SENs Trustee indemnity reasonably satisfactory to the SENs Trustee. Subject to such provision for the indemnification of the SENs Trustee, the holders of a majority in aggregate principal amount of the outstanding SENs will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the SENs Trustee or exercising any trust or power conferred on the SENs Trustee.

Amendment, Supplement, Waiver

Subject to the exceptions described below, the SENs Indenture may be amended or supplemented with the consent of the holders of at least a majority in principal amount of the SENs then outstanding, and any past Default or compliance with any provision may be waived with the consent of the holders of at least a majority in principal amount of the SENs then outstanding. However, without the consent of each holder of an outstanding SENs affected thereby, no amendment may:

(1) reduce the amount or extend the time for payment of any amount due under the SENs Indenture;

(2) change the currency for payment of any such amounts;

(3) extend the time for the purchase of the Perpetual Notes or the consummation of the Mandatory Exchange;

(4) impair the right to institute suit for the enforcement of any payment on or with respect to any SENs;

(5) waive a default in the payment of any amount due with respect to the SENs;

(6) reduce the principal amount of SENs whose holders must consent to any amendment or waiver; or

(7) modify or change any provision of the SENs Indenture affecting the ranking of the SENs in a manner adverse to the holders of the SENs.

The holders of the SENs will receive prior notice as described under "—Notices" of any proposed amendment to the SENs or the SENs Indenture described in this paragraph. After an amendment described in the preceding paragraph becomes effective, the SENs Issuer is required to mail to the holders a notice briefly describing such amendment. However, the failure to give such notice to all holders of the SENs, or any defect therein, will not impair or affect the validity of the amendment.

The consent of the holders of the SENs is not necessary to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

The SENs Issuer and the SENs Trustee may, without the consent or vote of any holder of the SENs, amend or supplement the SENs Indenture or the SENs for the following purposes:

(1) cure any ambiguity, omission, defect or inconsistency; provided that such amendment or supplement does not materially and adversely affect the rights of any holder;

(2) add guarantees or collateral with respect to the SENs;

(3) add to the covenants of the SENs Issuer for the benefit of holders of the SENs;

(4) surrender any right conferred upon the SENs Issuer;

(5) evidence and provide for the acceptance of an appointment by a successor SENs Trustee;

(6) make any change necessary or desirable to effect the purchase of the Perpetual Notes or consummate the Mandatory Exchange, provided that such change does not materially and adversely affect the rights of any holder of the SENs; or

(7) make any other change that does not materially and adversely affect the rights of any holder of the SENs or to conform the SENs Indenture to this "Description of the SENs;"

provided that the SENs Issuer has delivered to the SENs Trustee an opinion of counsel and an officers' certificate, each stating that such amendment or supplement complies with the applicable provisions of the SENs Indenture.

Provision of Information

For so long as any of the SENs remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act of 1933, as amended (the "Securities Act"), the SENs Issuer undertakes that it will, during any period in which it is not subject to Section 13 or 15(d) under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, furnish on request to any holder of the SENs, or to any prospective purchaser thereof, such information as is required to be provided pursuant to Rule 144A(d)(4) under the Securities Act in order to permit compliance with Rule 144A in connection with the resale of such SENs.

Notices

For so long as SENs in global form are outstanding, notices to be given to holders of the SENs will be given to DTC, in accordance with its applicable policies as in effect from time to time. If SENs are issued in certificated form, notices to be given to holders of the SENs will be deemed to have been given upon the mailing by first class mail, postage prepaid, of such notices to holders of the SENs at their registered addresses as they appear in the records of the registrar. For so long as the SENs are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, the SENs Issuer will publish notices in English on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, if that is not practicable, in another English-language daily newspaper of general circulation in Europe.

SENs Trustee

The Bank of New York Mellon is the SENs Trustee under the SENs Indenture.

The SENs Indenture contains provisions for the indemnification of the SENs Trustee and for its relief from responsibility. The obligations of the SENs Trustee to any holder are subject to such immunities and rights as are set forth in the SENs Indenture.

Except during the continuance of an Event of Default under the SENs Indenture, the SENs Trustee needs to perform only those duties that are specifically set forth in the SENs Indenture and no others, and no implied covenants or obligations will be read into the SENs Indenture against the SENs Trustee. In case an Event of Default under the SENs Indenture has occurred and is continuing, the SENs Trustee shall exercise those rights and powers vested in it by the SENs Indenture, and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his own affairs. No provision of the SENs Indenture will require the SENs Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties thereunder, or in the exercise of its rights or powers, unless it receives indemnity satisfactory to it against any loss, liability or expense.

The SENs Issuer and its affiliates may from time to time enter into normal banking and trustee relationships with the SENs Trustee and its affiliates.

Governing Law and Submission to Jurisdiction

The SENs and the SENs Indenture will be governed by the laws of the State of New York. Each of the parties to the SENs Indenture will submit to the jurisdiction of the U.S. federal and New York State courts located in the Borough of Manhattan, City and State of New York for purposes of legal actions and proceedings instituted in connection with the SENs and the SENs Indenture. The SENs Issuer has appointed Corporation Service Company, 1180 Avenue of the Americas, Suite 210, New York, NY 10036-8401, as its authorized agent upon which process may be served in any such action.

Certain Definitions

The following is a summary of certain defined terms used in the SENs Indenture. Reference is made to the SENs Indenture for the full definition of all such terms as well as other capitalized terms used herein for which no definition is provided.

"Business Day" means any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in The City of New York, Tokyo, Japan or George Town, Grand Cayman.

"Capital Lease Obligations" means, with respect to any person, any obligation which is required to be classified and accounted for as a capital lease on the face of a balance sheet of such person; the amount of such obligation will be the capitalized amount thereof and the stated maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

"Capital Stock" means, with respect to any person, any and all shares of stock, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated, whether voting or non-voting), such person's equity including any preferred stock, but excluding any debt securities convertible into or exchangeable for such equity.

"Debt" means (without double-counting), with respect to any person, whether recourse is to all or a portion of the assets of any person and whether or not contingent, (i) every obligation of such person for money borrowed, (ii) every obligation of such person evidenced by bonds, debentures, notes or other similar instruments representing financial indebtedness, including obligations of such nature incurred in connection with the acquisition of property, assets or businesses, (iii) every reimbursement obligation of such person with respect to letters of credit, bankers' acceptances or similar facilities issued for the account of such person, (iv) every obligation of such person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business) as a means of primarily obtaining finance, (v) every Capital Lease Obligation of such person, (vi) every obligation under interest rate swap or similar agreements or foreign currency hedge, exchange or similar agreements of such person (the amount of any such obligation to be calculated at its marked to market value at the relevant time of calculation), and (vii) every guarantee or indemnity to pay the obligations of another person referred to in (i) to (vi) (inclusive) above.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default under the SENs Indenture.

"Eligible Investments" means investments in short-term U.S. Treasury securities that will mature on or prior to July 17, 2015, the business day preceding the Mandatory Exchange Date.

"Globo" means Globo Comunicação e Participações S.A., a company incorporated under the laws of Brazil and registered with the General List of Taxpayers under number CNPJ no. 27.865.757/0001-02, and any successor in interest thereto.

"Holder" or "noteholder" means the person in whose name a SENs is registered in the register for the SENs.

"Investment" by any person means any direct or indirect loan, advance or other extension of credit or capital contribution (by means of transfers of cash or other property to others or payments for property or services for the account or use of others, or otherwise) to, or purchase or acquisition of shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in such person (however designated), bonds, notes, debentures or other securities or evidence of Debt issued by, any other person, including any payment of a guarantee of any obligation of such other person.

"Lien" means any mortgage, pledge, security interest, conditional sale or other title retention agreement or other similar lien.

"Purchase Agreement" means the purchase agreement to be entered into among the SENs Issuer and Merrill Lynch, Pierce, Fenner & Smith Incorporated, Itau BBA USA Securities, Inc. and Santander Investment Securities Inc., as initial purchasers.

"SENs Issuer" means Pontis III Ltd., and any successor in interest thereto.

"SENs Trustee" means The Bank of New York Mellon until a successor replaces it and, thereafter, means the successor.

DESCRIPTION OF THE AMENDED NOTES

Globo's 4.843% Senior Notes due 2025 (the "Amended Notes") will be governed by an amended and restated indenture (the "Amended and Restated Indenture"), among Globo, The Bank of New York Mellon, as Trustee, The Bank of New York Mellon Trust (Japan), Ltd., as Principal Paying Agent, and The Bank of New York Mellon (Luxembourg) S.A., as Luxembourg Paying Agent, which will amend and restate the Perpetual Notes Indenture (as defined below), as described herein. A copy of the Amended and Restated Indenture, including the form of the Amended Notes, will be available for inspection during normal business hours at the offices of the Trustee and the paying agents. The Trustee will also act as a transfer agent and the registrar in the event that Globo issues physical notes in the limited circumstances described in "Form of Notes."

Globo's outstanding US$325,000,000 aggregate principal amount of 6.25%/9.375% Step-Up Perpetual Notes (the "Perpetual Notes") are governed by an amended and restated indenture, dated as of July 20, 2010 (the "Perpetual Notes Indenture"), among Globo, The Bank of New York Mellon, as trustee, The Bank of New York Mellon Trust (Japan), Ltd., as principal paying agent, and The Bank of New York Mellon (Luxembourg) S.A., as Luxembourg paying agent. The Perpetual Notes Indenture amended and restated the indenture dated as of April 20, 2006, among Globo, The Bank of New York Mellon (as successor to JPMorgan Chase Bank, N.A.), as trustee, paying agent, registrar and transfer agent, JPMorgan Trust Bank Limited, as principal paying agent, The Bank of New York Mellon (Luxembourg) S.A. (as successor to J.P. Morgan Bank Luxembourg S.A.), as Luxembourg paying agent and The Bank of New York Mellon (as successor to JPMorgan Chase Bank, N.A., London Office), as London paying agent.

This Description of the Amended Notes is a summary of the material provisions of the Amended Notes and the Amended and Restated Indenture. You should refer to the form of Amended and Restated Indenture for a complete description of the terms and conditions of the Amended Notes and the Amended and Restated Indenture, including the obligations of Globo and your rights.

For purposes of this section of this offering memorandum, references to "Globo" refer only to Globo Comunicação e Participações S.A. (a company incorporated under the laws of Brazil and registered with the General List of Taxpayers under number CNPJ no. 27.865.757/0001-02, and any successor in interest thereto), and not to its subsidiaries. References to "SENs Issuer" means Pontis III Ltd., and any successor in interest thereto. You will find the definitions of other terms used in this section under "—Certain Definitions."

General

The Amended Notes:

- will be unsubordinated, unsecured obligations of Globo;
- will initially be limited to an aggregate principal amount of US$325,000,000;
- will mature on June 8, 2025 (at which time the Amended Notes will be due and payable at 100% of the principal amount thereof);
- will have no sinking fund provisions;
- may be redeemed or purchased at par at Globo's option at any date on or after March 8, 2025;
- will be issued in registered form without interest coupons in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof; and
- will be represented by registered notes in global form and may be exchanged for physical notes in registered form only in limited circumstances.

Interest on the Amended Notes:

- will accrue at the rate of 4.843% per annum;
- will accrue from and including July 20, 2015, or if the Mandatory Exchange occurs at a later date, from and including the date of the Mandatory Exchange, or from the most recent interest payment date on which interest has been paid after such date;
- will be payable in cash semi-annually in arrears on June 8 and December 8 of each year, commencing on December 8, 2015;
- will be payable to the holders of record on the second Business Day immediately preceding the related interest payment dates; and
- will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Principal of, and interest and any additional amounts on, the Amended Notes will be payable, and the transfer of Amended Notes will be registrable, at the office of the Trustee, and at the offices of the paying agents and transfer agents, respectively. Globo initially will maintain The Bank of New York Mellon Trust (Japan) Ltd., as Principal Paying Agent. For so long as the Amended Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of that stock exchange will so require, Globo will maintain a paying agent and transfer agent in Luxembourg.

Globo may from time to time without notice to or consent of the holders of the Amended Notes issue an unlimited principal amount of additional notes of the same series as the Amended Notes offered by this offering memorandum.

Exchange Fee

The SENs will be mandatorily exchanged for the Amended Notes on July 20, 2015 (the "Mandatory Exchange") or as soon as practicable thereafter and, in any event, on or before July 27, 2015. Pursuant to the Amended and Restated Indenture, Globo will pay an exchange fee of US$5.65 per US$1,000 principal amount of Amended Notes (the "Exchange Fee") to holders who receive the Amended Notes in the Mandatory Exchange as consideration for the exchange of the SENs for the Amended Notes. In addition, Globo will pay an additional fee of US$0.1345 per US$1,000 principal amount of Amended Notes from and including July 20, 2015 for each day that the Mandatory Exchange is not consummated after July 20, 2015.

The Amended and Restated Indenture will provide that, promptly after the consummation of the Mandatory Exchange, Globo will deposit with the Principal Paying Agent for the Amended Notes money sufficient to pay the Exchange Fee and the Principal Paying Agent will pay the Exchange Fee promptly upon receipt thereof to holders of the Amended Notes at the time of the Mandatory Exchange.

Purchase and Amendment of the Perpetual Notes

The SENs Indenture provides that the SENs Issuer will use the gross proceeds from the sale of the SENs to purchase all of Globo's outstanding Perpetual Notes on July 20, 2015 in accordance with the terms of the Perpetual Notes Indenture. After the Perpetual Notes are purchased by the SENs Issuer and prior to the Mandatory Exchange, the SENs Indenture will require the SENs Issuer, as the holder of all of the Perpetual Notes, to consent to the Amended and Restated Indenture, whereby the terms of the Perpetual Notes will be amended and restated as described herein. After the Amended and Restated Indenture is executed and delivered, the SENs will be exchanged for the Amended Notes in accordance with the terms of the SENs Indenture.

Ranking

The Amended Notes will be unsecured, unsubordinated obligations of Globo, ranking equal in right of payment with all of its unsubordinated obligations. The Amended Notes will be effectively subordinated to any secured debt of Globo to the extent of the value of the assets securing that debt. The Amended Notes will be structurally subordinated to all debt and other liabilities of Globo's subsidiaries. As of December 31, 2014, Globo had R$2,485.6 million in consolidated debt including debt of Globo's consolidated subsidiaries of R$46.2 million, none of which was secured. See "Risk Factors—Risks Relating to the Notes—Payments on the Amended Notes will be effectively subordinated to any secured debt of Globo and structurally subordinated to all debt and other liabilities of Globo's subsidiaries. The Amended Notes will not be guaranteed by any of Globo's subsidiaries."

Redemption

The Amended Notes may be redeemed as described below. Any optional or tax redemption may require the prior approval of or prior notice to the Central Bank of Brazil.

Optional Redemption on or after March 8, 2025

On or after March 8, 2025, the Amended Notes may be redeemed or purchased, at the option of Globo, in whole or in part, at any time, upon giving not less than 30 nor more than 60 days' notice to the holders (which notice will be irrevocable), at 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, payable with respect thereto. Globo may provide in such notice that payment of the redemption or purchase price and the performance of its obligations with respect to such redemption or purchase may be performed by another person (which may include, at Globo's option, transferring to another person the option to purchase the Amended Notes). Upon an optional redemption or purchase, Globo may notify the Trustee whether Globo intends to refinance the debt represented by the Amended Notes to be redeemed or purchased.

Optional Tax Redemption

If as a result of any change in or amendment to the laws (or any rules or regulations thereunder) of Brazil or any political subdivision or taxing authority thereof or therein affecting taxation, or any amendment to or change in an official interpretation, administration or application of such laws, treaties, rules, or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective or, in the case of a change in official position, is announced on or after July 20, 2015 or on or after the date a successor assumes the obligations under the Amended Notes, Globo, any person on its behalf, or any successor has or will become obligated to pay additional amounts as described below under "—Additional Amounts" in excess of the additional amounts Globo or any successor would be obligated to pay if payments were subject to withholding or deduction at a rate of (a) 12.5%, in the case of payments of interest made to a paying agent which is a financial institution that is a resident of Japan, (b) 25% in case the holder of the Amended Notes is resident in a tax haven jurisdiction or enjoys the benefits of a "privileged tax regime" (as defined in Law No. 11,727 of June 23, 2008) should the concept of "privileged tax regime" be deemed to apply to a holder of the Notes, or (c) 15% in every other situation, as a result of the taxes, duties, assessments and other governmental charges described below under "—Additional Amounts" (the "Minimum Withholding Level"), Globo or any successor may, at its option, redeem all, but not less than all, of the Amended Notes, at a redemption price equal to 100% of their principal amount, together with accrued and unpaid interest to the date fixed for redemption, upon publication of irrevocable notice not less than 30 days nor more than 90 days prior to the date fixed for redemption. No notice of such redemption may be given earlier than 90 days prior to the earliest date on which Globo or any successor would, but for such redemption, be obligated to pay the additional amounts above the Minimum Withholding Level. Globo shall not have the right to so redeem the Amended Notes in the event it becomes obligated to pay additional amounts which are less than the additional amounts payable at the Minimum Withholding Level. Notwithstanding the foregoing, Globo or any successor shall not have the right to so redeem the Amended Notes unless: (i) it has taken reasonable measures to avoid the obligation to pay additional amounts; and (ii) it has complied with all necessary Central Bank regulations to legally effect such redemption.

In the event that Globo or any successor elects to so redeem the Amended Notes, it will deliver to the Trustee: (1) an officers' certificate stating that Globo or any successor is entitled to redeem the Amended Notes pursuant to their terms and setting forth a statement of facts showing that the condition or conditions precedent to the right of Globo or any successor to so redeem have occurred or been satisfied; and (2) an opinion of counsel to the effect that Globo or any successor has or will become obligated to pay additional amounts in excess of the additional amounts payable at the Minimum Withholding Level as a result of the change or amendment, that Globo cannot avoid payment of such excess additional amounts by taking reasonable measures available to it and that all governmental requirements necessary for Globo or any successor to effect the redemption have been complied with.

Open Market Purchases

Globo or any of its affiliates may at any time purchase Amended Notes in the open market or otherwise at any price. Any such purchased Amended Notes will not be resold, except in compliance with applicable requirements or exemptions under relevant securities laws.

Payments

Globo, or any other person on its behalf, will make all payments on the Amended Notes exclusively in such coin or currency of the United States as at the time of payment will be legal tender for the payment of public and private debts.

Globo, or any other person on its behalf, will make payments of interest on the Amended Notes and principal that becomes due and payable as set forth in the Amended and Restated Indenture. Globo will deposit with the Trustee or the Principal Paying Agent no later than 10:00 AM (New York City time) one Business Day prior to any payment date money sufficient to pay such interest and principal.

Globo, or any other person on its behalf, will make payments of principal that becomes due and payable upon surrender of the relevant Amended Notes at the specified office of the Trustee or any of the paying agents. Globo will pay principal and interest on the Amended Notes to the persons in whose name the Amended Notes are registered at the close of business on the second Business Day before the relevant payment date.

Under the terms of the Amended and Restated Indenture, each payment in full of principal, redemption or purchase amount, additional amounts, interest and/or any other amount payable under the Amended and Restated Indenture in respect of any Amended Note made by or on behalf of Globo to or to the order of the Principal Paying Agent in the manner specified in the Amended and Restated Indenture on the date due shall be valid and effective to satisfy and discharge the obligation of Globo to make the payment of principal, redemption amount, additional amounts, interest and/or any other amount payable under the Amended and Restated Indenture, *provided*, *however*, that the liability of the Principal Paying Agent under the Amended and Restated Indenture shall not exceed any amounts paid to it by Globo, or any other person on its behalf, or held by it, on behalf of the holders under the Amended and Restated Indenture; and *provided* further that, in the event that there is a default by the Principal Paying Agent in payment of principal, redemption amount, additional amounts, interest and/or any other amount payable in respect of any Amended Note in accordance with the Amended and Restated Indenture, Globo, or any other person on its behalf, shall pay on demand such further amounts as will result in receipt by the holder of such amounts as would have been received by it had no such default occurred.

All payments will be subject in all cases to any applicable tax or other laws and regulations, but without prejudice to the provisions of "—Additional Amounts." No commissions or expenses will be charged to the holders in respect of such payments.

Subject to applicable law, the Trustee and the paying agents will pay to Globo upon written request any monies held by them for the payment of principal or interest that remains unclaimed for two years, and, thereafter, holders entitled to such monies must look to Globo for payment as general creditors. After the return of such monies by the Trustee and the paying agents to Globo, neither the Trustee nor the paying agents shall be liable to the holders in respect of such monies.

Additional Amounts

All payments by Globo in respect of the Amended Notes will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments, or other governmental charges of whatever nature imposed or levied by or on behalf of Brazil, unless Globo is compelled by law to deduct or withhold such taxes, duties, assessments, or governmental charges. In such event, Globo will make such deduction or withholding, make payment of the amount so withheld to the appropriate governmental authority and pay such additional amounts as may be necessary to ensure that the net amounts receivable by holders of the Amended

Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Amended Notes in the absence of such withholding or deduction. No such additional amounts shall be payable:

(1) to, or to a third party on behalf of, a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Amended Notes by reason of the existence of any present or former connection between such holder (or between a fiduciary, settlor, beneficiary, member or shareholder of such holder, if such holder is an estate, a trust, a partnership, or a corporation) and Brazil, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having, or having had, a permanent establishment therein, other than the mere holding of the Amended Notes or enforcement of rights and the receipt of payments with respect to the Amended Note;

(2) in respect of Amended Notes surrendered (if surrender is required) more than 30 days after the Relevant Date (as defined below) except to the extent that payments under such Amended Note would have been subject to withholding and the holder of such Amended Note would have been entitled to such additional amounts, on surrender of such Amended Note for payment on the last day of such period of 30 days;

(3) where such withholding or deduction is required to be made pursuant to any law implementing or complying with, or introduced in order to conform to, any European Union Directive on the taxation of savings;

(4) to, or to a third party on behalf of, a holder who is liable for such taxes, duties, assessments or other governmental charges by reason of such holder 's failure to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with Brazil, or a successor jurisdiction or applicable political subdivision or authority thereof or therein having power to tax, of such holder, if (a) compliance is required by such jurisdiction, or any political subdivision or authority thereof or therein having power to tax, as a precondition to, exemption from, or reduction in the rate of, the tax, assessment or other governmental charge and (b) Globo has given the holders at least 30 days' notice that holders will be required to provide such certification, identification or other requirement;

(5) in respect of any estate, inheritance, gift, sales, transfer, capital gains, excise or personal property or similar tax, assessment or governmental charge;

(6) in respect of any tax, assessment or other governmental charge which is payable other than by deduction or withholding from payments of principal of or interest on the Amended Note or by direct payment by Globo in respect of claims made against Globo;

(7) in respect of any tax imposed on overall net income; or

(8) in respect of any combination of the above.

In addition, no additional amounts shall be paid with respect to any payment on an Amended Note to a holder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment to the extent that payment would be required by the laws of Brazil or any political subdivision thereof to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interest holder in a limited liability company or a beneficial owner who would not have been entitled to the additional amounts had that beneficiary, settlor, or member been the holder.

"Relevant Date" means, with respect to any payment on an Amended Note, whichever is the later of: (i) the date on which such payment first becomes due; and (ii) if the full amount payable has not been received by the Trustee on or prior to such due date, the date on which notice is given to the holders that the full amount has been received by the Trustee.

The Amended Notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation. Except as specifically provided above, Globo shall not be required to make a payment with respect to any tax, assessment or governmental charge imposed by any government or a political subdivision or taxing authority thereof or therein.

In the event that additional amounts actually paid with respect to the Amended Notes described above are based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the holder of such Amended Notes, and, as a result thereof such holder is entitled to make claim for a refund or credit of such excess from the authority imposing such withholding tax, then such holder shall, by accepting such Amended Notes, be deemed to have assigned and transferred all right, title, and interest to any such claim for a refund or credit of such excess to Globo.

Any reference in this offering memorandum, the Amended and Restated Indenture or the Amended Notes to principal, interest or any other amount payable in respect of the Amended Notes by Globo will be deemed also to refer to any additional amount, unless the context requires otherwise, that may be payable with respect to that amount under the obligations referred to in this subsection.

The foregoing obligation will survive termination or discharge of the Amended and Restated Indenture until payment of any additional amounts that are due and payable under the Amended and Restated Indenture will have been made.

Covenants

The Amended and Restated Indenture will contain the following covenants:

***Limitation* on Liens**

Globo will not, and will not permit any Significant Subsidiary to, create or cause or permit to be created any Lien (other than Permitted Liens) on any of its property or assets now owned or hereafter acquired by it or on any Capital Stock of any Significant Subsidiary, securing any Debt unless prior thereto or contemporaneously therewith effective provision is made to secure the Amended Notes equally and ratably with such Debt for so long as such Debt is so secured by such Lien. The preceding sentence will not require the Amended Notes to be equally and ratably secured if the Lien consists of the following (each, a "Permitted Lien"):

(1) any Lien existing on the date of the Amended and Restated Indenture and any Lien pursuant to any agreement or instrument existing on the date of the Amended and Restated Indenture; and any extension, renewal or replacement of any such Lien or any other Permitted Lien, *provided*, *however*, that the principal amount of any Debt secured by any such Lien is not increased as a result thereof;

(2) any Lien on any property or assets (including Capital Stock of any person) securing Debt incurred solely for purposes of financing the acquisition, lease, construction or improvement (including all costs, expenses and other liabilities incurred in connection with such acquisition, construction or improvement thereof, as well as with the development, fitting-out and/or obtaining of any performance or other bond required to be posted in connection therewith) of such property or assets after the date of the Amended and Restated Indenture; provided that (a) the aggregate principal amount of Debt secured by such Lien will not exceed (but may be less than) the cost of the property or assets so acquired, leased, constructed or improved, and (b) the Lien is incurred before, or within 365 days after the completion of, such acquisition, lease, construction or improvement and does not encumber any other property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) of Globo or any Significant Subsidiary; and provided, further, that to the extent that the property or asset acquired is Capital Stock, the Lien also may encumber other property or assets of the person so acquired;

(3) any Lien securing Debt for the purpose of financing all or part of the cost of the acquisition, construction or development of a project (including all costs, expenses and other liabilities incurred in connection with such acquisition, construction or development thereof, as well as with the fitting-out and/or obtaining of any performance or other bond required to be posted in connection therewith); provided that any such Lien in respect of such Debt is limited to property or assets (including Capital Stock of any project entity), and/or revenues of such project; and provided, further, that the Lien is incurred before, or within 365 days after the completion of, such acquisition, construction or development and does not apply to any other property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) of Globo or any Significant Subsidiary;

(4) any Lien existing on any property or assets of any person before that person's acquisition (in whole or in part) by, merger into or consolidation with Globo or any Subsidiary after the date of the Amended and Restated Indenture; provided that such Lien is not created in contemplation of or in connection with such acquisition, merger or consolidation and such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured the obligations to which such Lien relates;

(5) any Lien created or arising by operation of law;

(6) any pledge, guarantee or deposit made in connection with any tax, civil or labor contingency or any administrative proceedings (whether in or out of court), any pledge, guarantee or deposit in respect of any proceeding being contested in good faith to which Globo or any Subsidiary is a party, good faith deposits, guarantees or pledges in connection with bids, tenders, contracts (other than for the payment of Debt) or leases to which Globo or any Subsidiary is a party or deposits, pledges or guarantees for the payment of rent, in each case made in the ordinary course of business;

(7) any Lien in favor of issuers of surety, judgment, performance or similar bonds or letters of credit issued pursuant to the request of and for the account of Globo or any Subsidiary in the ordinary course of business;

(8) any Lien securing taxes, assessments or other governmental charges, the payment of which are not yet due or are being contested in good faith by appropriate proceedings and for which such reserves or other appropriate provisions, if any, have been established as required by Accounting Standards;

(9) minor defects, easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business and encumbrances consisting of zoning restrictions, licenses, restrictions on the use of property or assets or minor imperfections in title that do not materially impair the value or use of the property or assets affected thereby, and any leases and subleases of real property that do not interfere with the ordinary conduct of the business of Globo or any Significant Subsidiary, and which are made on customary and usual terms applicable to similar properties;

(10) any rights of set-off or netting of any person with respect to any deposit account (or similar arrangement) of Globo or any Significant Subsidiary arising in the ordinary course of business;

(11) any Lien granted to secure borrowings from, directly or indirectly, (a) Banco Nacional de Desenvolvimento Econômico e Social—BNDES, or any other Brazilian governmental development bank or credit agency, or (b) any international or multilateral development bank, government-sponsored agency, export-import bank or official export-import credit insurer;

(12) any Lien on the inventory or receivables of Globo or any Significant Subsidiary securing the obligations of such person under any lines of credit or working capital facility or in connection with any structured export or import financing or other trade transaction; provided that the aggregate principal amount of Debt incurred that is secured by receivables that will fall due in any calendar year shall not exceed (a) with respect to transactions secured by receivables from export sales, 80% of the consolidated gross revenues of the Globo Consolidated Group from export sales for the immediately preceding calendar year, determined in accordance with Accounting Standards; or (b) with respect to transactions secured by receivables from domestic (Brazilian) sales, 80% of the consolidated gross revenues of the Globo Consolidated Group from sales within Brazil for the immediately preceding calendar year, determined in accordance with Accounting Standards; and *provided*, *further*, that Advance Transactions will not be deemed transactions secured by receivables for purpose of the above calculation;

(13) any Lien securing Hedging Agreements so long as such Hedging Agreements are entered into for bona fide, non-speculative purposes;

(14) any encumbrance or restriction (including, but not limited to, put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement, as long as such joint venture does not constitute a Significant Subsidiary;

(15) any Lien securing Debt incurred solely for the purpose of financing the acquisition, purchase or lease of equipment in the ordinary course of business;

(16) any Lien over negotiable instruments in the ordinary course of commercial banking documentary transactions to secure Debt not existing on the date of the Amended and Restated Indenture or any nonfinancial indebtedness falling due not more than one year after the date on which such Debt or non-financial indebtedness is originally incurred; and

(17) in addition to the foregoing Liens set forth in clauses (1) through (16) above, Liens securing Debt of Globo or any Significant Subsidiary (including, without limitation, guarantees of Globo or any Significant Subsidiary) which do not in aggregate principal amount, at the time of the creation thereof, exceed 15.0% of Total Consolidated Assets (excluding goodwill and deferred income tax and social contribution).

Limitation on Consolidation, Merger or Transfer of Assets

Globo will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all of its assets to, any person, unless:

(1) the resulting, surviving or transferee person (the "Successor") will be a person organized and existing under the laws of Brazil, the United States of America, any State thereof or the District of Columbia, or any other country that is a member country of the European Union or of the Organization for Economic Co-operation and Development on the date of the Amended and Restated Indenture, and the Successor (if not Globo) will expressly assume, by a supplemental indenture to the Amended and Restated Indenture, executed and delivered to the Trustee, all the obligations of Globo under the Amended Notes and the Amended and Restated Indenture;

(2) the Successor (if not Globo), if not organized and existing under the laws of Brazil, undertakes, in such supplemental indenture, to pay such additional amounts in respect of principal (and premium, if any) and interest as may be necessary in order that every net payment receivable in respect of the Amended Notes after deduction or withholding for or on account of any present or future tax, duty, assessment or other governmental charge imposed by such other country or any political subdivision or taxing authority thereof or therein will not be less than the amount of principal (and premium, if any) and interest then due and payable on the Amended Notes, subject to the same exceptions set forth under "—Additional Amounts" but replacing existing references in such clause to Brazil with references to the other country;

(3) immediately after giving effect to such transaction, no Default or Event of Default will have occurred and be continuing; and

(4) Globo will have delivered to the Trustee an officers' certificate and an opinion of independent legal counsel, each stating that such consolidation, merger or transfer and such supplemental indenture, if any, comply with the Amended and Restated Indenture.

The Trustee will accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set forth in this covenant, in which event it will be conclusive and binding on the holders.

The Successor will succeed to, and be substituted for, and may exercise every right and power of, Globo under the Amended and Restated Indenture, and thereafter the predecessor company shall be relieved of all obligations and covenants under the Amended and Restated Indenture, except that the predecessor company in the case of a lease of all or substantially all of its assets will not be released from the obligation to pay the principal of and interest on the Amended Notes.

Reporting Requirements

So long as any Amended Notes are outstanding, Globo will provide the Trustee with the following reports (and will also provide the Trustee with sufficient copies, as required, of the following reports referred to in clauses (1) through (4) below for distribution, upon their written request to the Trustee and at Globo's expense, to all holders of Amended Notes):

(1) an English language version of its annual audited consolidated financial statements prepared in accordance with Accounting Standards promptly upon such financial statements becoming available but not later than 120 days after the close of its fiscal year;

(2) an English language version of its unaudited consolidated quarterly financial statements prepared in accordance with Accounting Standards promptly upon such consolidated financial statements becoming available but not later than 75 days after the close of each fiscal quarter (other than the last fiscal quarter of its fiscal year);

(3) simultaneously with the delivery of each set of financial statements referred to in clauses (1) and (2) above, an officers' certificate stating whether a Default or Event of Default exists on the date of such certificate and, if a Default or Event of Default exists, setting forth the details thereof and the action which Globo is taking or proposes to take with respect thereto;

(4) without duplication, English language versions or summaries of such other reports or notices as may be filed or submitted by (and promptly after filing or submission by) Globo with the Luxembourg Stock Exchange or any other stock exchange on which the Amended Notes may be listed (in each case, to the extent that any such report or notice is generally available to its security holders or the public in Brazil); and

(5) as soon as practicable and in any event within 30 calendar days after any director or executive officer of Globo becomes aware of the existence of a Default or Event of Default, an officers' certificate setting forth the details thereof and the action which Globo is taking or proposes to take with respect thereto.

Delivery of the above reports to the Trustee is for informational purposes only and the Trustee's receipt of such reports will not constitute constructive notice of any information contained therein or determinable from information contained therein, including Globo's compliance with any of its covenants in the Amended and Restated Indenture (as to which the Trustee is entitled to rely exclusively on officers' certificates).

Provision of Information

For so long as any of the Amended Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act of 1933, as amended (the "Securities Act"), Globo undertakes that it will, during any period in which it is not subject to Section 13 or 15(d) under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, furnish on request to any holder of the Amended Notes, or to any prospective purchaser thereof, such information as is required to be provided pursuant to Rule 144A(d)(4) under the Securities Act in order to permit compliance with Rule 144A in connection with the resale of such Amended Notes.

Events of Default

An "Event of Default" under the Amended and Restated Indenture occurs if:

(1) Globo defaults in any payment of interest (including any related additional amounts) on any Amended Note when the same becomes due and payable, and such default continues for a period of 30 days;

(2) Globo defaults in the payment of the Exchange Fee (including any related additional amounts) in connection with any Amended Note when the same becomes due and payable;

(3) Globo defaults in the payment of the principal (including any related additional amounts) of any Amended Note when the same becomes due and payable, whether at its stated maturity, upon acceleration, upon redemption or otherwise;

(4) Globo fails to comply with any of its covenants or agreements in the Amended Notes or the Amended and Restated Indenture (other than those referred to in (1), (2) and (3) above), and such failure continues for 60 days after the notice specified below;

(5) Globo or any Significant Subsidiary defaults under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Debt for money borrowed by Globo or any Significant Subsidiary (or the payment of which is guaranteed by Globo or any Significant Subsidiary) whether such Debt or guarantee now exists, or is created after the date of the Amended and Restated Indenture, which default (a) is caused by failure to pay the principal of or premium, if any, or interest on such Debt after giving effect to any grace period provided in such Debt on the date of such default ("Payment Default") or (b) results in the acceleration of such Debt prior to its express maturity and, in each case, the principal amount of any such Debt, together with the principal amount of any other such Debt under which there has been a Payment Default or the maturity of which has been so accelerated, totals US$50 million (or its equivalent in any other currency or currencies at the time of determination) or more in the aggregate;

(6) a final, non-appealable, judgment or order for the payment of any amount equal to, or in excess of, US$50 million (or its equivalent in any other currency or currencies at the time of determination) is rendered against Globo or any Significant Subsidiary and continues unsatisfied or unstayed for a period of 60 days after the date thereof or, if later, the date therein specified for payment;

(7) an involuntary case or other proceeding is commenced against Globo or any Significant Subsidiary with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a Trustee, receiver, síndico, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 days; or an order for relief is entered against Globo or any Significant Subsidiary under the applicable bankruptcy laws as now or hereafter in effect and such order is not being contested by Globo or any Significant Subsidiary, as the case may be, in good faith or has not been dismissed, discharged or otherwise stayed, in each case within 60 days of being made;

(8) Globo or any Significant Subsidiary (i) commences a voluntary case or other proceeding seeking liquidation, reorganization, concordata, recuperação judicial/extra-judicial or other relief with respect to itself or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (ii) consents to the appointment of or taking possession by a receiver, síndico, liquidator, assignee, custodian, Trustee, sequestrator or similar official of Globo or any Significant Subsidiary for all or substantially all of the property of Globo or any Significant Subsidiary or (iii) effects any general assignment for the benefit of creditors; or

(9) any event occurs that under the laws of Brazil or the United States of America or any political subdivision thereof has substantially the same effect as any of the events referred to in any of clause (7) or (8) above.

A Default under clause (4) above will not constitute an Event of Default until the Trustee or the holders of at least 25% in principal amount of the Amended Notes outstanding notify Globo of the Default and Globo does not cure such Default within the time specified after receipt of such notice.

The Trustee is not to be charged with knowledge of any Default or Event of Default or knowledge of any cure of any Default or Event of Default unless an authorized officer of the Trustee with direct responsibility for the Amended and Restated Indenture has received written notice of such Default or Event of Default from Globo or any holder.

If an Event of Default (other than an Event of Default specified in clause (7), (8) or (9) above) occurs and is continuing, the Trustee or the holders of not less than 25% in principal amount of the Amended Notes then outstanding may declare all unpaid principal of and accrued interest on all Amended Notes to be due and payable immediately, by a notice in writing to Globo, and upon any such declaration such amounts will become due and payable immediately. If an Event of Default specified in clause (7), (8) or (9) above occurs and is continuing, then the principal of and accrued interest on all Amended Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder.

Subject to the provisions of the Amended and Restated Indenture relating to the duties of the Trustee in case an Event of Default will occur and be continuing, the Trustee will be under no obligation to exercise any of its rights or powers under the Amended and Restated Indenture at the request or direction of any of the holders, unless such holders will have offered to the Trustee indemnity reasonably satisfactory to the Trustee. Subject to such provision for the indemnification of the Trustee, the holders of a majority in aggregate principal amount of the outstanding Amended Notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee.

Defeasance

Globo may at any time terminate all of its obligations with respect to the Amended Notes ("defeasance"), except for certain obligations, including those regarding any trust established for a defeasance and obligations to register the transfer or exchange of the Amended Notes, to replace mutilated, destroyed, lost or stolen Amended Notes and to maintain agencies in respect of Amended Notes. Globo may at any time terminate its obligations under the covenants described under "—Covenants—Limitation on Liens" and "—Covenants—Reporting Requirements," and any omission to comply with such obligations will not constitute a Default with respect to the Amended Notes ("covenant defeasance"). In order to exercise either defeasance or covenant defeasance, Globo must irrevocably deposit in trust, for the benefit of the holders of the Amended Notes, with the Trustee, money or U.S. government obligations, or a combination thereof, in such amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants expressed in a written certificate delivered to the Trustee, without consideration of any reinvestment, to pay the principal of, and interest on the Amended Notes to any redemption date or maturity and comply with certain other conditions, including the delivery of an opinion of counsel as to certain tax matters.

Amendment, Supplement, Waiver

Subject to the exceptions described below, the Amended and Restated Indenture may be amended or supplemented with the consent of the holders of at least a majority in principal amount of the Amended Notes then outstanding, and any past Default or compliance with any provision may be waived with the consent of the holders of at least a majority in principal amount of the

Amended Notes then outstanding. However, without the consent of each holder of an outstanding Amended Note affected thereby, no amendment may:

(1) modify the stated maturity of any Amended Note;

(2) reduce the rate of or extend the time for payment of interest on any Amended Note;

(3) reduce the principal of any Amended Note or the Exchange Fee;

(4) reduce the amount payable upon redemption of any Amended Note or change the time at which any Amended Note may be redeemed;

(5) change the currency for payment of principal of, or interest on, any Amended Note;

(6) impair the right to institute suit for the enforcement of any payment on or with respect to any Amended Note;

(7) waive a default in the payment of principal or interest on the Amended Notes;

(8) reduce the principal amount of Amended Notes whose holders must consent to any amendment or waiver;

(9) make any change in the amendment or waiver provisions which require each holder's consent; or

(10) modify or change any provision of the Amended and Restated Indenture affecting the ranking of the Amended Notes in a manner adverse to the holders of the Amended Notes.

The holders of the Amended Notes will receive prior notice as described under "—Notices" of any proposed amendment to the Amended Notes or the Amended and Restated Indenture described in this paragraph. After an amendment described in the preceding paragraph becomes effective, Globo is required to mail to the holders a notice briefly describing such amendment. However, the failure to give such notice to all holders of the Amended Notes, or any defect therein, will not impair or affect the validity of the amendment.

The consent of the holders of the Amended Notes is not necessary to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

Globo and the Trustee may, without the consent or vote of any holder of the Amended Notes, amend or supplement the Amended and Restated Indenture or the Amended Notes for the following purposes:

(1) cure any ambiguity, omission, defect or inconsistency; provided that such amendment or supplement does not materially and adversely affect the rights of any holder;

(2) comply with the covenant described under "—Limitation on Consolidation, Merger or Transfer of Assets";

(3) add guarantees or collateral with respect to the Amended Notes;

(4) add to the covenants of Globo for the benefit of holders of the Amended Notes;

(5) surrender any right conferred upon Globo;

(6) evidence and provide for the acceptance of an appointment by a successor Trustee;

(7) provide for the issuance of additional Amended Notes;

(8) provide for any guarantee of the Amended Notes, to secure the Amended Notes or to confirm and evidence the release, termination or discharge of any guarantee of or Lien securing the Amended Notes when such release, termination or discharge is permitted by the Amended and Restated Indenture;

(9) make any change necessary or desirable to effect the payment of, and mechanics related to, the Exchange Fee, *provided* that such change does not materially and adversely affect the rights of any holder of the Amended Notes; or

(10) make any other change that does not materially and adversely affect the rights of any holder of the Amended Notes or to conform the Amended and Restated Indenture to this "Description of the Amended Notes";

provided that, in the case of clause (1) or (2) above, Globo has delivered to the Trustee an opinion of counsel and an officers' certificate, each stating that such amendment or supplement complies with the provision in the Amended and Restated Indenture entitled "—Without Consent of Holders."

Notices

For so long as Amended Notes in global form are outstanding, notices to be given to holders will be given to the depositary, in accordance with its applicable policies as in effect from time to time. If Amended Notes are issued in certificated form, notices to be given to holders will be deemed to have been given upon the mailing by first class mail, postage prepaid, of such notices to holders of the Amended Notes at their registered addresses as they appear in the records of the registrar. For so long as the Amended Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, Globo will publish notices in English on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, if that is not practicable, in another English-language daily newspaper of general circulation in Europe.

Trustee

The Bank of New York Mellon is the Trustee under the Amended and Restated Indenture.

The Amended and Restated Indenture contains provisions for the indemnification of the Trustee and for its relief from responsibility. The obligations of the Trustee to any holder are subject to such immunities and rights as are set forth in the Amended and Restated Indenture.

Except during the continuance of an Event of Default, the Trustee needs to perform only those duties that are specifically set forth in the Amended and Restated Indenture and no others, and no implied covenants or obligations will be read into the Amended and Restated Indenture against the Trustee. In case an Event of Default has occurred and is continuing, the Trustee shall exercise those rights and powers vested in it by the Amended and Restated Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs. No provision of the Amended and Restated Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties thereunder, or in the exercise of its rights or powers, unless it receives indemnity satisfactory to it against any loss, liability or expense.

Globo and its affiliates may from time to time enter into normal banking and trustee relationships with the Trustee and its affiliates.

Governing Law and Submission to Jurisdiction

The Amended Notes and the Amended and Restated Indenture will be governed by the laws of the State of New York. Each of the parties to the Amended and Restated Indenture will submit to the jurisdiction of the U.S. federal and New York State courts located in the Borough of Manhattan, City and State of New York for purposes of legal actions and proceedings instituted in connection with the Amended Notes and the Amended and Restated Indenture. Globo has appointed Corporation Service Company, 1180 Avenue of the Americas, Suite 3100, New York, New York 10036-8401, as its authorized agent upon which process may be served in any such action.

Currency Indemnity

U.S. dollars are the sole currency of account and payment for all sums payable by Globo under or in connection with the Amended Notes, including damages. Any amount received or recovered in a currency other than dollars (whether as a result of, or on the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of Globo or otherwise) by any holder of an Amended Note in respect of any sum expressed to be due to it from Globo will only constitute a discharge to Globo to the extent of the dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that dollar amount is less than the dollar amount expressed to be due to the recipient under any Amended Note, Globo will indemnify such holder against any loss sustained by it as a result; and if the amount of United States dollars so purchased is greater than the sum originally due to such holder, such holder will, by accepting an Amended Note, be deemed to have agreed to repay such excess. In any event, Globo will indemnify the recipient against the cost of making any such purchase.

For the purposes of the preceding paragraph, it will be sufficient for the holder of an Amended Note to certify in a satisfactory manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of dollars on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). These indemnities constitute a separate and independent obligation from the other obligations of Globo, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by any holder of an Amended Note and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Amended Note.

Certain Definitions

The following is a summary of certain defined terms used in the Amended and Restated Indenture. Reference is made to the Amended and Restated Indenture for the full definition of all such terms as well as other capitalized terms used herein for which no definition is provided.

"Accounting Standards" means (i) the accounting principles generally accepted by the accounting profession in Brazil at such time or (ii) IFRS, as in effect from time to time, as may be elected by Globo.

"Advance Transaction" means an advance from a financial institution involving either (a) a foreign exchange contract or (b) an export contract.

"Brazil" means the Federative Republic of Brazil.

"Business Day" means any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in The City of New York, Tokyo, São Paulo or Rio de Janeiro.

"Capital Lease Obligations" means, with respect to any person, any obligation which is required to be classified and accounted for as a capital lease on the face of a balance sheet of such person prepared in accordance with Accounting Standards; the amount of such obligation will be the capitalized amount thereof, determined in accordance with Accounting Standards; and the stated maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

"Capital Stock" means, with respect to any person, any and all shares of stock, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated, whether voting or non-voting), such person's equity including any preferred stock, but excluding any debt securities convertible into or exchangeable for such equity.

"Debt" means (without double-counting), with respect to any person, whether recourse is to all or a portion of the assets of any person and whether or not contingent, (i) every obligation of such person for money borrowed, (ii) every obligation of such person evidenced by bonds, debentures, notes or other similar instruments representing financial indebtedness, including obligations of such nature incurred in connection with the acquisition of property, assets or businesses, (iii) every reimbursement obligation of such person with respect to letters of credit, bankers' acceptances or similar facilities issued for the account of such person, (iv) every obligation of such person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business) as a means of primarily obtaining finance, (v) every Capital Lease Obligation of such person, (vi) every obligation under interest rate swap or similar agreements or foreign currency hedge, exchange or similar agreements of such person (the amount of any such obligation to be calculated at its marked to market value at the relevant time of calculation), and (vii) every guarantee or indemnity to pay the obligations of another person referred to in (i) to (vi) (inclusive) above; *provided* that the following shall not be considered to be Debt:

(a) Intercompany Debt; or

(b) any obligation under interest rate swap or similar arrangements or foreign currency hedge, exchange or similar arrangements in the ordinary course of business and not for speculation that are designed to protect any Member of the Globo Consolidated Group against fluctuations in interest rates or currency exchange rates with respect to the underlying obligations or assets being hedged and which shall have a notional amount no greater than the payments due with respect to such underlying obligations or assets.

For the avoidance of doubt, "Debt" shall not include (i) any indemnification obligations in respect of the Sky Transaction, (ii) any obligations to cause Sky to eliminate Debt of Sky or any of its subsidiaries or any Member of the Globo Consolidated Group under the Sky Transaction, subject, for the purposes of this paragraph (ii), to an aggregate cap of US$10 million (or its equivalent in any other currency, calculated at the date of incurrence of the relevant obligation) or (iii) any obligation of any Member of the Globo Consolidated Group under or in connection with the Sky Monetisation.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Globo Consolidated Group" means Globo and its subsidiaries, as per consolidation accounting rules, as determined by the most recently available quarterly, semi-annual or annual audited, or with limited auditing review, as the case may be, consolidated financial statements of Globo, determined in accordance with Accounting Standards, and "Member of the Globo Consolidated Group" means any one of the Globo Consolidated Group.

"Globosat" means Globosat Programadora Ltda., a company incorporated under the laws of the Federative Republic of Brazil and registered with the General List of Taxpayers under number CNPJ no. 03.290.630/0001-36.

"Hedging Agreements" means (a) any interest rate swap agreement, interest rate cap agreement or other agreement designed to protect against fluctuations in interest rates, (b) any foreign exchange forward contract, currency swap agreement or other agreement designed to protect against fluctuations in foreign exchange rates or (c) any commodity or raw material futures contract or any other agreement designed to protect against fluctuations in raw material prices.

"Holder" means the person in whose name an Amended Note is registered in the register.

"IFRS" means the International Financial Reporting Standards issued by the International Accounting Standards Board, as in effect from time to time.

"Intercompany Debt" means any obligation owed by one Member of the Globo Consolidated Group to another Member of the Globo Consolidated Group.

"Lien" means any mortgage, pledge, security interest, conditional sale or other title retention agreement or other similar lien.

"Significant Subsidiary" means any Subsidiary which, at the time of determination, (x) at least 95% of the Capital Stock of which is owned by Globo, directly or indirectly, and (y) (a) had assets which, as of the date of Globo's most recent quarterly consolidated balance sheet, constituted at least 10% of Total Consolidated Assets as of such date or (b) had net operating revenues for the 12-month period ending on the date of Globo's most recent consolidated statement of income which constituted at least 5% of the Globo Consolidated Group's total net operating revenues on a consolidated basis for such period, determined in accordance with Accounting Standards; *provided*, *however*, that Globosat shall constitute a Significant Subsidiary if, at any time of determination, Globo owns, directly or indirectly, at least 75% of the Capital Stock of Globosat.

"Sky" means Sky Brasil Serviços Ltda., a company incorporated under the laws of the Federative Republic of Brazil and registered with the General List of Taxpayers under number CNPJ no. 72.820.822/0001-20 and any Successor thereto.

"Sky Monetisation" means any transaction by one or more Members of the Globo Consolidated Group where the purpose of such transaction is the monetisation of all or a portion of the face value of any rights available to such Members of the Globo Consolidated Group to exchange Capital Stock of Sky (and of the economic interest in the Capital Stock underlying such rights to exchange), including any related disposition, or granting of a Lien in, all or any part of the Capital Stock of Sky.

"Sky Transaction" means any of the transactions contemplated under (i) the Participation Agreement, dated as of October 8, 2004, among Globopar, The News Corporation Limited and The DirecTV Group, Inc., (ii) the Brazil Business Combination Agreement, dated as of October 8, 2004, among Globopar, The News Corporation Limited and The DirecTV Group, Inc., (iii) the Exchange Rights Agreement, dated as of October 8, 2004, among Globopar, The DirecTV Group, Inc. and The News Corporation Limited, and (iv) all other agreements contemplated by such agreements; as any such agreement may be amended, supplemented, waived or otherwise modified from time to time.

"Subsidiary" of any person means any other person whose affairs and policies the first person controls or has the power to control directly or indirectly (whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of that second person or otherwise).

"Total Consolidated Assets" means the total assets of the Globo Consolidated Group on a consolidated basis, determined in accordance with Accounting Standards.

"Trustee" means The Bank of New York Mellon until a successor replaces it and, thereafter, means the successor.

FORM OF NOTES

The SENs (and the Amended Notes exchanged therefor) will be issued in registered form without interest coupons in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. No notes will be issued in bearer form.

The SENs Issuer and Globo have each agreed to maintain a paying agent, registrar and transfer agent in the Borough of Manhattan, the City of New York and to maintain a Luxembourg paying and transfer agent in Luxembourg so long as the rules of the Luxembourg Stock Exchange so require. The SENs Issuer initially has appointed the SENs Trustee at its corporate trust office as paying agent, registrar and transfer agent, The Bank of New York Mellon Trust (Japan), Ltd. as principal paying agent, and The Bank of New York Mellon (Luxembourg) S.A. as Luxembourg paying and transfer agent for all SENs. Globo initially has appointed the Trustee at its corporate trust office as paying agent, registrar and transfer agent, The Bank of New York Mellon Trust (Japan), Ltd. as principal paying agent, and The Bank of New York Mellon (Luxembourg) S.A. as Luxembourg paying and transfer agent for all Amended Notes. Each transfer agent will keep a register, subject to such reasonable regulations as Globo may prescribe.

Book-Entry; Delivery and Form

The SENs (and the Amended Notes exchanged therefor) offered and sold in reliance on Rule 144A under the Securities Act will be represented by a single, permanent global note in definitive, fully registered book-entry form (in respect of the SENs, the "Rule 144A Global SENs Note," and, in respect of the Amended Notes, the "Rule 144A Global Amended Note," and together, the "Rule 144A Global Notes"). Notes offered and sold in reliance on Regulation S will be represented by a single, permanent global note in definitive, fully registered book-entry form (in respect of the SENs, the "Regulation S Global SENs Note," and, in respect of the Amended Notes, the "Regulation S Global Amended Note," and together, the "Regulation S Global Notes" and, together with the Rule 144A Global Notes, the "Global Notes"). The Global Notes will be registered in the name of a nominee of DTC and deposited on behalf of the purchasers of the notes represented thereby with a custodian for DTC for credit to the respective accounts of direct or indirect participants in DTC, including Euroclear or Clearstream.

Each Global Note (and any notes issued in exchange therefor) will be subject to certain restrictions on transfer set forth therein as described under "Notice to Investors." Except in the limited circumstances described below, owners of beneficial interests in a Global Note will not be entitled to receive physical delivery of certificated notes.

Global Notes

The SENs Issuer and Globo expect that pursuant to procedures established by DTC (a) upon deposit of the Global Notes, DTC or its custodian will credit on its internal system portions of the Global Notes to the respective accounts of persons who have accounts with DTC and (b) ownership of the notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants as defined below) and the records of participants (with respect to interests of persons other than participants). Such accounts will initially be designated by or on behalf of the Initial Purchasers and ownership of beneficial interests in the Global Notes will be limited to persons who are participants and have accounts with DTC or persons who hold interests through participants. Except as otherwise described herein, investors may hold their interests in a Global Note directly through DTC only if they are participants in such system, or indirectly through organizations (including Euroclear and Clearstream) which are participants in such system.

On the Mandatory Exchange, DTC will debit, on its internal system, the individual beneficial interests represented by the Rule 144A Global SENs Note and the Regulation S Global SENs Note from the relevant account and credit equal beneficial ownership interests in the Rule 144A Global Amended Note and the Regulation S Global Amended Note, respectively, to those accounts.

So long as DTC or its nominee is the registered owner or holder of any Global Note, DTC or such nominee will be considered the sole owner or noteholder represented by that Global Note for all purposes under the SENs Indenture, the Amended and Restated Indenture and the notes, as the case may be. No beneficial owner of an interest in any note will be able to transfer such interest except in accordance with the applicable procedures of DTC and, if applicable, Euroclear and Clearstream, in addition to those provided for under the SENs Indenture and the Amended and Restated Indenture, as applicable.

Payments of principal of and interest (including additional amounts), as applicable, on the Global Notes will be made to DTC or its nominee, as the case may be, as the registered owner thereof. None of the SENs Issuer, Globo, the SENs Trustee, the Trustee or any paying agent under the SENs Indenture and the Amended and Restated Indenture will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Global Notes, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests representing any notes held by DTC or its nominee.

The SENs Issuer and Globo expect that DTC or its nominee, upon receipt of any payment of principal of or premium and interest (including additional amounts), as applicable, on a Global Note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Note as shown on the records of DTC or its nominee.

Payment to owners of beneficial interests in a Global Note held through such participant will be governed by standing instructions and customary practice, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures. The laws of some jurisdictions require that certain persons take physical delivery of certificates evidencing securities they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons will be limited to that extent. Because DTC can act only on behalf of participants, which in turn act on behalf of indirect participants, the ability of beneficial owners of interests in a Global Note to pledge such interests to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Before the 40th calendar day after the later of the commencement of the offering of the SENs and the issue date of the SENs, transfers by an owner of a beneficial interest in the Regulation S Global SENs Note to a transferee who takes delivery of such interest through the Rule 144A Global SENs Note will be made only in accordance with the applicable procedures, and upon receipt by the SENs Trustee of a written certification from the transferor in the form provided in the SENs Indenture to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A. After the expiration of the 40-day period, such transfers may occur without compliance with these certification requirements. See "Notice to Investors."

Transfers by an owner of a beneficial interest in the Rule 144A Global Notes to a transferee who takes delivery of such interest through the Regulation S Global Notes, whether before, on or after the 40th day referred to above, will be made only upon receipt by the SENs Trustee or Trustee, as applicable, of a certification in the form provided in the relevant indenture to the effect that such transfer is being made in accordance with Regulation S. See "Notice to Investors."

Transfers of beneficial interests within a Global Note may be made without delivery of any written certification or other documentation from the transferor or transferee.

Any beneficial interest in a Global Note that is transferred to a person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to have an interest in the first Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note.

Subject to compliance with the transfer restrictions applicable to the notes, the SENs Issuer and Globo understand that cross-market transfers between DTC participants, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (Brussels or Luxembourg time, respectively). The SENs Issuer and Globo understand that Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream participants and Euroclear participants may not deliver instructions directly to the depositories of Clearstream or Euroclear.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Rule 144A Global Note from a DTC participant will be credited during the securities settlement processing day immediately following the DTC settlement date, and such credit will be reported to the relevant Euroclear or Clearstream participant on such business day following the DTC settlement date. Cash received in Euroclear or Clearstream as a result of sales of interests in the Regulation S Global Note by or through a Euroclear or Clearstream participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the business day following settlement in DTC.

The SENs Issuer and Globo expect that DTC will take any action permitted to be taken by a holder of notes (including the presentation of notes for exchange) only at the direction of the participant to whose interests in the applicable Global Notes are credited and only in respect of the aggregate principal amount of notes as to which such participant has given such direction.

The SENs Issuer and Globo understand that DTC is a limited purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of New York banking law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the U.S. Securities Exchange Act of 1934, as amended. The SENs Issuer and Globo further understand that DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organizations ("participants"). The SENs Issuer and Globo further understand that indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly (“indirect participants”).

Although DTC, Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among the DTC participants, Euroclear and Clearstream, they are under no obligation to perform such procedures, and such procedures may be discontinued or modified at any time. None of the SENs Issuer, Globo, the SENs Trustee, the Trustee or the paying agents under the SENs Indenture and the Amended and Restated Indenture will have any responsibility for the performance by DTC, Euroclear, Clearstream, the participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Physical Notes

Interests in the Global Notes will be exchangeable or transferable, as the case may be, for physical notes (“physical notes”) in registered form if (i) DTC notifies the SENs Issuer or Globo, as the case may be, that it is unwilling or unable to continue as depositary for the Global Notes, or DTC ceases to be a “clearing agency” registered under the U.S. Securities Exchange Act of 1934, as amended, and a successor depositary is not appointed by the SENs Issuer or Globo, as the case may be, within 90 calendar days or (ii) the SENs Issuer or Globo, as the case may by, at the SENs Issuer’s or Globo’s option, elects to terminate the book-entry system through a depositary.

Replacement, Exchange and Transfer of Notes

If a note becomes mutilated, destroyed, lost or stolen, the SENs Issuer or Globo, as the case may be, may issue, and the Trustee will authenticate and deliver, a substitute note in replacement. In each case, the affected noteholder will be required to furnish to the SENs Issuer or Globo, as the case may be, the SENs Trustee or the Trustee, as the case may be, and certain other specified parties an indemnity under which it will agree to pay the SENs Issuer or Globo, as the case may be, the SENs Trustee or the Trustee, as the case may be, and certain other specified parties for any losses they may suffer relating to the note that was mutilated, destroyed, lost or stolen. The SENs Issuer or Globo, as the case may be, and the SENs Trustee or the Trustee, as the case may be, may also require that the affected noteholder present other documents or proof. The affected noteholder will be required to pay all expenses and reasonable charges associated with the replacement of the mutilated, destroyed, lost or stolen note.

Under certain limited circumstances, beneficial interests in the Global Note may be exchanged for physical notes. If the SENs Issuer or Globo, as the case may be, issue physical notes, a noteholder of such physical note may present its notes for exchange with notes of a different authorized denomination, together with a written request for an exchange, at the office or agency of the SENs Issuer or Globo, as the case may be, designated for such purpose in the City of New York or Luxembourg. In addition, the noteholder of any physical note may transfer such physical note, in whole or in part, by surrendering it at any such office or agency together with an executed instrument of assignment. Each new physical note issued in connection with a transfer of one or more physical notes will be available for delivery from the registrar and the Luxembourg transfer agent within five Luxembourg business days after receipt by the registrar and the Luxembourg transfer agent of the relevant original physical note or physical notes and the relevant executed instrument of assignment. Transfers of the physical notes will be effected without charge by or on behalf of the SENs Issuer or Globo, as the case may be, the registrar or the Luxembourg transfer agent, but only upon payment (or the giving of such indemnity as the registrar or such transfer agent may require in respect) of any tax or other governmental charges which may be imposed in relation thereto.

The SENs Issuer or Globo, as the case may be, will not charge the holders of notes for the costs and expenses associated with the exchange, transfer or registration of transfer of the notes. The SENs Issuer or Globo, as the case may be, may, however, charge the holders of notes for any tax or other governmental charges. The SENs Issuer or Globo, as the case may be, may reject any request for an exchange or registration of transfer of any note (i) made within 15 calendar days of the mailing of a notice of redemption of notes or (ii) made between any regular record date and the next interest payment date.

TAXATION

The following discussion summarizes certain Brazilian, Cayman Islands, U.S. federal income and European Union tax considerations that may be relevant to you if you invest in the notes. This summary is based on laws and regulations now in effect in Brazil, laws, regulations, rulings and decisions now in effect in the Cayman Islands, laws, regulations, rulings and decisions now in effect in the United States, and directives of the European Union, any of which may change. Any change could apply retroactively and could affect the continued accuracy of this summary.

This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules. You should consult your tax advisors about the tax consequences of holding the notes, including the relevance to your particular situation of the considerations discussed below, as well as of state, local and other tax laws.

Brazilian Taxation

The following discussion is a general description of certain Brazilian tax aspects of the notes applicable to an individual, entity, trust or organization which is not resident or domiciled in Brazil for purposes of Brazilian taxation ("Non-Resident Holder") and does not purport to be a comprehensive description of the tax aspects of the notes. The earnings of individuals, entities, trusts or organizations resident or domiciled outside Brazil are taxed in Brazil when derived from Brazilian sources or when the transaction giving rise to such earnings involves assets in Brazil.

Amended Notes

Pursuant to Brazilian Tax Law, interest, fees, commissions (including original discount and any redemption premium) and any other income payable by a Brazilian obligor to a Non-Resident Holder in respect of debt obligations are subject to income tax withheld at the source. The rate of withholding is 15% unless (i) the recipient of the payment is resident or domiciled in a country which does not impose any income tax or which imposes it at a maximum rate lower than 20% or the laws of which impose restrictions on the disclosure of ownership composition or securities ownership ("Tax Haven Jurisdiction"), in which case the applicable rate is 25%; or (ii) a lower rate is provided for in an applicable tax treaty between Brazil and the county where the recipient of the payment resides. The income tax withheld at the source does not constitute a tax imposed on overall net income.

On June 4, 2010, Brazilian tax authorities enacted Normative Ruling No. 1,037 listing (i) the countries and jurisdictions considered Tax Haven Jurisdictions and (ii) the privileged tax regimes, which definition is provided by Law No. 11,727, of June 23, 2008. Although the best interpretation of the current Brazilian tax legislation could lead to the conclusion that the above mentioned "privileged tax regime" concept should apply solely for purposes of Brazilian transfer pricing and thin capitalization rules, Globo is not able to ascertain whether this "privileged tax regime" concept will also be applied to interest and payments made to Non Resident Holders in respect of the Amended Notes. We recommend prospective investors to consult their own tax advisors from time to time to verify any possible tax consequence arising of Normative Ruling No. 1,037 and law No. 11,727.

If the Brazilian tax authorities determine that payments made to a Non-Resident Holder will benefit from a "privileged tax regime", such payments could be subject to Brazilian withholding income tax at a rate of up to 25%.

Nonetheless, the applicable withholding tax rate on interest, fees and commissions payable in connection with notes issued pursuant to Law 9,481/1997, as amended ("Law 9,481"), is zero, provided that the Brazilian Central Bank requirements, including those related to interest rates, are met.

The Amended Notes constitute an amendment to the terms of original notes issued under Law 9,481. Therefore, Globo considers that interest, fees and commissions payable in connection with the Amended Notes are subject to withholding income tax at a zero rate.

Under Brazilian tax law and regulations, capital gains resulting from the sale or other disposition of assets not located in Brazil between two non-residents of Brazil are not subject to tax in Brazil. The Amended Notes are expected to be listed in Luxembourg and Globo believes that the Amended Notes will not fall within the definition of assets located in Brazil. However, in the event the Amended Notes are deemed to be located in Brazil for the purpose of Law 10,833/2003 ("Law 10,833"), the gains realized by a Non-Resident Holder from the sale or other disposition of the notes would be subject to income tax in Brazil at a rate of 15% (or 25% if such Non-Resident Holder is a resident of a Tax Haven Jurisdiction).

Considering the general and unclear scope of Law 10,833 and the absence of judicial guidance in respect thereof, Globo is unable to predict how the scope of Law 10,833 would be interpreted by Brazilian courts in case of a challenge by the Brazilian tax authorities concerning the notes. Potential investors should consult their own tax advisors regarding the particular consequences of the purchase, ownership and disposition of the Amended Notes.

Pursuant to Decree 6,306/2007, as amended ("Decree 6,306"), the conversion into Brazilian *reais* of proceeds received in foreign currency by a Brazilian entity or the conversion into foreign currency of funds held in *reais* is subject to the tax on foreign exchange transactions ("IOF/Exchange"). Currently, the IOF/Exchange tax rate varies according to the nature and conditions of the relevant transaction, being generally due at 0.38%. As a general rule, foreign exchange transactions in connection with cross border loans and financings, for both the inflow and outflow of proceeds into and from Brazil, are currently subject to IOF/Exchange tax at a rate of

0%. However, for foreign exchange transactions (including simultaneous foreign exchange transactions mandatorily carried out in connection with amendments to cross-border loans and financing and international notes) entered into from June 4, 2014 onwards in connection with the inflow of proceeds to Brazil deriving from cross-border loans or financings or international notes issuances, subject to registration with the Central Bank of Brazil and with the minimum average term of 180 days or less, will be subject to IOF/Exchange tax at a rate of 6% (which will be levied with penalties and interest in case of cross-border loans or financings or international notes with minimum average term longer than 180 days with respect to which an early redemption occurs affecting such minimum average term). The outflow of proceeds on such cross-border loans or financings or international bond issuances currently remains subject to the IOF/Exchange tax at a rate of 0%. In any case, the Brazilian government may increase such rates at any time up to 25%. Any such increase in rates may only apply to future transactions. In any event, any IOF/Exchange Tax relating to cross-border loans and financings or international notes issuances would be borne by the Brazilian borrower/issuer.

Generally, there are no stamp, transfer or other similar taxes in Brazil with respect to the transfer, assignment or sale of the Amended Notes outside Brazil nor any inheritance, gift or succession tax applicable to the ownership, transfer or disposition of the Amended Notes, except for gift and inheritance taxes imposed by some states of Brazil on gifts and bequests by individuals or entities not domiciled or residing in Brazil to individuals or entities domiciled or residing within such state.

SENs

Payments made by the SENs Issuer

Generally, a Non-Resident Holder is taxed in Brazil only when income is derived from Brazilian sources or gains are realized on the disposition of assets located in Brazil.

The SENs Issuer is domiciled outside Brazil. Therefore, income paid by it in respect of the SENs to a Non-Resident Holder will not be subject to withholding or deduction in respect of Brazilian income tax or any other taxes, duties, assessments or governmental charges in Brazil, provided that such payments are made with funds held by the SENs Issuer outside of Brazil.

Stamp, Transfer or Similar Taxes

Generally, there are no stamp, transfer or other similar taxes in Brazil with respect to the transfer, assignment or sale of the SENs outside Brazil nor any inheritance, gift or succession tax applicable to the ownership, transfer or disposition of the SENs, except for gift and inheritance taxes imposed by some states of Brazil on gifts and bequests by individuals or entities not domiciled or residing in Brazil to individuals or entities domiciled or residing within such state.

Cayman Islands Taxation

The following is a discussion of certain Cayman Islands tax consequences of an investment in the SENs. The discussion is a general summary of present law, which is a subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under existing Cayman Islands laws, payments of interest, principal and other amounts on the SENs will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest, principal and other amounts to any holder of the SENs, nor will gains derived from the disposal of the SENs be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

No stamp duty is payable in respect of the issue or transfer of the SENs although duty may be payable if the SENs are executed in or brought into the Cayman Islands. An instrument of transfer in respect of a SENs is stampable if executed in or brought into the Cayman Islands.

Certificates evidencing the SENs, in registered form, to which title is transferable by delivery, should not attract Cayman Islands stamp duty. However, an instrument transferring title to the SENs, if executed in or brought into the Cayman Islands, would be subject to Cayman Islands stamp duty.

The SENs Issuer has been incorporated with limited liability under the laws of the Cayman Islands as an exempted company and, as such, has applied for an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

"The Tax Concessions Law
2011 Revision
Undertaking as to Tax Concessions

In accordance with Section 6 of The Tax Concession Law (2011 Revision), the Governor in Cabinet undertakes with Pontis III Ltd. (the "SENs Issuer"):

1. That no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the SENs Issuer or its operations; and

2. In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:

2.1 on or in respect of the shares, debentures or other obligations of the SENs Issuer; or

2.2 by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (2011 Revision).

3. These concessions shall be for a period of twenty years from the date of issue of the certificate."

U.S. Federal Income Taxation

The following summary describes certain U.S. federal income tax consequences to U.S. Holders (as defined below) of an investment in the SENs, the Mandatory Exchange and the ownership and disposition of the Amended Notes. This summary applies only to U.S. Holders that acquire the SENs at their original issuance, receive the Amended Notes in the Mandatory Exchange, and hold the SENs and the Amended Notes as capital assets, and that did not own the Step-Up Perpetual Notes prior to their acquisition by the SENs Issuer. This summary does not discuss all the U.S. federal income tax consequences that may be relevant to a U.S. Holder in light of its particular circumstances or to U.S. Holders subject to special rules, such as:

- financial institutions;
- insurance companies;
- tax-exempt investors;
- real estate investment trusts;
- regulated investment companies;
- grantor trusts;
- dealers or traders in securities or currencies;
- U.S. Holders that will hold the notes as a position in a "straddle" or as a part of a "hedging," "conversion" or other integrated or risk reduction transaction for U.S. federal income tax purposes;
- U.S. Holders whose functional currency is other than the U.S. dollar; or
- certain former citizens or long-term residents of the United States.

Moreover, this summary does not address any U.S. state or local or any U.S. federal estate, gift or alternative minimum tax consequences of the Mandatory Exchange or the acquisition, ownership or disposition of the SENs or the Amended Notes.

This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), existing, proposed and temporary U.S. Treasury Regulations thereunder and judicial and administrative interpretations thereof, in each case as in effect and available on the date hereof. All of the foregoing are subject to change (possibly with retroactive effect) or to differing interpretation, which could affect the tax consequences described herein.

For purposes of this summary, a "U.S. Holder" is a beneficial owner of the SENs and Amended Notes that, for U.S. federal income tax purposes, is:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if such trust has in effect a valid election to be treated as a U.S. person for U.S. federal income tax purposes or if (1) a court within the United States is able to exercise primary supervision over its administration and (2) one or more U.S. persons have the authority to control all of the substantial decisions of such trust.

If any entity treated as a partnership for U.S. federal income tax purposes holds the SENs or the Amended Notes, the tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its tax advisor as to its own tax consequences.

PERSONS CONSIDERING AN INVESTMENT IN THE SENS OR THE AMENDED NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS WITH REGARD TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO SUCH AN INVESTMENT IN LIGHT OF THEIR OWN PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY U.S. STATE OR LOCAL OR NON-U.S. TAXING JURISDICTIONS.

U.S. Tax Characterization of the SENs

The U.S. federal income tax characterization of an instrument (as debt, equity or another characterization) is generally based on the applicable law, and the facts and circumstances, existing at the time the instrument is issued. The U.S. tax characterization of the SENs is not certain. The SENs Issuer and Globo believe that the SENs should be characterized as a forward contract between the U.S. Holder and the SENs Issuer in respect of the Amended Notes. However, this characterization is not binding on the U.S. Internal Revenue Service ("IRS") or the courts, and alternative characterizations (including characterizing the SENs as representing debt of or equity in the SENs Issuer) are possible. No ruling will be sought from the IRS regarding this, or any other, aspect of the U.S. federal income tax characterization of the SENs. Accordingly, there can be no assurance that the IRS or the courts will not take a position different from the views expressed herein. The remainder of this summary assumes that the SENs are characterized for U.S. federal income tax purposes as a forward contract between the U.S. Holder of the SENs and the SENs Issuer in respect of the Amended Notes. Prospective purchasers of the SENs should consult their own tax advisors regarding the U.S. federal income tax characterization of the SENs and the Mandatory Exchange, including possible adverse U.S. federal income tax consequences if the SENs are not characterized as a forward contract in respect of the Amended Notes.

Certain Tax Consequences of Holding the SENs and the Mandatory Exchange

Except as described below, no gain or loss will be recognized by a U.S. Holder for U.S. federal income tax purposes as a result of the Mandatory Exchange. The U.S. tax characterization of the Exchange Fee in these circumstances is unclear. The Exchange Fee could be characterized as interest income or other ordinary income to the U.S. Holder or it could be characterized as an adjustment to the purchase price for the Amended Notes. The U.S. Holder's tax basis in the Amended Notes will be equal to such U.S. Holder's adjusted tax basis in the SENs (generally, the amount paid for the SENs), as reduced by the Exchange Fee if characterized as an adjustment to the purchase price for the Amended Notes, and the U.S. Holder's holding period for the Amended Notes should begin on the day after the Mandatory Exchange. Upon a sale, exchange (other than the Mandatory Exchange) or other taxable disposition of the SENs (including a cash repayment of the SENs upon an Event of Default, as described in "Description of the SENs—Events of Default"), a U.S. Holder generally will recognize taxable gain or loss equal to the difference, if any, between the amount realized by it on such sale, exchange or taxable disposition and the U.S. Holder's adjusted tax basis in the SENs. Such gain or loss will be short-term capital gain or loss and generally will be treated as U.S. source income or loss for purposes of the foreign tax credit provisions of the Code.

Certain Tax Consequences of Holding the Amended Notes

Interest on the Amended Notes

In general, interest payable on an Amended Note will be taxable to a U.S. Holder as ordinary interest income when it is received or accrued, in accordance with such U.S. Holder's regular method of accounting for U.S. federal income tax purposes. Interest income on the Amended Notes generally will be treated as income from sources outside the United States and generally will be categorized for U.S. foreign tax credit purposes as "passive category income" or, in the case of some U.S. Holders, as "general category income."

Sale, Exchange, Retirement or Other Disposition of the Amended Notes

Upon the sale, exchange, retirement or other taxable disposition of an Amended Note, a U.S. Holder generally will recognize gain or loss in an amount equal to the difference between the amount realized on such sale, exchange, retirement or other taxable disposition (other than any amount attributable to accrued interest, which, if not previously included in such U.S. Holder's income, will be taxable as interest income to such U.S. Holder) and such U.S. Holder's "adjusted tax basis" in such Amended Note. A U.S. Holder's adjusted tax basis in an Amended Note is generally the tax basis such U.S. Holder had in such Amended Note upon acquisition (as discussed above under "—Certain Tax Consequences of Holding the SENs and the Mandatory Exchange,") decreased by the aggregate amount of payments (other than stated interest) on such Amended Note previously made to such U.S. Holder. Any gain or loss so recognized generally will be capital gain or loss and will be long-term capital gain or loss if such U.S. Holder has held such Amended Note for more than one year at the time of such sale, exchange, retirement or other disposition. Net long-term capital gain of certain non-corporate U.S. Holders is generally subject to preferential rates of tax. The deductibility of capital losses is subject to limitations. Such gain or loss generally will be treated as U.S. source income or loss for purposes of the foreign tax credit provisions of the Code. Consequently, a U.S. Holder may not be able to use any foreign tax credits arising from Brazilian tax imposed on the disposition of an Amended Note (as described above under "Brazilian Taxation—Amended Notes") unless such credits can be applied (subject to applicable limitations) against the U.S. federal income tax attributable to other income of such U.S. Holder treated as derived from foreign sources. Each U.S. Holder should consult its own tax advisor regarding its ability to credit such Brazilian taxes against its U.S. federal income tax liability in its particular circumstances.

Medicare Tax

In addition to regular U.S. federal income tax, certain U.S. Holders that are individuals, estates or trusts are subject to a 3.8% tax on all or a portion of their "net investment income," which may include all or a portion of the Exchange Fee (if treated as net investment income), interest income on an Amended Note and net gain from the sale, exchange (other than the Mandatory Exchange), retirement or other disposition of a SEN or an Amended Note.

Information Reporting and Backup Withholding

Under certain circumstances, information reporting and/or backup withholding may apply to a U.S. Holder with respect to the Exchange Fee and payments of interest on, or proceeds from the sale, exchange, retirement or other disposition of, a SEN or an Amended Note, unless an applicable exemption is satisfied. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability if the required information is furnished by such U.S. Holder on a timely basis to the IRS.

Disclosure Requirements for Specified Foreign Financial Assets

Individual U.S. Holders (and certain U.S. entities specified in U.S. Treasury Department guidance) who, during any taxable year, hold any interest in any "specified foreign financial asset" generally will be required to file with their U.S. federal income tax returns certain information on IRS Form 8938 if the aggregate value of all such assets exceeds certain specified amounts. "Specified foreign financial assets" generally includes any financial account maintained with a non-U.S. financial institution and may also include the SENs or the Amended Notes if they are not held in an account maintained with a financial institution. Substantial penalties may be imposed, and the period of limitations on assessment and collection of U.S. federal income taxes may be extended, in the event of a failure to comply. U.S. Holders should consult their own tax advisors as to the possible application to them of this filing requirement.

European Union Savings Directive (Directive 2003/48/EC)

The Council of the European Union ("EU") has adopted a directive on the taxation of savings income (Directive 2003/48/EC; the "Directive"). Pursuant to the Directive, each member state of the EU is required to provide to the tax authorities of the other member states information regarding payments of interest and other similar income paid by persons within its jurisdiction to individuals who are the beneficial owners of such income and residents of such other member states or to certain other persons established in such other member states, except that Austria may instead operate a withholding system in relation to such payments for a transitional period, subject to a procedure whereby no such withholding should be levied if the beneficial owner of the payment authorizes the exchange of certain information and/or presents an appropriate certificate from the tax authority of the member state of while such beneficial owner is a resident. A number of non-EU countries and territories (including the Cayman Islands) have adopted measures similar to the Directive by either applying the withholding system or the exchange of information procedure (which the Cayman Islands has adopted). For the avoidance of doubt, should any deduction or withholding be required to be made, or be made, pursuant to the Directive or related measures, no additional amounts shall be payable or paid by Globo or the SENs Issuer.

On March 24, 2014, the Council of the EU adopted a directive amending the Directive (the "Amending Directive"), which, if implemented, would amend and broaden the scope of the requirements described above. In particular, the Amending Directive would broaden the categories of entities required to provide information and/or withhold tax pursuant to the Directive, and would require additional steps to be taken in certain circumstances to identify the beneficial owner of interest and other similar income payments, through a "look-through" approach. Member states have until January 1, 2016 to adopt the national legislation necessary to comply with the Amending Directive, which legislation must apply from January 1, 2017.

However, the European Commission has proposed the repeal of the Directive from January 1, 2017, in the case of Austria, and from January 1, 2016, in the case of all other member states (subject to on-going requirements to fulfill administrative obligations, such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, member states will not be required to apply the new requirements of the Amending Directive.

CERTAIN ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code impose certain restrictions on (i) employee benefit plans (as defined in Section 3(3) of ERISA) that are subject to Title I of ERISA, (ii) plans described in section 4975(e)(1) of the Code that are subject to Section 4975 of the Code, including individual retirement accounts or Keogh plans, (iii) any entities whose underlying assets include plan assets by reason of a plan's investment in such entities (each of (i), (ii) and (iii), a "Plan") and (iv) persons who have certain specified relationships to such Plans ("Parties in Interest" under ERISA and "Disqualified Persons" under the Code). ERISA also imposes certain duties on persons who are fiduciaries of Plans subject to ERISA and both ERISA and the Code prohibit certain transactions between a Plan and Parties in Interest or Disqualified Persons with respect to such Plans. Either of the Initial Purchasers, Globo, SENs Issuer or the SENs Escrow Agent, as a result of their own activities or because of the activities of an affiliate, may be considered a Party in Interest or a Disqualified Person with respect to Plans. Accordingly, prohibited transactions within the meaning of Section 406 of ERISA and Section 4975 of the Code may arise if the SENs or the Amended Notes are acquired by a Plan with respect to which one of the Initial Purchasers, Globo, SENs Issuer or the SENs Escrow Agent or any of their respective affiliates is a Party In Interest or Disqualified Person. Certain exemptions from the prohibited transaction rules could be applicable, however, depending in part upon the type of plan fiduciary making the decision to acquire the SENs and the circumstances under which such decision is made. Included among these exemptions are Prohibited Transaction Exemption ("PTE") 90-1, regarding investments by insurance company pooled separate accounts; PTE 91-38, regarding investments by bank collective investment funds; PTE 84-14, regarding transactions effected by a "qualified professional asset manager;" PTE 96 23, regarding investments by certain in house asset managers; PTE 95-60, regarding investments by insurance company general accounts; and Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code regarding transactions with certain service providers. There can be no assurance that the foregoing exemptions or any other exemption will be available with respect to any particular transaction involving the SENs or the Amended Notes. Even if the conditions specified in one or more of these exemptions are met, the scope of the relief provided by these exemptions might or might not cover all acts which might be construed as prohibited transactions.

Plan Asset Regulation

Under ERISA and regulations issued by the Department of Labor ("DOL"), when a Plan acquires an equity interest in an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the U.S. Investment Company Act of 1940, as amended, the assets of the Plan generally include not only such equity interest, but also an undivided interest in each of the underlying assets of such entity, unless it is established that: (i) the entity is an "operating company", or (ii) ownership of each class of equity interest in the entity by "benefit plan investors" (within the meaning of DOL regulations as modified by section 3(42) of ERISA) has a value in the aggregate of less than 25% of the total value of such class of equity interest then outstanding, determined on the date of the most recent acquisition of any equity interest in the entity (the "25% Test").

The DOL regulations define an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. Although the SENs are denominated as debt, such instruments may be characterized as "equity interests" for purposes of the DOL regulations and it is not certain that any of the exceptions in the DOL regulations will apply to the SENs Issuer.

Under the terms of the DOL regulations, if the SENs Issuer were deemed to hold "plan assets" by reason of a Plan's investment in the SENs, such "plan assets" would include an undivided interest in the assets held by the SENs Issuer, including the interest in the Escrow Account and (after they are purchased by the SENs Issuer and prior to the Mandatory Exchange) the Step-Up Perpetual Notes. In such event, the persons with discretionary authority with respect to such assets may be subject to the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of ERISA and Section 4975 of the Code with respect to transactions involving such assets. Moreover, certain actions taken with respect to such assets could be deemed to constitute prohibited transactions under ERISA or the Code. The SENs Issuer believes that the provisions of the Escrow Agreement and SENs Indenture have been designed to practically eliminate discretionary authority of the SENs Escrow Agent and SENs Issuer thereby reducing the risk of application of the fiduciary and prohibited transaction rules. Investors are encouraged to consult with their independent legal advisors.

In addition, ERISA provides that a Plan fiduciary must maintain the indicia of ownership of "plan assets" within the jurisdiction of the district courts of the United States ("U.S. Indicia Requirements"), except as authorized in DOL regulations. The DOL has published a regulation concerning Plan investment in "foreign securities" and foreign currency. Each fiduciary considering a purchase of the SENs as well as the Amended Notes should take into account that the SENs Issuer is a Cayman Islands exempted company and that the Globo is a Brazilian corporation. In addition, such a fiduciary should take into account that the escrow assets will consist of the Eligible Investments (*i.e.*, short-term U.S. Treasury securities) and/or cash, and both the escrow assets and (after they are purchased by the SENs Issuer and prior to the Mandatory Exchange) the Step-Up Perpetual Notes will be held in New York City by the SENs Escrow Agent, which is a New York bank. Each fiduciary considering a purchase of the SENs and Amended Notes for a Plan subject to the U.S. Indicia Requirements must make its own determination whether those requirements will be met if it proceeds to make such a purchase.

In order to minimize the potential for ERISA violations, each purchaser of the SENS, by purchasing the SENs, will be deemed either (a) to have represented and warranted that it is not a Plan or (b) to have (i) directed that the escrow assets be invested in the

Eligible Investments and the SENs Issuer to purchase the Step-Up Perpetual Notes and consent to the amendment and restatement of the Step-Up Perpetual Notes as described in the SENs Indenture, (ii) represented and warranted that none of its acquisition, holding and disposition of the SENs and ultimate acquisition, holding and disposition of the Amended Notes will constitute a non-exempt prohibited transaction under ERISA or Section 4975 of the Code because an exemption, all the conditions of which are met, is available and (iii) agreed that neither the SENs Issuer nor the escrow agent will be a fiduciary for purposes of ERISA with respect to any assets of investing Plans but rather a custodian.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing SENs on behalf of or with "plan assets" of any Plan consult with their counsel regarding the potential consequences if the assets of the SENs Issuer were deemed to be "plan assets" and the availability of exemptive relief under the exemptions mentioned above or any other applicable exemption.

Special Considerations for Other Plan Investors

Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and foreign plans (as described in Section 4(b)(4) of ERISA) are not subject to the requirements of ERISA or Section 4975 of the Code; however, such plans may be subject to foreign, federal, state or local laws or regulations which affect their ability to invest in the notes ("Similar Law"). Each purchaser of the SENs, by purchasing and holding the SENs, will be deemed to have represented and warranted that either (a) it is not an employee benefit plan that is subject to any such Similar Law or (b) its acquisition, holding and disposition of the SENs and ultimate acquisition holding and disposition of the Amended Notes will not constitute a violation of any such Similar Law or other violation. Any fiduciary of such a governmental, church or foreign plan considering an investment in the notes should determine the need for, and, if necessary, the availability of, any exemptive relief under such laws or regulations.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in a purchase agreement between the SENs Issuer and the Initial Purchasers, relating to the SENs, the Initial Purchasers have agreed to purchase on a several and not joint basis, and the SENs Issuer has agreed to sell to them, US$325,000,000 aggregate principal amount of SENs at the issue price set forth on the cover page of this offering memorandum.

Initial Purchasers	Principal Amount of SENs
Itau BBA USA Securities, Inc.	US$ 108,333,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	108,334,000
Santander Investment Securities Inc.	108,333,000
Total	US$ 325,000,000

The purchase agreement provides that the obligations of the Initial Purchasers to purchase the SENs offered hereby are subject to certain conditions precedent and that the Initial Purchasers will purchase all of the SENs offered by this offering memorandum if any of these SENs are purchased.

After the initial offering, the Initial Purchasers may change the offering price and other selling terms.

Globo has agreed in a refinancing facilitation and purchase agreement between Globo and Merrill Lynch, Pierce, Fenner & Smith Incorporated, Itau BBA USA Securities, Inc. and Santander Investment Securities Inc. to indemnify Merrill Lynch, Pierce, Fenner & Smith Incorporated, Itau BBA USA Securities, Inc. and Santander Investment Securities Inc. against some specified types of liabilities, including liabilities under the U.S. federal securities laws, and will contribute to payments Merrill Lynch, Pierce, Fenner & Smith Incorporated, Itau BBA USA Securities, Inc. and Santander Investment Securities Inc. may be required to make in respect of any of these liabilities.

The SENs have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in the United States, in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB, purchasing for its own account or for the account of a QIB or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any state of the United States and any other applicable jurisdiction, as further described in "Notice to Investors." Terms used above have the meanings given to them by Regulation S and Rule 144A under the Securities Act.

In connection with sales outside the United States, the Initial Purchasers have agreed that, except for sales described in the preceding paragraph, the Initial Purchasers will not offer, sell or deliver the SENs to, or for the account of, U.S. persons (i) as part of its distribution or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, and they will send to each dealer to whom they sell such SENs during such period a confirmation or other notice setting forth the restrictions on offers and sales of the SENs within the United States or to, or for the benefit of, U.S. persons.

Further, until the expiration of 40 days after the commencement of the offering, any offer or sale of the SENs within the United States by a broker-dealer may violate the registration requirements of the Securities Act, unless such offer or sale is made pursuant to Rule 144A under the Securities Act or another available exemption from the registration requirements thereof.

The SENs are a new issue of securities with no established trading market. The SENs Issuer intends to use commercially reasonable efforts to apply to list the SENs on the Official List of the Luxembourg Stock Exchange and to admit the SENs for trading on the Euro MTF Market. The Initial Purchasers may make a market in the SENs after completion of the offering, but will not be obligated to do so and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the SENs or that an active public market for the SENs will develop. If an active public trading market for the SENs does not develop, the market price and liquidity of the SENs may be adversely affected.

In connection with this offering, the Initial Purchasers may engage in transactions that stabilize, maintain or otherwise affect the price of the SENs. Specifically, the Initial Purchasers may bid for and purchase SENs in the open market for the purpose of pegging, fixing or maintaining the price of the SENs. In addition, if the Initial Purchasers create a short position in the SENs in connection with the offering by selling more SENs than are listed on the cover page of this offering memorandum, then the Initial Purchasers may reduce that short position by purchasing SENs in the open market. The Initial Purchasers may also impose penalty bids, which would permit the Initial Purchasers to reclaim a selling concession from a dealer when the notes originally sold by those Initial Purchasers are purchased in a covering transaction to cover short positions. In general, purchases of a security for the purpose of stabilizing or reducing a short position could cause the price of that security to be higher than it might otherwise have been in the absence of those purchases.

The Initial Purchasers and their affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for Globo, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of Globo or its affiliates. Certain of the Initial Purchasers or their affiliates that have a lending relationship with Globo routinely hedge their credit exposure to Globo consistent with their customary risk management policies. Typically, such Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in Globo's securities, including potentially the notes offered hereby. Any such short positions could adversely affect future trading prices of the notes offered hereby. The Initial Purchasers and their affiliates may also make investment recommendations in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Globo and the SENs Issuer have agreed in the refinancing facilitation and purchase agreement and purchase agreement, respectively, subject to certain exceptions, that for a period of 90 days after the date of the Mandatory Exchange, neither Globo nor the SENs Issuer, nor any of Globo's subsidiaries or other affiliates over which Globo exercises management or voting control, nor any person acting on Globo's behalf will, without the prior written consent of the Initial Purchasers, offer, sell, contract to sell or otherwise dispose of any securities that are substantially similar to the SENs and the Amended Notes.

The SENs Issuer expects to deliver the SENs against payment for the SENs on the date which is the fifth business day following the date of the pricing of the SENs. Since trades in the secondary market generally settle in three business days, purchasers who wish to trade SENs on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the SENs initially settle in T + 5, to specify alternative settlement arrangements to prevent a failed settlement.

Certain Selling Restrictions

The SENs are offered for sale in those jurisdictions where it is lawful to make such offers. No action is being taken or is contemplated by Globo that would permit a public offering of the SENs or possession or distribution of any preliminary offering memorandum or offering memorandum or any amendment thereof, any supplement thereto or any other offering material relating to the SENs in any jurisdiction where, or in any other circumstance in which, action for those purposes is required. Accordingly, the SENs may not be offered or sold, directly or indirectly, and neither this offering memorandum nor any other offering material or advertisements in connection with the SENs may be distributed, published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction.

United Kingdom

The Initial Purchasers have represented and agreed that (a) they have only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) received by them in connection with the issue or sale of any SENs which are the subject of the offering contemplated by this offering memorandum in circumstances in which Section 21(1) of the FSMA does not apply to them and (b) they have complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to the SENs in, from or otherwise involving the United Kingdom.

Brazil

The SENs have not been, and will not be, registered with the CVM. The SENs may not be offered or sold in Brazil, except in circumstances that do not constitute a public offering or unauthorized distribution under Brazilian laws and regulations.

Canada

The SENs have not been qualified by a prospectus under Canadian securities laws and, therefore, cannot be offered, resold or otherwise disposed of in Canada unless they are subsequently qualified by a prospectus under applicable Canadian securities laws or unless an exemption from such qualification is available.

Cayman Islands

Pursuant to the Companies Law (as amended) of the Cayman Islands, no invitation may be made to the public in the Cayman Islands to subscribe for SENs by or on behalf of the SENs Issuer unless at the time of such invitation the SENs Issuer is listed on the Cayman Islands Stock Exchange. The SENs Issuer is not presently listed on the Cayman Islands Stock Exchange and, accordingly, no invitation to the public in the Cayman Islands is to be made by the SENs Issuer. No such invitation is made to the public in the Cayman Islands hereby.

Hong Kong

The Initial Purchasers have not (i) offered or sold, and will not offer or sell, in Hong Kong, by means of any document, the SENs other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong (the "Securities and Futures Ordinance") and any rules made under that Ordinance or (b) in other circumstances which do not result in the document being a "offering memorandum" as defined in the Companies Ordinance (Cap. 32 of Hong Kong) or which do not constitute an offer to the public within the meaning of that ordinance or (ii) issued or had in their possession for the purposes of issue, and will not issue or have in their possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the SENs which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the SENs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance or any rules made under that ordinance.

Singapore

This offering memorandum has not been registered as an offering memorandum with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended (the "Securities and Futures Act"). Accordingly, the SENs may not be offered or sold or made the subject of an invitation for subscription or purchase, nor may this offering memorandum, nor any other document or material in connection with the offer or sale or invitation for subscription or purchase of any SENs, be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person, or any person pursuant to Section 275 (1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act. Each of the following relevant persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased SENs, namely a person who is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the Trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor; should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust, as the case may be, shall not be transferable for 6 months after such corporation or such trust, as the case may be, has acquired the SENs under Section 275 of the Securities and Futures Act except: (i) to an institutional investor under Section 274 of the Securities and Futures Act, to a relevant person or to any person pursuant to Section 275 (1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act; (ii) where no consideration is given for the transfer; or (iii) by operation of law.

Japan

The SENs have not been and will not be registered under the Securities and Exchange Law of Japan (the "Securities and Exchange Law") and the Initial Purchasers have agreed that they will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

European Economic Area ("EEA")

In relation to each Member State of the EEA which has implemented the Prospective Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), an offer to the public of any SENs which are the subject of the offering contemplated by this offering memorandum may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State may be made at any time with effect from and including the Relevant Implementation Date under the following exemptions under the Prospectus Directive:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of SENs shall result in a requirement for the publication by Globo or any Initial Purchasers of a prospectus pursuant to Article 3 of the Prospectus Directive.

Any person making or intending to make any offer of SENs within the EEA should only do so in circumstances in which no obligation arises for Globo or the Initial Purchasers to produce a prospectus for such offer. Neither Globo nor the Initial Purchasers have authorized, nor do the Initial Purchasers authorize, the making of any offer of SENs through any financial intermediary, other than offers made by the Initial Purchasers which constitute the final offering of SENs contemplated in this offering memorandum.

For the purposes of this provision, and your representation below, the expression an "offer to the public" in relation to any SENs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any SENs to be offered so as to enable an investor to decide to purchase any SENs, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression

"Prospectus Directive" means Directive 2003/71/EC (as amended by Directive 2010/73/EU), and includes any relevant implementing measure in each Relevant Member State.

Short Selling and Stabilizing Transactions

In connection with the offering, the Initial Purchasers may purchase and sell the SENs in the open market. These transactions may include short sales, purchases to cover positions created by short sales and stabilizing transactions.

Short sales involve the sale by the Initial Purchasers of a greater principal amount of SENs than they are required to purchase in the offering. The Initial Purchasers may close out any short position by purchasing SENs in the open market. A short position is more likely to be created if the Initial Purchasers are concerned that there may be downward pressure on the price of the SENs in the open market prior to the completion of the offering.

Stabilizing transactions consist of various bids for or purchases of the SENs made by the Initial Purchasers in the open market prior to the completion of the offering.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or slowing a decline in the market price of the SENs. Additionally, these purchases, along with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the SENs. As a result, the price of the SENs may be higher than the price that might otherwise exist in the open market. These transactions may be effected in the over-the-counter market or otherwise. If these activities are commenced, they may be discontinued by the Initial Purchasers at any time.

NOTICE TO INVESTORS

Because of the following restrictions you are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of any of the notes.

Rule 144A Notes

Each purchaser of SENs pursuant to Rule 144A, by accepting delivery of this offering memorandum and acquiring SENs, will be deemed to have represented, agreed and acknowledged that:

(1) It is (a) a QIB, (b) not a participant-directed employee plan, such as a 401(k) plan, (c) acquiring such SENs for its own account or for the account of a QIB, (d) aware, and each beneficial owner of such SENs has been advised, that the sale of such SENs to it is being made in reliance on Rule 144A, and it was not formed for the purpose of investing in the SENs Issuer.

(2) It will (a) together with each account for which it is purchasing, hold and transfer beneficial interests in the SENs in an aggregate principal amount that is not less than the minimum denomination of the SENs and (b) provide notice of the transfer restrictions described below to any subsequent transferees.

(3) The SENs and the Amended Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in the United States in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB (subject to the further restrictions described in the legend set forth in paragraph (5) below) or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any state of the United States and any other applicable jurisdiction.

(4) The SENs will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A)(1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER (A "QIB") WITHIN THE MEANING OF RULE 144A, THAT (I) IS NOT A PARTICIPANT-DIRECTED EMPLOYEE PLAN, SUCH AS A 401(K) PLAN, (II) IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT OR FOR ONE OR MORE ACCOUNTS, EACH OF WHICH IS A QIB, IN A PRINCIPAL AMOUNT OF NOT LESS THAN THE MINIMUM DENOMINATION FOR THE NOTES FOR THE PURCHASER AND FOR EACH SUCH ACCOUNT AND (III) WAS NOT FORMED FOR PURPOSES OF INVESTING IN PONTIS III LTD. (THE "ISSUER"), AND THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF WILL PROVIDE NOTICE OF THESE TRANSFER RESTRICTIONS TO ANY SUBSEQUENT TRANSFEREE, OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO,* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE UNDER THE INDENTURE GOVERNING THIS NOTE OR ANY INTERMEDIARY. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.

(5) The Amended Notes, unless otherwise agreed between Globo and the Trustee in accordance with applicable law, will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A)(1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A, OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.

(6) The SENs offered in reliance on Rule 144A will be represented by the Rule 144A Global SENs Note (and, subsequent to the Mandatory Exchange, the Rule 144A Global Amended Note). Before any interest in such Rule 144A Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note, it will be required to provide the SENs Trustee or the Trustee, as applicable, with a written certification (in the form provided in the relevant indenture) as to compliance with applicable securities laws.

(7) (a) It is not a Plan or (b) to have (i) directed that the assets be invested in the Eligible Investments and the SENs Issuer to purchase the Step-Up Perpetual Notes and consent to the amendment and restatement of the Step-Up Perpetual Notes as described in the SENs Indenture, (ii) represented and warranted that none of its acquisition, holding and disposition of the SENs and ultimate acquisition, holding and disposition of the Amended Notes will constitute a non-exempt prohibited transaction under ERISA or Section 4975 of the Code because an exemption, all the conditions of which are met, is available and (iii) agreed that neither the SENs Issuer nor the escrow agent will be a fiduciary for purposes of ERISA with respect to any assets of investing Plans but rather a custodian.

(8) (a) It is not a plan subject to Similar Law or (b) its acquisition, holding and disposition of the SENs and ultimate acquisition and holding of the Amended Notes will not constitute a violation of any Similar Law or other violation.

(9) It is not purchasing the SENs pursuant to an invitation made to the public in the Cayman Islands.

(10) It understands that the SENs Issuer is subject to anti-money laundering legislation in the Cayman Islands. Accordingly, if SENs are issued in the form of certificated notes, the SENs Issuer may, except in relation to certain categories of institutional investors, require a detailed verification of a purchaser's identity and the source of the payment used by such purchaser for purchasing the SENs. The laws of other major financial centers may impose similar obligations upon the SENs Issuer.

The SENs Issuer, Globo, the Initial Purchasers, the SENs Trustee, the Trustee and others will rely upon the truth and accuracy of the foregoing representations, agreements and acknowledgements. If it is acquiring any notes for the account of one or more QIBs, each purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, agreements and acknowledgements on behalf of each such account.

Prospective purchasers are hereby notified that sellers of the notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S Notes

Each purchaser of SENs outside the United States pursuant to Regulation S and each subsequent purchaser of such SENs in resales prior to the expiration of the distribution compliance period, by accepting delivery of this offering memorandum and acquiring SENs, will be deemed to have represented, agreed and acknowledged that:

(1) It is, or at the time such SENs are purchased will be, the beneficial owner of such SENs and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the SENs Issuer or Globo or a person acting on behalf of such an affiliate.

(2) The SENs and the Amended Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in the United States, (x) prior to the expiration of the distribution compliance period, in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB, and (y) thereafter, pursuant to an exemption from registration under the Securities Act, or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any state of the United States and any other applicable jurisdiction.

(3) The SENs will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A)(1) IN THE UNITED STATES, (X) PRIOR TO THE EXPIRATION OF THE DISTRIBUTION COMPLIANCE PERIOD, IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS BOTH A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A, AND (Y) THEREAFTER, PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION.

(4) The Amended Notes will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY

STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A)(1) IN THE UNITED STATES, PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION.

(5) The SENs offered in reliance on Regulation S will be represented by the Regulation S Global SENs Note (and, subsequent to the Mandatory Exchange, the Regulation S Global Amended Note). Prior to the expiration of the distribution compliance period, before any interest in the Regulation S Global SENs Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Rule 144A Global SENs Note, it will be required to provide the SENs Trustee with a written certification (in the form provided in the SENs Indenture) as to compliance with applicable securities laws.

(6) (a) It is not a Plan or (b) to have (i) directed that the assets be invested in the Eligible Investments and the SENs Issuer to purchase the Step-Up Perpetual Notes and consent to the amendment and restatement of the Step-Up Perpetual Notes as described in the SENs Indenture, (ii) represented and warranted that none of its acquisition, holding and disposition of the SENs and ultimate acquisition, holding and disposition of the Amended Notes will constitute a non-exempt prohibited transaction under ERISA or Section 4975 of the Code because an exemption, all the conditions of which are met, is available and (iii) agreed that neither the SENs Issuer nor the escrow agent will be a fiduciary for purposes of ERISA with respect to any assets of investing Plans but rather a custodian.

(7) (a) It is not a plan subject to Similar Law or (b) its acquisition, holding and disposition of the SENs and ultimate acquisition and holding of the Amended Notes will not constitute a violation of any Similar Law or other violation.

(8) It is not purchasing the SENs pursuant to an invitation made to the public in the Cayman Islands.

(9) It understands that the SENs Issuer is subject to anti-money laundering legislation in the Cayman Islands. Accordingly, if SENs are issued in the form of certificated notes, the SENs Issuer may, except in relation to certain categories of institutional investors, require a detailed verification of a purchaser's identity and the source of the payment used by such purchaser for purchasing the SENs. The laws of other major financial centers may impose similar obligations upon the SENs Issuer.

The SENs Issuer, Globo, the Initial Purchasers, the SENs Trustee, the Trustee and others will rely upon the truth and accuracy of the foregoing representations, agreements and acknowledgements.

LISTING AND GENERAL INFORMATION

1. The CUSIP and ISIN numbers for the notes are as follows:

	SENs	
	Rule 144A Global SENs Note	**Regulation S Global SENs Note**
CUSIP	73265P AA9	G71703 AA3
ISIN	US73265PAA93	USG71703AA35
Common Codes	124417597	124417619

	Amended Notes	
	Rule 144A Global Amended Notes	**Regulation S Global Amended Notes**
CUSIP	37957T AK7	P47773 AN9
ISIN	US37957TAK79	USP47773AN93
Common Codes	124613868	124613906

2. The Global Notes will be registered in the name of a nominee of DTC and deposited on behalf of the purchasers of the SENs represented thereby with a custodian for DTC for credit to the respective accounts of direct or indirect participants in DTC, including Euroclear or Clearstream. The SENs and the Amended Notes have been accepted for clearing and settlement by Euroclear and Clearstream.

3. Copies of Globo's latest annual audited consolidated financial statements and unaudited interim condensed consolidated financial information may be obtained (free of charge) at the offices of the principal paying agent and any other paying agent, including any Luxembourg paying agent, and copies of the estatuto social (by-laws) of Globo, as well as the indentures and any amended and restated or supplemental indentures (including the form of notes), will be available (each, free of charge) at the offices of the principal paying agent and any other paying agent, including any Luxembourg paying agent. Globo does not publish annual and interim non-consolidated financial statements. Copies of the SENs Issuer's Articles of Association will be available (free of charge) at the offices of the principal paying agent and any other paying agent, including any Luxembourg paying agent.

4. Except as disclosed in this offering memorandum, there has been no material adverse change in Globo's financial position since December 31, 2014, the date of the latest audited consolidated financial statements included elsewhere in this offering memorandum, and there has been no material adverse change in the SENs Issuer's financial position since May 14, 2015, the date of its incorporation.

5. Except as disclosed in this offering memorandum, Globo is not involved in any litigation or arbitration proceedings relating to claims or amounts that are material in the context of this offering, nor so far as Globo is aware is any such litigation or arbitration pending or threatened against Globo. The SENs Issuer is not involved in any litigation or arbitration proceedings relating to claims or amounts that are material in the context of this offering, nor so far as the SENs Issuer is aware is any such litigation or arbitration pending or threatened against the SENs Issuer.

6. The SENs Issuer intends to use commercially reasonable efforts to apply to list the SENs on the Official List of the Luxembourg Stock Exchange and to admit the SENs for trading on the Euro MTF Market. The Amended Notes are expected to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market.

7. So long as the notes are listed on the Luxembourg Stock Exchange and the rules of this exchange so require, the SENs Issuer or Globo, as the case may be, shall appoint and maintain a paying agent in Luxembourg, where the notes may be presented or surrendered for payment or redemption, in the event that the Global Notes are exchanged for definitive certificated notes. In addition, in the event that the Global Notes are exchanged for definitive certificated notes, announcement of such exchange will be made in the manner provided under "Description of the SENs — Notices" and "Description of the Amended Notes — Notices," as the case may be, and such announcement will include all material information with respect to the delivery of the definitive certificated notes, including details of the paying agent in Luxembourg.

8. The issuance of the SENs was authorized by a resolution of the board of directors of the SENs Issuer, passed on May 29, 2015.

9. Globo and the SENs Issuer are responsible for the offering memorandum and, to the best of Globo's and the SENs Issuer's knowledge, the information given in the offering memorandum is in accordance with the facts and contains no omissions likely to affect the import of the offering memorandum.

VALIDITY OF SECURITIES

The validity of the Amended Notes will be passed upon for Globo by Debevoise & Plimpton LLP, New York, New York. Certain legal matters relating to the issuance of the notes will be passed upon for the Initial Purchasers by Cleary Gottlieb Steen & Hamilton. Certain matters of Brazilian law relating to the Amended Notes will be passed upon for Globo by Pinheiro Guimarães-Advogados and for the Initial Purchasers by Souza, Cescon, Barrieu & Flesch Advogados. Certain matters of Cayman Islands law relating to the SENs will be passed upon by Walkers.

INDEPENDENT AUDITORS

The individual and consolidated financial statements of Globo Comunicação e Participações S.A. as of and for the years ended December 31, 2014, 2013 and 2012, included in this offering memorandum, have been audited by Ernst & Young Auditores Independentes S.S., independent auditors, as stated in their reports appearing herein.

With respect to the unaudited interim condensed consolidated financial information of Globo Comunicação e Participações S.A. as of March 31, 2015 and for the three months ended March 31, 2015 and 2014, included in this offering memorandum, Ernst & Young Auditores Independentes S.S. reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated May 15, 2015, appearing herein states that they did not audit and they do not express an opinion on that unaudited interim condensed consolidated financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

Ernst & Young Auditores Independentes S.S. is registered under number CRC 2SP 015199/O-6-F-RJ with the Regional Accounting Council of the State of Rio de Janeiro (*Conselho Regional de Contabilidade do Estado do Rio de Janeiro*, or CRC-RJ), an accounting professional body. Ernst & Young Auditores Independentes S.S.' address is Condomínio Edifício PB 370, Praia de Botafogo, 370, 5º ao 8º andares, 22250-040, Rio de Janeiro, RJ, Brazil.

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Independent auditors' report on review of interim condensed consolidated financial information

The Board of Directors and Shareholders of
Globo Comunicação e Participações S.A.
Rio de Janeiro - RJ

Introduction

We have reviewed the accompanying interim condensed consolidated financial position of Globo Comunicação e Participações S.A. (the "Company") as of March 31, 2015 and the related interim condensed consolidated statements of income, of comprehensive income, of changes in equity, and cash flows for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Financial Reporting Standard IAS 34 - Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

Rio de Janeiro, May 15, 2015.

ERNST & YOUNG
Auditores Independentes S.S.
CRC - 2SP 015.199/O-6 - F - RJ

Wilson J. O. Moraes
Accountant CRC - 1RJ 107.211/O-1

Globo Comunicação e Participações S.A.

Unaudited interim condensed consolidated statements of financial position
March 31, 2015 (unaudited) and December 31, 2014
(In thousands of Brazilian reais)

	Note	March 31, 2015	December 31, 2014
Assets			
Current assets			
Cash and cash equivalents	4	**891,555**	2,526,744
Marketable securities	4	**6,487,471**	4,767,190
Trade receivables	5	**1,452,472**	1,350,614
Transmission and exhibition rights	6	**1,847,828**	1,035,388
Other		**931,242**	863,766
Total current assets		**11,610,568**	10,543,702
Non-current assets			
Marketable securities	4	**618,183**	458,847
Transmission and exhibition rights	6	**1,125,332**	1,180,729
Legal deposits	8	**258,058**	258,681
Deferred income tax and social contribution	9	**471,754**	466,329
Available for sale investments	10	**1,188,936**	1,188,936
Investments at equity method	11	**298,262**	253,541
Property, plant and equipment	12	**2,929,595**	2,886,214
Intangibles	13	**1,087,769**	1,096,131
Other		**51,019**	60,369
Total non-current assets		**8,028,908**	7,849,777
Total assets		**19,639,476**	18,393,479

	Note	March 31, 2015	December 31, 2014
Liabilities and equity			
Current liabilities			
Debt	14	**74,662**	69,227
Accounts payable		**1,405,587**	1,182,591
Dividends payable	17	**551,052**	560,199
Advances from customers		**2,323,315**	1,956,929
Salaries and social benefits		**530,663**	591,508
Other		**367,388**	294,614
Total current liabilities		**5,252,667**	4,655,068
Non-current liabilities			
Debt	14	**2,871,600**	2,416,365
Accounts payable		**114,800**	122,681
Provision for contingencies	15	**214,111**	214,761
Other		**80,548**	80,110
Total non-current liabilities		**3,281,059**	2,833,917
Equity	17		
Capital stock		**6,408,936**	6,408,936
Earnings reserves		**3,570,344**	4,289,264
Retained earnings		**911,281**	-
Effects from capital transaction		**(1,800)**	(1,723)
Other comprehensive income		**167,428**	159,678
		11,056,189	10,856,155
Non-controlling interests		**49,561**	48,339
Total equity		**11,105,750**	10,904,494
Total liabilities and equity		**19,639,476**	18,393,479

See explanatory notes.

Globo Comunicação e Participações S.A.

Unaudited interim condensed consolidated statements of income
Three-month periods ended March 31, 2015 and 2014
(In thousands of Brazilian reais)

	Note	March 31, 2015	March 31, 2014
Net sales, advertising and services			
Third parties	**18**	**3,579,595**	3,635,446
Related parties	**18**	**42,641**	36,614
Cost of sales, advertising and services		**(1,726,166)**	(1,653,001)
Gross profit		**1,896,070**	2,019,059
Operating (expenses) income			
Selling		**(312,926)**	(346,850)
General and administrative		**(425,530)**	(383,108)
Gain on sale of property, plant and equipment		**266**	2,353
Other operating expenses		**(12,390)**	(12,935)
Operating income before financial and investments results		**1,145,490**	1,278,519
Financial income	**19**	**710,382**	247,240
Financial expense	**19**	**(588,972)**	(182,402)
Equity pick-up	**11**	**58,500**	43,214
Investment results		**(2,813)**	-
Income before income tax and social contribution		**1,322,587**	1,386,571
Income tax and social contribution	**9**	**(410,161)**	(450,867)
Net income for the period		**912,426**	935,704
Net income attributable to			
Equity holders of the parent		**911,281**	939,175
Non-controlling interests		**1,145**	(3,471)
		912,426	935,704

See explanatory notes.

Globo Comunicação e Participações S.A.

Unaudited interim condensed consolidated statements of comprehensive income
Three-month periods ended March 31, 2015 and 2014
(In thousands of Brazilian reais)

	March 31, 2015	March 31, 2014
Net income for the period	**912,426**	935,704
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Exchange differences on translation of foreign operations	**7,750**	(1,209)
Total comprehensive income for the period	**920,176**	934,495
Total comprehensive income attributable to		
Equity holders of the parent	**919,031**	937,966
Non-controlling interests	**1,145**	(3,471)
	920,176	934,495

See explanatory notes.

Globo Comunicação e Participações S.A.

Unaudited interim condensed consolidated statements of changes in equity
Three-month periods ended March 31, 2015 and 2014
(In thousands of Brazilian reais)

	Equity attributable to equity holders of the parent						
		Earnings reserves					
	Capital stock	Legal reserve	Retained earnings reserves	Effects from capital transactions	Other comprehensive income	Retained earnings	Tota
Balances at December 31, 2013	6,408,936	277,477	3,154,478	(3,466)	11,986	-	9,849,4
Translation adjustment of foreign operations	-	-	-	-	(1,209)	-	(1,2
Net income for the period	-	-	-	-	-	939,175	939,1
Other	-	-	-	(371)	-	-	(3
Balances at March 31, 2014	6,408,936	277,477	3,154,478	(3,837)	10,777	939,175	10,787,0
Changes from April 1 to December 31, 2014	-	117,660	739,649	2,114	148,901	(939,175)	69,1
Balances at December 31, 2014	6,408,936	395,137	3,894,127	(1,723)	159,678	-	10,856,1
Translation adjustment of foreign operations	**-**	**-**	**-**	**-**	**7,750**	**-**	**7,7**
Net income for the period	**-**	**-**	**-**	**-**	**-**	**911,281**	**911,2**
Dividends (Note 17)	**-**	**-**	**(718,920)**	**-**	**-**	**-**	**(718,9**
Other	**-**	**-**	**-**	**(77)**	**-**	**-**	**(**
Balances at March 31, 2015	**6,408,936**	**395,137**	**3,175,207**	**(1,800)**	**167,428**	**911,281**	**11,056,1**

See explanatory notes.

Globo Comunicação e Participações S.A.

Unaudited interim condensed consolidated statements of cash flows
Three-month periods ended March 31, 2015 and 2014
(In thousands of Brazilian reais)

	March 31, 2015	**March 31, 2014**
Cash flows from operating activities		
Income before income tax and social contribution	**1,322,587**	1,386,571
Adjustments to reconcile income before income tax and social contribution for the period and net cash provided by operating activities		
Depreciation and amortization	**78,705**	66,403
Equity pick-up	**(58,500)**	(43,214)
Interest expense and monetary variation of assets and liabilities, net	**501,464**	(43,715)
Provision for contingencies	**6,413**	8,280
Impairment (reversal of impairment) of assets	**1,408**	(2,573)
Gain on disposal of property, plant and equipment and investment	**(45)**	(2,353)
	1,852,032	1,369,399
(Increase) decrease of assets and increase (decrease) of liabilities		
Trade receivables	**(92,039)**	176,287
Transmission and exhibition rights	**(760,068)**	(1,077,611)
Advances from customers	**366,386**	424,885
Accounts payable	**233,916**	403,654
Dividends received	**10,252**	10,059
Other assets and liabilities	**(93,529)**	(106,918)
Cash provided by operating activities	**1,516,950**	1,199,755
Payments of debt interest	**(14,420)**	(27,484)
Payments of income tax and social contribution	**(389,291)**	(366,155)
Net cash provided by operating activities	**1,113,239**	806,116
Cash flows from investing activities		
Acquisition of marketable securities, net	**(1,879,616)**	(390,675)
Acquisition of property, plant, equipment and software	**(116,048)**	(110,533)
Proceeds from disposal of property, plant and equipment	**521**	2,427
Acquisition of other intangibles	**-**	(8)
Net cash used in investing activities	**(1,995,143)**	(498,789)
Cash flows from financing activities		
Proceeds from new debt	**5,119**	2,931
Debt repayment	**(30,337)**	(10,256)
Dividends paid	**(728,067)**	(1,388,800)
Net cash used in financing activities	**(753,285)**	(1,396,125)
Decrease in cash and cash equivalents	**(1,635,189)**	(1,088,798)
Cash and cash equivalents at the beginning of the period	**2,526,744**	2,622,652
Cash and cash equivalents at the end of the period	**891,555**	1,533,854

See explanatory notes.

1. General information

Globo Comunicação e Participações S.A. (the "Company") and its subsidiaries (collectively referred hereinafter as "Globo") comprise a group of television broadcast stations and internet businesses engaged through its subsidiaries and joint ventures in Pay TV's programming and publishing businesses, being the largest media group in Brazil.

The Company is a privately held company incorporated in Brazil, not listed on any stock exchange. Its registered office is headquartered in Rio de Janeiro, Brazil, located at Rua Lopes Quintas, 303. The Company's Investor Relations department main telephone number is (55 21) 2540-4444.

2. Approval and basis of preparation and presentation of the financial statements

The unaudited interim condensed consolidated financial information for the three-month period ended March 31, 2015 has been prepared in accordance with IAS 34 - *Interim Financial Reporting*.

This unaudited interim condensed consolidated financial information was authorized for issuance by the Company's directors on May 15, 2015.

This unaudited interim condensed consolidated financial information and the accompanying explanatory notes do not include all the information and disclosures required in the annual financial statements. Accordingly, it should be read in conjunction with the Globo's audited consolidated financial statements for the year ended December 31, 2014 and the explanatory notes thereto.

2. Approval and basis of preparation and presentation of the financial statements (Continued)

The accounting policies, presentation and methods of computation have been used in this unaudited interim condensed consolidated financial information are consistent with those followed in the preparation of Globo's consolidated financial statements as of and for the year ended December 31, 2014.

The preparation of the financial statements requires management to make estimates and assumptions that affect reported amounts of revenues, expenses, assets and liabilities, and accompanying notes. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The main estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities include: impairment of assets, determination of current and deferred income taxes, fair value of financial instruments, useful lives and residual value of property plant and equipment and intangible assets, provision for contingencies and revenue recognition. The estimations and judgments are complex and consider several assumptions and projections of the future and, therefore, by definition, actual results may differ from these estimates. Management reviews the main estimates and assumptions quarterly or annually.

There has been no adoption of the new pronouncements effective from January 01, 2015 that generated any material impact on the Company's unaudited interim condensed consolidated financial information.

(In thousands of Brazilian reais, except when otherwise indicated)

3. Segment information

At March 31, 2015, 2014 and December 31, 2014, Company had the following interests and related segments:

	Ownership %					
	March 31, 2015			December 31, 2014	March 31, 2014	
	Direct	Indirect	Total	Total	Total	Segment
Fully consolidated entities						
Globosat Programadora Ltda.	**100.00**	**-**	**100.00**	100.00	100.00	Television
Globo International London Ltd. (*)	**100.00**	**-**	**100.00**	100.00	100.00	Television
Globo International New York Ltd. (*)	**-**	**100.00**	**100.00**	100.00	100.00	Television
Globo Portugal Unipessoal, Lda. (*)	**100.00**	**-**	**100.00**	100.00	100.00	Television
Brazilian TV Network Ltd. (*)	**100.00**	**-**	**100.00**	100.00	100.00	Television
Horizonte Conteúdos Ltda.	**100.00**	**-**	**100.00**	100.00	100.00	Television
Interpro - International Promotions Ltda.	**100.00**	**-**	**100.00**	100.00	100.00	Television
G2C Globosat Comercialização de Conteúdos S.A.	**100.00**	**-**	**100.00**	100.00	100.00	Television
Editora Globo S.A.	**99.99**	**-**	**99.99**	99.99	99.99	Editorial
Edições Globo Condé Nast S.A.	**-**	**70.00**	**70.00**	70.00	70.00	Editorial
Editora Globo Livros Ltda.	**1.00**	**99.00**	**100.00**	100.00	100.00	Editorial
Editora Távola Infanto Juvenil Ltda.	**1.00**	**99.00**	**100.00**	100.00	100.00	Editorial
UGB Participações S.A.	**98.47**	**-**	**98.47**	96.28	64.42	Internet service
Zap S.A. Internet	**-**	**98.47**	**98.47**	96.28	64.42	Internet service
Pense Imóveis Serviços de Internet S.A.	**-**	**98.47**	**98.47**	96.28	-	Internet service
Zende - Serviços de Apoio e Logística Ltda.	**99.99**	**-**	**99.99**	99.99	99.99	Sound recording
Sigem - Sistema Globo de Edições Musicais Ltda.	**99.99**	**-**	**99.99**	99.99	99.99	Sound recording
Sigla - Sistema Globo de Gravações Audiovisuais da Amazônia Ltda.	**99.99**	**-**	**99.99**	99.99	99.99	Sound recording
Comercial Fonográfica RGE Ltda.	**99.99**	**-**	**99.99**	99.99	99.99	Sound recording
Power Company S.A.	**100.00**	**-**	**100.00**	100.00	100.00	Other
Worldwide Financial Trading Limited	**100.00**	**-**	**100.00**	100.00	100.00	Other
Globo Investments Ltd.	**100.00**	**-**	**100.00**	100.00	100.00	Other
Pluris Participações Ltda.	**100.00**	**-**	**100.00**	100.00	100.00	Other
Get Empreendimentos Temáticos Ltda. (investment sold in May 2014)	**-**	**-**	**-**	-	100.00	Other
GLC Holding e Serviços S.A. (previously Globo Cabo Participações S.A.)	**100.00**	**-**	**100.00**	100.00	100.00	Other
GML Licenciamentos Ltda.	**-**	**100.00**	**100.00**	100.00	100.00	Other

(*) Collectively referred hereinafter as Globo International Consolidated.

Management has determined the operating segments based on the internal reports reviewed by the Group Chief Executive Officer ("CEO") that are used to make strategic decisions. The CEO considers the business from a product perspective and analyzes separately the performance of Television (Media Network), Editorial, Internet services, Sound recording and Other businesses.

(In thousands of Brazilian reais, except when otherwise indicated)

3. Segment information (Continued)

There were no significant changes in the activities and operations carried out by the subsidiaries included in the reportable segments as detailed in the audited consolidated financial statements and explanatory notes for the year ended December 31, 2014.

The segment information provided to the CEO for the reportable segments for the three-month periods ended March 31, 2015 and 2014 is as follows:

	March 31, 2015				
	Television	**Editorial**	**Other**	**Adjustments and eliminations**	**Consolidated**
Net sales, advertising and services	**3,455,206**	**106,582**	**70,499**	**(10,051)**	**3,622,236**
Cost of sales and services (a)	**(1,615,228)**	**(42,932)**	**(24,101)**	**608**	**(1,681,653)**
Gross profit	**1,839,978**	**63,650**	**46,398**	**(9,443)**	**1,940,583**
Operating (expenses) income					
Selling (a)	**(263,995)**	**(33,515)**	**(25,037)**	**9,789**	**(312,758)**
General and administrative (a)	**(341,065)**	**(33,715)**	**(16,980)**	**254**	**(391,506)**
Other operating (expense) income	**(12,076)**	**315**	**(30)**	**(599)**	**(12,390)**
Dividends received	**13,252**	**-**	**-**	**(3,000)**	**10,252**
Adjusted EBITDA	**1,236,094**	**(3,265)**	**4,351**	**(2,999)**	**1,234,181**
Items excluded from profit or loss to reconcile to the Adjusted EBITDA					
Gain on disposal of property, plant and equipment					**266**
Depreciation and amortization					**(78,705)**
Equity pick-up					**58,500**
Investments results					**(2,813)**
Financial income					**710,382**
Financial expense					**(588,972)**
Income tax and social contribution					**(410,161)**
Dividends received					**(10,252)**
Net income for the period					**912,426**
Capital expenditures (b)	**96,416**	**502**	**19,130**	**-**	**116,048**

(a) Excludes depreciation and amortization costs and expenses.
(b) Refers to acquisitions of property, plant and equipment and software.

(In thousands of Brazilian reais, except when otherwise indicated)

3. Segment information (Continued)

	March 31, 2014				
	Television	Editorial	Other	Adjustments and eliminations	Consolidated
Net sales, advertising and services	3,506,205	106,715	68,064	(8,924)	3,672,060
Cost of sales and services (a)	(1,555,755)	(43,027)	(18,081)	929	(1,615,934)
Gross profit	1,950,450	63,688	49,983	(7,995)	2,056,126
Operating (expenses) income					
Selling (a)	(287,355)	(43,249)	(24,378)	8,314	(346,668)
General and administrative (a)	(302,777)	(27,332)	(24,036)	191	(353,954)
Other operating (expense) income	(12,427)	1	1	(510)	(12,935)
Dividends received	17,158	-	-	(7,099)	10,059
Adjusted EBITDA	1,365,049	(6,892)	1,570	(7,099)	1,352,628
Items excluded from income statement to reach the Adjusted EBITDA					
Gain on sale of property, plant and equipment					2,353
Depreciation and amortization					(66,403)
Equity pick-up					43,214
Financial income					247,240
Financial expense					(182,402)
Income tax and social contribution					(450,867)
Dividends received					(10,059)
Net income for the period					935,704
Capital expenditures (b)	98,948	81	11,504	-	110,533

(a) Excludes depreciation and amortization costs and expenses.
(b) Refers to acquisitions of property, plant and equipment and software.

Adjusted EBITDA refers to earnings before financial results, income tax and social contribution, depreciation and amortization, gain (loss) on sale of property, plant and equipment, equity pick-up and investment results, and includes dividends received from non-consolidated investees.

Adjusted EBITDA is not defined under IFRS, and because not all companies use identical calculations, Globo's adjusted EBITDA may not be comparable to other similarly titled measures provided by other companies. Also, adjusted EBITDA should not be considered in isolation or as an alternative to operating income or net income, as a measure of operating performance, or to cash flows from operating activities.

The amounts provided to the CEO with respect to total assets and liabilities are measured in a manner consistent with these consolidated financial statements. There is no allocation of assets or liabilities per segment.

The total assets located in countries other than Brazil is not significant.

(In thousands of Brazilian reais, except when otherwise indicated)

4. Cash, cash equivalents and marketable securities

	March 31, 2015	December 31, 2014
Cash and bank deposits	**89,725**	94,154
Cash equivalents	**801,830**	2,432,590
Total cash and cash equivalents	**891,555**	2,526,744
Marketable securities		
Trading		
Time deposits	**1,472,438**	124,333
Government bonds	**1,027,014**	1,751,137
CDB (Certificates of bank deposits)	**45,988**	804,978
Financial notes	**1,376,145**	762,062
Repurchase agreements	**1,167,799**	10,340
Investment funds	**1,037,242**	1,046,312
Other	**104,550**	38,691
Held to maturity (*)	**256,295**	229,337
Current marketable securities	**6,487,471**	4,767,190
Non-current - held to maturity marketable securities (*)	**618,183**	458,847
Total marketable securities	**7,105,654**	5,226,037

(*) Refers to the held-to-maturity investment portion in banking financial notes and CDB.

Cash equivalents are comprised mainly of excess cash position carried over from one trading day until the next, fully collateralized by Brazilian government securities (LFT, NTN, NTB), which pays floating rates (CDI) at the beginning of the next business day.

Time deposits are interest-bearing bank deposits, in U.S. dollar, that have a fixed term and specified date of maturity, remunerated at an average rate of 0.77% per year. Once maturity is reached, the funds can be withdrawn without penalty, or it can be renewed and held for an additional term.

Government bonds are comprised of LFTs and LTNs and are fixed-income investments, mainly made through exclusive investment funds. LFTs are subject to floating remuneration at Selic rate (Brazilian standard interest rate) and LTNs are remunerated via a fixed rate. Globo has swap contracts to exchange the remuneration of its fixed-rate financial investments into floating remuneration.

CDBs are remunerated at an average rate of 101.0% of the CDI (interbank deposit rate) fluctuation, are issued by first-line banks and most of them have daily liquidity. The CDB’s have floating remuneration, are valued on a daily basis, are registered with the CETIP (clearinghouse), and have high liquidity.

(In thousands of Brazilian reais, except when otherwise indicated)

4. Cash, cash equivalents and marketable securities (Continued)

Financial Notes (Letra Financeira - "LF") are issued by financial institutions and are fixed-income investments, combined or not with floating rate or price indexes. They must be registered at CETIP or other custody and settlement system authorized. LF has a due date of, at least, 24 months. They are traded in a primary and secondary market and were remunerated at an average rate of 106.0% of the CDI fluctuation for the three-month period ended March 31, 2015.

Repurchase agreements are agreements with a commitment by a seller, usually a first-line bank, to repurchase a security back from Globo at a specified price at a designated future date. Most of the balance refers to contracts issued with floating rates (CDI). The repurchase agreements are remunerated at an average rate of 100.9% of the CDI fluctuation for the three-month period ended March 31, 2015.

Investment funds comprise mainly multimarkets investment funds which have investment policies that involve multiple risk factors, as they combine investments in fixed income markets, foreign exchange, stocks, among others. These funds use derivative instruments to leverage their positions or as a protection of their portfolios (hedge).

5. Trade receivables

	March 31, 2015	**December 31, 2014**
Trade receivables	**1,461,708**	1,365,712
Provision for bad debt of trade receivables	**(17,682)**	(19,274)
Trade receivables from related parties	**8,446**	4,176
Trade receivables, net	**1,452,472**	1,350,614

The maturities of trade receivables (net of its provision for bad debts) are as follows:

	March 31, 2015	**December 31, 2014**
Undue	**1,310,919**	1,194,357
Past due		
Less than 1 month	**55,105**	75,192
Between 1 and 3 months	**28,608**	36,051
Between 3 and 6 months	**36,420**	16,478
Between 6 and 12 months	**21,420**	28,536
	141,553	156,257
Trade receivables, net	**1,452,472**	1,350,614

(In thousands of Brazilian reais, except when otherwise indicated)

5. Trade receivables (Continued)

Changes on provision for bad debts of trade receivables are as follows:

	March 31, 2015	December 31, 2014
At the beginning of the period	**(19,274)**	(25,444)
Additions, net of reversals	**(21,575)**	(57,482)
Receivables written off as uncollectible	**1,251**	44,120
Collections of impaired receivables	**21,916**	19,532
At the end of the period	**(17,682)**	(19,274)

The changes in the provision for bad debts of trade receivables have been included in “selling expenses” in the profit or loss. Trade receivables are written off when there is no expectation of recovery of additional cash.

The carrying amounts of the trade and other receivables (net of its provision for bad debts) are denominated in the following currencies:

	March 31, 2015	December 31, 2014
Local currency	**1,377,602**	1,291,828
U.S. dollars	**71,683**	55,967
Euros	**3,187**	2,819
	1,452,472	1,350,614

Globo Comunicação e Participações S.A.

Notes to the unaudited interim condensed consolidated financial information (Continued)
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6. Transmission and exhibition rights

Changes in the transmission and exhibition rights for the three-month period ended March 31, 2015 are a

	December 31, 2014	Acquisition	Internal development	Impairment losses (recognized) reversed	Amortizatio
Current					
Live events	391,423	**1,071,855**	**-**	**1,440**	**(372,682)**
Films	242,027	**33,005**	**-**	**(4,184)**	**(52,057)**
In-house productions programming	180,313	**-**	**123,612**	**-**	**(86,356)**
Casting rights	62,583	**6,494**	**-**	**-**	**(18,245)**
Documentary programs	36,830	**28,615**	**-**	**-**	**(18,157)**
Other	122,212	**23,734**	**-**	**(281)**	**(44,061)**
	1,035,388	**1,163,703**	**123,612**	**(3,025)**	**(591,558)**
Non-current					
Live events	980,874	**28,291**	**-**	**-**	**-**
Films	46,285	**5,649**	**-**	**-**	**-**
Casting rights	105,884	**30,371**	**-**	**-**	**-**
Other	47,686	**-**	**-**	**-**	**-**
	1,180,729	**64,311**	**-**	**-**	**-**

(In thousands of Brazilian reais, except when otherwise indicated)

7. Related party transactions

The Marinho family is the ultimate controlling party of Globo, and holds indirectly 100% of the Company's shares.

The nature of the intercompany transactions carried out among related parties has not changed in comparison with the preceding year.

The amounts due to and from related companies, arising from commercial transactions in the ordinary course of business are classified as current trade receivables and accounts payable, in the amount of R$8,446 and R$48,013, respectively, at March 31, 2015.

8. Legal deposits

Globo is a defendant in several judicial tax, civil and labor claims for which certain deposits have been made, as follows:

	March 31, 2015	**December 31, 2014**
Tax proceedings	**197,944**	196,613
Civil proceedings	**20,813**	20,903
Labor claims	**39,301**	41,165
Total	**258,058**	258,681

The legal deposits made in connection with certain proceedings will be released only in the event of a favorable outcome for Globo.

(In thousands of Brazilian reais, except when otherwise indicated)

9. Income tax and social contribution

The changes in the deferred income tax and social contribution assets and liabilities for the three-month period ended March 31, 2015 are as follows:

	December 31, 2014	Additional benefit (obligation) recorded (offset)	March 31, 2015
Assets			
Tax loss carryforwards	43,430	**(12,547)**	**30,883**
Negative basis of social contribution	13,197	**(2,235)**	**10,962**
Temporary differences			
Provision for contingencies	63,170	**(591)**	**62,579**
Provision for bad debts	19,816	**(413)**	**19,403**
Provision for losses on assets	22,949	**(118)**	**22,831**
Provision for investments losses	8,640	**-**	**8,640**
Provision for benefits to employees	32,797	**-**	**32,797**
Goodwill	97,971	**(8,755)**	**89,216**
Other	93,983	**40,455**	**134,438**
Tax credits originated from merger with Globo S.A.	781,509	**-**	**781,509**
Total deferred taxes assets	1,177,462	**15,796**	**1,193,258**
Liabilities			
Temporary differences			
Amortization of goodwill for taxes purposes	(284,358)	**-**	**(284,358)**
Depreciation of property, plant and equipment	(142,158)	**(8,790)**	**(150,948)**
Fair value of equity investments	(281,096)	**-**	**(281,096)**
Other	(3,521)	**(1,581)**	**(5,102)**
Total deferred taxes liabilities	(711,133)	**(10,371)**	**(721,504)**
Total deferred tax assets, net	466,329	**5,425**	**471,754**

Globo also has approximately R$952,000 of temporary differences related to amortization of goodwill temporarily non-deductible (goodwill balances amortized before 2008 that generated no tax benefits) over which no deferred tax assets have been recorded, considering the uncertainty of when it will be realized.

Additionally, at March 31, 2015 certain subsidiaries (non-operating and loss making subsidiaries) have tax loss carryforwards and negative basis of social contribution of R$998,450 and R$951,589, respectively, over which no deferred taxes were recorded, since currently there is no expectation to recover these tax credits.

Although the tax loss carryforwards and the negative basis of social contribution have no expiration period, it can only be used up to 30% of the taxable income each year.

Globo evaluates annually the carrying value of the deferred income tax and social contribution assets based on the Company's projected future taxable income, to record these assets at their expected realization value. Management estimates that the deferred income tax and social contribution assets will be realized within 10 years.

(In thousands of Brazilian reais, except when otherwise indicated)

9. Income tax and social contribution (Continued)

The reconciliation of the reported income tax and social contribution and the amount determined by applying the actual rate for the three-month periods ended March 31, 2015 and 2014, are as follows:

	March 31, 2015		March 31, 2014	
	Income tax	**Social contribution**	**Income tax**	**Social contribution**
Income before income tax and social contribution	**1,322,587**	**1,322,587**	1,386,571	1,386,571
Income tax and social contribution at statutory rates (25% and 9% respectively)	**(330,647)**	**(119,033)**	(346,643)	(124,791)
Adjustments to derive the effective rates				
Permanent differences - (additions) / subtractions				
Equity pick-up	**14,625**	**5,265**	10,803	3,889
Tax benefits from political party and election programming	**21,030**	**-**	15,408	-
Other non-deductible expenses	**(2,407)**	**(680)**	(1,029)	(278)
Unrecorded credits from tax loss carryforward and negative basis of social contribution of subsidiaries	**(2,882)**	**(954)**	(7,876)	(2,683)
Other	**4,328**	**1,194**	2,045	288
Total expense for the period	**(295,953)**	**(114,208)**	(327,292)	(123,575)
Adjusted effective rates	**22%**	**9%**	24%	9%

The current and deferred income tax and social contribution for the three-month periods ended March 31, 2015 and 2014 are as follows:

	March 31, 2015	**March 31, 2014**
Current income tax	**(299,246)**	(322,652)
Current social contribution	**(116,340)**	(122,851)
Total income tax and social contribution expense	**(415,586)**	(445,503)
Deferred income tax	**3,293**	(4,640)
Deferred social contribution	**2,132**	(724)
Total deferred income tax and social contribution expense	**5,425**	(5,364)
Total expense for the period	**(410,161)**	(450,867)

Income tax and social contribution are subject to review by tax authorities for the last five years.

(In thousands of Brazilian reais, except when otherwise indicated)

10. Available for sale investments

The investments measured at fair value are as follows:

	Ownership %	March 31, 2015	December 31, 2014
Sky Brasil Serviços Ltda.	**7.00**	**708,280**	708,280
Claro S.A.	**1.85**	**480,656**	480,656
		1,188,936	1,188,936

Fair values of the investment in Sky Brasil and the indirect investment in Claro are measured at each reporting period using discounted cash flow analyzes since these assets are not traded in an active market. For the quarter ended March 31, 2015, there has been no significant changes in the fair values and, thus no adjustment was accounted for.

11. Investments at equity method

The information about joint ventures and associates is as follows:

	Ownership %				
	March 31, 2015			December 31, 2014	March 31, 2014
Companies	Direct	Indirect	Total	Total	Total
Joint ventures					
Canal Brazil S.A.	**-**	**50.00**	**50.00**	50.00	50.00
Endemol Globo S.A.	**50.00**	**-**	**50.00**	50.00	50.00
PB Brasil Entretenimento S.A.	**-**	**60.00**	**60.00**	60.00	60.00
Telecine Programação de Filmes Ltda.	**50.00**	**-**	**50.00**	50.00	50.00
Associates					
NBCUniversal Networks International Brasil Programadora S.A.	**-**	**47.50**	**47.50**	47.50	47.50
TT2 Telecomunicações Ltda. (extinguished)	**-**	**-**	**-**	57.77	38.65

(In thousands of Brazilian reais, except when otherwise indicated)

11. Investments at equity method (Continued)

Changes in the investments and provision for losses on investments for the three-month period ended March 31, 2015 are as follows:

	December 31, 2014	Acquisition (Disposal)	Dividends/ interest on capital	Share of profit (loss)	March 31, 2015
Investments					
Joint ventures					
Canal Brazil S.A.	22,120	-	(3,868)	4,627	22,879
Endemol Globo S.A.	409	-	-	2,792	3,201
PB Brasil Entretenimento S.A.	12,299	-	(1,617)	6,598	17,280
Telecine Programação de Filmes Ltda.	183,426	-	-	35,802	219,228
	218,254	-	(5,485)	49,819	262,588
Associate					
NBCUniversal Networks International Brasil Programadora S.A.	33,704	-	(8,075)	8,854	34,483
	33,704	-	(8,075)	8,854	34,483
Other investments	1,583	(221)	-	(171)	1,191
Total	253,541	(221)	(13,560)	58,502	298,262
Provision for losses on investments					
Associates	(2)	-	-	(2)	(4)
Total	(2)	-	-	(2)	(4)

12. Property, plant and equipment

	Annual depreciation rate	March 31, 2015 Cost	March 31, 2015 Accumulated depreciation	March 31, 2015 Net	December 31, 2014 Net
Buildings and improvements	2.5%	2,434,839	(1,240,796)	1,194,043	1,194,234
Studio and transmission equipment	10%	1,958,067	(1,105,843)	852,224	836,265
Computer equipment and software	20%	389,415	(275,123)	114,292	118,489
Land	-	313,233	-	313,233	311,122
Construction in progress	-	272,502	-	272,502	242,850
Other	10% and 20%	518,176	(334,875)	183,301	183,254
Total		5,886,232	(2,956,637)	2,929,595	2,886,214

(In thousands of Brazilian reais, except when otherwise indicated)

12. Property, plant and equipment (Continued)

Changes in Property, plant and equipment for the three-month period ended March 31, 2015 are as follows:

	December 31, 2014	Acquisitions	Disposals	Depreciation	Transfers	Others	March 31, 2015
Buildings and improvements	1,194,234	211	-	(10,658)	10,256	-	1,194,043
Studio and transmission equipment	836,265	47,958	(149)	(37,383)	5,171	362	852,224
Computer equipment and software	118,489	7,226	(44)	(11,099)	(346)	66	114,292
Land	311,122	2,111	-	-	-	-	313,233
Construction in progress	242,850	49,656	-	-	(20,004)	-	272,502
Other	183,254	4,864	(62)	(8,626)	4,923	(1,052)	183,301
Total of property, plant and equipment	2,886,214	112,026	(255)	(67,766)	-	(624)	2,929,595

13. Intangibles

Changes in the intangible assets for the three-month period ended March 31, 2015 are as follows:

	Annual amortization rate	December 31, 2014	Acquisitions	Amortization	Business combination	Others	March 31, 2015
Finite useful lives							
Software	20%	111,114	4,022	(10,613)	-	(580)	103,943
Trademarks and patents	5%	16,809	-	(176)	2,294	-	18,927
Other	20%	13,086	-	(150)	7,723	(865)	19,794
Total		141,009	4,022	(10,939)	10,017	(1,445)	142,664
Indefinite useful lives							
Goodwill							
Debt restructuring goodwill		836,343	-	-	-	-	836,343
Globosat Programadora Ltda.		23,895	-	-	-	-	23,895
Zap S.A. Internet		67,507	-	-	-	-	67,507
Pense Imóveis Serviços de Internet S.A. (*)		27,377	-	-	(10,017)	-	17,360
Total		955,122	-	-	(10,017)	-	945,105
		1,096,131	4,022	(10,939)	-	(1,445)	1,087,769

(*) In December 2014, the subsidiary Zap acquired Pense and the fair value evaluation of the assets acquired and liabilities assumed was in-process; therefore, preliminarily, the excess over net assets paid, were recorded as goodwill. In March 2015, the fair value evaluation was concluded and part of this amount was allocated to trademarks and patents, customer relationships and non-compete agreements.

(In thousands of Brazilian reais, except when otherwise indicated)

14. Debt

The outstanding debt as of March 31, 2015 and December 31, 2014 are comprised as follows:

Description	March 31, 2015 Short-term	Long-term	Total	December 31, 2014 Total	Interest rate per year	Maturities
Local currency						
Bank credit notes (CCB)	**6,185**	**225,000**	**231,185**	225,186	**95% CDI**	**December 2016 to June 2024**
Other bank loans	**-**	**-**	**-**	30,338	**Various**	
Total	**6,185**	**225,000**	**231,185**	255,524		
Foreign currency *						
Perpetual Notes	**12,670**	**1,042,600**	**1,055,270**	873,756	**6.25%**	
US$200MM NC5 Senior Notes	**13,147**	**641,600**	**654,747**	535,077	**5.307%**	**May 2022**
US$300MM Senior Notes	**22,025**	**962,400**	**984,425**	805,385	**4.875%**	**April 2022**
Finimp	**20,635**	**-**	**20,635**	15,850	**Various**	**January 2015 to June 2015**
Total	**68,477**	**2,646,600**	**2,715,077**	2,230,068		
Total	**74,662**	**2,871,600**	**2,946,262**	2,485,592		

(*) The Perpetual Notes and the US$200MM NC5 Senior Notes have quarterly and semiannually call options starting on July 20, 2015 and on May 11, 2017, respectively.

There are no guarantees related to the debt at March 31, 2015.

The indexes associated with outstanding consolidated debt, as of March 31, 2015, are as follows:

	March 31, 2015
CDI (Interbank deposit rate)	**12.60**
Dollar (R$/US$ PTAX Central Bank)	**3.2080**

(In thousands of Brazilian reais, except when otherwise indicated)

15. Provision for contingencies

Globo is a defendant in several judicial tax, civil and labor proceedings. Based on the opinion of Globo’s internal and independent legal counsel, Management recognizes provision for contingencies in amount considered sufficient to cover probable losses resulting from such proceedings.

Changes in the provision for contingencies are summarized as follows:

	March 31, 2015			
	Tax proceedings	Labor claims	Civil proceedings	Total
Balances at December 31, 2014	71,377	108,271	35,113	214,761
Additions net of reversals	**1,157**	**3,690**	**1,566**	**6,413**
Payments	**-**	**(7,307)**	**(1,006)**	**(8,313)**
Monetary variation	**-**	**1,245**	**5**	**1,250**
Balances at March 31, 2015	**72,534**	**105,899**	**35,678**	**214,111**

In November 2014, the Secretary of the Treasury of the State of Rio de Janeiro imposed two tax assessments claiming that ICMS tax should be levied on advertising revenue insertion from its Pay TV channel Globonews and from the internet portal Globo.com, for the period from 2009 to 2013, claiming the legal framework of this revenue as communication service. As of March 31, 2015, the total contingency amounted to R$820,980 (R$802,415 at December 31, 2014). The Company has presented its administrative defense and is now waiting the judgment. The Company, based on opinions of internal and independent legal counsels, believes that a favorable outcome is possible and, therefore, no provision has been recorded.

In April 2015, the Brazilian tax authorities imposed tax assessments upon the Company, in the amount of R$274,488, related to social security contributions (“INSS”), mainly in connection with payment of services rendered by certain legal entities from April to December 2010. The Company, based on the opinions of internal and independent legal counsels, believes that the probability of loss on these assessments is possible and, therefore, no provision has been recorded.

(In thousands of Brazilian reais, except when otherwise indicated)

16. Commitments

In connection with its operational activities, Globo has commitments related to acquisition of transmission and exhibition rights, including live events, films, documentaries, television series and other rights.

The main commitments agreed by Globo for the following years, and not registered are summarized below:

	Within one year	After one year and less than five years	After five years	Total
Transmission and exhibition rights	**3,689,314**	**6,134,219**	**3,427,559**	**13,251,092**

These commitments refer mainly to sports events, such as National Brazilian Soccer and Regional championships, FIFA World Cup, F1 car racing, Olympics games, among others.

Additionally, Globo rents equipment and properties from third parties in connection with its in-house production television programming of soap-operas, mini-series, series and other television programs. In the three-month period ended March 31, 2015, Globo incurred in expenses amounting to R$87,900 (R$73,300 in three-month period ended March 31, 2014).

17. Equity

Capital stock

The Company's capital stock at March 31, 2015 and December 31, 2014, is represented by 1,000,000 shares, of which 333,335 are common shares and 666,665 are preferred shares, all without par value, 100% owned by Organizações Globo Participações S.A., which is ultimately controlled by the Marinho Family.

Dividends

At March 31, 2015, dividends payable to shareholders amounted to R$551,052 (R$560,199 at December 31, 2014) recorded as current liabilities. During the three-month period ended March 31, 2015 the Company paid R$728,067 of dividends (R$9,147 from the amount recorded as liabilities and R$718,920 from the retained earnings reserves, according to the distribution approved by the Shareholders' General Meeting on January 6, 2015).

(In thousands of Brazilian reais, except when otherwise indicated)

18. Net revenues

	March 31, 2015	March 31, 2014
Third parties		
Gross revenues	**3,880,300**	3,899,029
Taxes	**(239,831)**	(241,153)
Other deductions	**(60,874)**	(22,430)
	3,579,595	3,635,446
Related parties		
Gross revenues	**49,399**	42,548
Taxes	**(6,675)**	(5,762)
Other deductions	**(83)**	(172)
	42,641	36,614
Net revenues	**3,622,236**	3,672,060

19. Financial income and expense

The financial income (expense), net for the three-month periods ended March 31, 2015 and 2014 are comprised as follows:

	March 31, 2015	March 31, 2014
Income from cash equivalent and marketable securities	**257,775**	169,418
Derivative instruments (Note 20)	**367,720**	(129,900)
Discounts obtained	**6,684**	1,327
Other financial income	**15,630**	6,812
Exchange variation from assets	**62,573**	(5,577)
Exchange variation from debt	**(460,317)**	66,768
Exchange variation from other liabilities	**(63,549)**	2,915
Interest on debt	**(40,236)**	(26,640)
Discounts granted	**(13,365)**	(12,624)
Other financial expenses	**(11,431)**	(7,240)
Net financial expense - related parties	**(74)**	(421)
Financial results, net	**121,410**	64,838
Total financial income	**710,382**	247,240
Total financial expense	**(588,972)**	(182,402)
	121,410	64,838

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20. Financial instruments

20.1. Financial instruments by category

The classification and measurement of the main Globo's financial assets by category are as follows

	March 31, 2015					Decen		
Financial assets	**Loans and receivables**	**Financial assets at fair value through profit or loss**	**Available for sale financial assets**	**Held to maturity investments**	**Total**	**Loans and receivables**	**Financial assets at fair value through profit or loss**	**Ava sal**
Cash and cash equivalents	**-**	**891,555**	**-**	**-**	**891,555**	-	2,526,744	
Marketable securities	**-**	**6,231,176**	**-**	**874,478**	**7,105,654**	-	4,537,853	
Trade receivables	**1,459,564**	**-**	**-**	**-**	**1,459,564**	1,360,247	-	
Available for sale investments (*)	**-**	**-**	**1,188,936**	**-**	**1,188,936**	-	-	1
	1,459,564	**7,122,731**	**1,188,936**	**874,478**	**10,645,709**	1,360,247	7,064,597	1

(*) Fair value of the investments in Sky Brasil and Claro are measured using a discounted cash flow analysis (Level 3 inputs) since these assets are not tra

(In thousands of Brazilian reais, except when otherwise indicated)

20. Financial instruments (Continued)

20.1. Financial instruments by category (Continued)

The fair value of all securities is based on their current bid prices in an active market. There are no guarantees for customers' credits.

The counterparties without external credit rating, in most cases, are the customers. That credits has the management assessment to define the credit risk. This assessment is based on historical information about counterparties, time of payment in arrears, relevance of the account receivable and individually renegotiation.

The financial liabilities are classified as loans and borrowings and measured at amortized cost, as follows:

	Amortized cost	
Financial liabilities	**March 31, 2015**	**December 31, 2014**
Debt	**2,946,262**	2,485,592
Accounts payable to third parties	**1,472,374**	1,269,513
Payables to related parties	**599,065**	596,342
	5,017,701	4,351,447

The fair value of the debt at March 31, 2015 and December 31, 2014 are as follows:

	March 31, 2015		December 31, 2014	
Description	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Local currency debt	**231,185**	**231,185**	255,524	255,523
Foreign currency debt	**2,715,077**	**2,767,570**	2,230,068	2,299,486
	2,946,262	**2,998,755**	2,485,592	2,555,009

20. Financial instruments (Continued)

20.1. Financial instruments by category (Continued)

The local currency debt is not traded and the interest rates are consistent with current market conditions, therefore the market values informed approximate their carrying values. The fair value of the foreign currency debt was calculated based on the secondary market with a market face value of 100.89% for the Perpetual Notes, 103.99% for the US$200 million NC5 Senior Notes and 101.83% for the US$300 million Senior Notes.

The following is a summary of Globo's risk management strategies and their effect on its consolidated financial statements.

20.1.1. Financial risk factors

Globo's activities expose it to a variety of risks, such as: market risk (including foreign currency risk, interest rate risks (fair value and cash flows) and price risk), credit risk and liquidity risk. Globo's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. Globo uses derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out by a corporate treasury department (Company Treasury) under policies approved by the Board. The Company Treasury identifies, evaluates and hedges financial risks in close co-operation with the operating units. Globo provides principles for overall financial risk management, covering specific areas, such as foreign currency risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

20. Financial instruments (Continued)

20.1. Financial instruments by category (Continued)

20.1.2. Market risk

20.1.2.1. *Foreign currency risk*

Globo is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. dollar. The foreign exchange exposure arises mainly from long-term debt, certain accounts payable, commitments to purchase transmission and exhibition rights denominated in foreign currencies and net investments in foreign operations.

Management has set up a policy to manage the Company's foreign currency risk against its functional currency, and hedges part of the currency risk exposure with certain derivative instruments, as described ahead.

The foreign currency exposure arising from investments in foreign operations is not significant.

Globo is exposed to the effects of exchange rate variations that could adversely impact their cash flows, financial position and operations, regarding the assets and liabilities, as follows:

(In thousands of Brazilian reais, except when otherwise indicated)

20. Financial instruments (Continued)

20.1. Financial instruments by category (Continued)

20.1.2. Market risk (Continued)

20.1.2.1. *Foreign currency risk* (Continued)

	March 31, 2015	**December 31, 2014**
Liabilities		
Debt denominated in US dollars	**2,715,077**	2,230,068
Accounts payable denominated in US dollars	**444,980**	153,066
Currency exposed liabilities	**3,160,057**	2,383,134
Assets		
Cash, cash equivalent and marketable securities denominated in US dollars	**(1,575,585)**	(27,218)
Other assets denominated in foreign currencies, mostly accounts receivable	**(74,870)**	(184,467)
Currency exposed assets	**(1,650,455)**	(211,685)
Currency exposure, net	**1,509,602**	2,171,449

20.1.2.2. *Cash flow, fair value interest rate risk and price risk*

Globo has no significant interest rate risk from debt.

Globo has part of its cash held at fixed rates. However, Globo manages its cash flow interest rate risk by using fixed-to-floating interest rate swaps. These swaps mitigate the risk of losses in fixed interest rate marketable securities.

Globo has part of its cash invested in multimarket investment funds. Therefore, this portion of cash shares many of the same types of price risk as other investment classes, including fixed interest rate, variable income, among others.

20. Financial instruments (Continued)

20.1. Financial instruments by category (Continued)

20.1.3. Concentration of credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, marketable securities, derivative financial instruments and deposits with financial institutions, outstanding receivables and committed transactions.

For banks and financial institutions, only independently rated parties with a minimum rating are accepted. Globo maintains cash and cash equivalents with various financial institutions and as a policy, it limits the exposure to each institution.

Globo's risk control assesses the credit quality of the customers, taking into account its financial position, past experience and other factors. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. Globo does not hold any collateral as security; however, believes that the concentration of credit risk associated with accounts receivable of it is not significant.

20.1.4. Liquidity risk

Cash flow forecasting is performed for all entities of Globo and aggregated by the Company Treasury, which monitors rolling forecasts of liquidity requirements to ensure it has sufficient cash to meet its operations.

Surplus cash held by the operating entities over and above balance required for working capital management are managed individually by each company within the guidelines set by Company Treasury function. Surplus cash is invested in marketable securities aforementioned, choosing instruments with appropriate maturities or sufficient liquidity as determined by the forecasts.

(In thousands of Brazilian reais, except when otherwise indicated)

20. Financial instruments (Continued)

20.1. Financial instruments by category (Continued)

20.1.5. Derivative instruments

At March 31, 2015, with the objective to hedge its short term and part of the long term debt as well as some commitments in foreign currency, in addition to protect from interest rate variation, Globo has US dollar future, Forward Rate Agreement Coupon ("FRA Coupon"), Euro future, Swap contracts and Interest rate swap contracts, as summarized as follows:

	March 31, 2015		December 31, 2014	March 31, 2014
	Balance	Effect in P&L	Balance	Effect in P&L
Dollar future contracts	-	211,856	-	(107,323)
Forward rate agreement coupon	-	152,626	-	(15,940)
Euro future contracts	-	2,814	-	(2,823)
Swap contracts	79,781	37,188	43,557	(3,814)
Interest rate swap contracts	(36,764)	(36,764)	(15,479)	-
	43,017	367,720	28,078	(129,900)

These derivatives are recorded at fair value, the balances are recorded in the marketable securities, and the gains and losses are recognized in the profit or loss.

At March 31, 2015, US dollar future contracts amounted to US$235,750 thousand (US$406,000 thousand at December 31, 2014) maturing on May 4, 2015. These contracts generated a financial income of R$211,856 for the three-month period ended March 31, 2015 (loss of R$107,323 for the three-month period ended March 31, 2014).

At March 31, 2015, the FRA Coupon contracts amounted to US$339,900 thousand (US$340,000 thousand at December 31, 2014), with maturity dates on April 1, 2015 and January 4, 2016. For these contracts, Globo receives the US dollar variation plus 1.64% p.a. against CDI. These contracts generated a financial income of R$152,626 for the three-month period ended March 31, 2015 (loss of R$15,940 for the three-month period ended March 31, 2014).

At March 31, 2015, Euro future contracts amounted to EUR$13,750 thousand (EUR$13,750 thousand at December 31, 2014). These contracts generated a financial gain of R$2,814 for the three-month period ended March 31, 2015 (loss of R$2,823 for the three-month period ended March 31, 2014).

20. Financial instruments (Continued)

20.1. Financial instruments by category (Continued)

20.1.5. Derivative instruments (Continued)

At March 31, 2015, Swap contracts amounted to US$54,133 thousand (US$52,360 thousand at December 31, 2014), for which the Globo pays 118.60% of the CDI and receives the US dollar variation against Brazilian reais, plus 10.35% p.a. These contracts generated a financial income of R$37,188 for the three-month period ended March 31, 2015 (loss of R$3,814 for the three-month period ended March 31, 2014).

At March 31, 2015, Interest rate swap contracts amounted to US$325,000 thousand (US$325,000 thousand at December 31, 2014), for which Globo pays USD exchange variation plus a fixed rate of 2.3875% p.a. and receives USD exchange variation plus Libor 3M for the next five years starting on July 20, 2015. These contracts generated a financial loss of R$36,764 for the three-month period ended March 31, 2015.

20.1.6. Sensitivity analysis

The management prepared a sensitivity analyses for March 31, 2015, considering exchange rate variations and interest rate exposure, as follows:

Sensitivity analysis	Estimated effect on 2015 pretax income In thousands of Brazilian reais
U.S. dollar sensitivity (a)	
15% increase in U.S. dollar in relation to Brazilian real	**83,718**
40% increase in U.S. dollar in relation to Brazilian real	**223,248**
Interest rate sensitivity (b)	
15% increase in interest basic rate	**147,330**
40% increase in interest basic rate	**392,879**

(a) As mentioned above, Globo has a policy of hedging its short-term debt, part of its long-term debt and some commitments denominated U.S. dollars. Therefore, the exposure effect demonstrated above was calculated based on the portion regarding the assets and liabilities currency exposure, and the derivatives contracts amount. The liabilities aforementioned include the principal amount of the perpetual notes which will not necessarily result in a cash effect, since it has no maturity.

(b) This analysis was based on the average cash balance at March 31, 2015, excluding the portion of cash that it is hedging the exposure of the liabilities and commitments denominated in U.S. dollar, described in the item (a).

21. Insurance

The Company seeks coverage in the domestic and international insurance markets at levels commensurate with the Company's size and activities.

The Company has an "All Risks" insurance policy that provides protection for all significant assets owned or for those assets that are the Company's responsibility or are assigned to third parties, as well as against possible losses from advertising exhibition interruptions. The Company also has insurance against third-party liabilities arising from damages in the course of its activities and coverage for national and international transportation.

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Independent auditors' report on financial statements

The Board of Directors and Shareholders of
Globo Comunicação e Participações S.A.
Rio de Janeiro - RJ

We have audited the accompanying individual and consolidated financial statements of Globo Comunicação e Participações S.A. ("Company"), identified as Parent Company and Consolidated, respectively, which comprise the balance sheets as at December 31, 2014, and the related statements of income, of comprehensive income, of changes in equity and cash flows for the year then ended, and a summary of significant accounting practices and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Company's financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting practices used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Globo Comunicação e Participações S.A. as at December 31, 2014, the individual and consolidated financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Rio de Janeiro, March 10, 2015.

ERNST & YOUNG
Auditores Independentes S.S.
CRC - 2SP 015.199/O-6 - F - RJ

Wilson J. O. Moraes
Accountant CRC - 1RJ 107.211/O-1

Globo Comunicação e Participações S.A.

Statements of financial position
December 31, 2014 and 2013
(In thousands of Brazilian reais)

		Parent Company		Consolidated	
	Note	2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	4	**1,973,263**	2,202,031	**2,526,744**	2,622,652
Marketable securities	4	**3,255,860**	5,726,650	**4,767,190**	6,000,255
Trade receivables	5	**1,044,891**	1,169,665	**1,350,614**	1,536,654
Transmission and exhibition rights	6	**791,961**	1,007,326	**1,035,388**	1,152,830
Other		**702,559**	435,320	**863,766**	605,071
Total current assets		**7,768,534**	10,540,992	**10,543,702**	11,917,462
Non-current assets					
Marketable securities	4	**125,685**	323,939	**458,847**	422,149
Accounts receivable from related parties	7	**61,875**	68,517	**150**	206
Transmission and exhibition rights	6	**867,032**	929,530	**1,180,729**	1,289,506
Legal deposits	8	**227,296**	211,247	**258,681**	241,547
Deferred income tax and social contribution	9	**401,383**	550,030	**466,329**	649,694
Available for sale investments	10	**1,188,936**	970,630	**1,188,936**	970,630
Investments at equity method	11	**3,346,101**	1,784,966	**253,541**	234,613
Property, plant and equipment	12	**2,561,500**	2,217,783	**2,886,214**	2,526,019
Intangibles	13	**945,909**	952,826	**1,096,131**	1,083,639
Other		**58,303**	94,124	**60,219**	102,216
Total non-current assets		**9,784,020**	8,103,592	**7,849,777**	7,520,219
Total assets		**17,552,554**	18,644,584	**18,393,479**	19,437,681

	Note	Parent Company 2014	Parent Company 2013	Consolidated 2014	Consolidated 2013
Liabilities and equity					
Current liabilities					
Debt	**14**	**23,039**	20,155	**69,227**	42,126
Accounts payable		**759,290**	826,965	**1,182,591**	1,201,107
Dividends payable	**17**	**559,994**	1,526,718	**560,199**	1,526,718
Advances from customers		**1,856,326**	2,365,586	**1,956,929**	2,476,320
Salaries and social benefits		**484,478**	569,313	**591,508**	668,778
Other		**121,293**	86,379	**294,614**	279,937
Total current liabilities		**3,804,420**	5,395,116	**4,655,068**	6,194,986
Non-current liabilities					
Debt	**14**	**2,416,365**	1,932,645	**2,416,365**	1,932,645
Accounts payable		**121,591**	99,578	**122,681**	100,557
Dividends payable	**17**	**-**	997,654	**-**	997,654
Provision for losses on subsidiaries and associates	**11**	**80,266**	84,319	**2**	-
Provision for contingencies	**15**	**185,333**	197,931	**214,761**	230,265
Other		**88,424**	87,930	**80,108**	85,740
Total non-current liabilities		**2,891,979**	3,400,057	**2,833,917**	3,346,861
Equity	**17**				
Capital		**6,408,936**	6,408,936	**6,408,936**	6,408,936
Earnings reserves		**4,289,264**	3,431,955	**4,289,264**	3,431,955
Effects from capital transaction		**(1,723)**	(3,466)	**(1,723)**	(3,466)
Other comprehensive income		**159,678**	11,986	**159,678**	11,986
		10,856,155	9,849,411	**10,856,155**	9,849,411
Non-controlling interests		**-**	-	**48,339**	46,423
Total equity		**10,856,155**	9,849,411	**10,904,494**	9,895,834
Total liabilities and equity		**17,552,554**	18,644,584	**18,393,479**	19,437,681

See explanatory notes.

Globo Comunicação e Participações S.A.

Statements of income
Years ended December 31, 2014 and 2013
(In thousands of Brazilian reais)

	Note	Parent Company 2014	Parent Company 2013	Consolidated 2014	Consolidated 2013
Net sales, advertising and services					
Third parties	18	**11,456,195**	10,305,135	**16,082,499**	14,496,910
Related parties	7/18	**433,485**	388,225	**161,384**	138,833
Cost of sales, advertising and services		**(7,109,711)**	(6,244,080)	**(8,528,149)**	(7,744,701)
Gross profit		**4,779,969**	4,449,280	**7,715,734**	6,891,042
Operating (expenses) income					
Selling		**(1,384,255)**	(1,276,900)	**(1,700,993)**	(1,557,084)
General and administrative		**(1,179,868)**	(1,081,765)	**(1,797,983)**	(1,761,226)
Gain (loss) on sale of property, plant and equipment		**(28,411)**	471	**(28,557)**	(4,279)
Other operating expenses		**-**	-	**(69,226)**	(45,460)
Operating income before financial and investments results		**2,187,435**	2,091,086	**4,118,975**	3,522,993
Financial income	19	**723,452**	706,830	**918,148**	749,845
Financial expense	19	**(761,777)**	(489,111)	**(875,402)**	(530,048)
Equity pick-up	11	**1,399,210**	1,000,506	**185,915**	152,077
Investment results	20	**10,534**	(5,311)	**4,650**	(132,760)
Income before income tax and social contribution		**3,558,854**	3,304,000	**4,352,286**	3,762,107
Income tax and social contribution	9	**(1,205,662)**	(721,170)	**(1,995,232)**	(1,258,840)
Net income for the year		**2,353,192**	2,582,830	**2,357,054**	2,503,267
Net income attributable to					
Equity holders of the parent				**2,353,192**	2,582,830
Non-controlling interests				**3,862**	(79,563)
				2,357,054	2,503,267

See explanatory notes.

Globo Comunicação e Participações S.A.

Statements of comprehensive income
Years ended December 31, 2014 and 2013
(In thousands of Brazilian reais)

	Parent Company		Consolidated	
	2014	**2013**	**2014**	**2013**
Net income for the year	**2,353,192**	2,582,830	**2,357,054**	2,503,267
Other comprehensive income to be reclassified to income in subsequent periods				
Fair value adjustment of available for sale investments	**218,305**	18,062	**218,305**	18,062
Income tax and social contribution effect	**(74,224)**	(6,141)	**(74,224)**	(6,141)
Exchange differences on translation of foreign operations	**3,611**	3,533	**3,611**	3,533
	147,692	15,454	**147,692**	15,454
Other comprehensive income not to be reclassified to income in subsequent periods				
Actuarial losses on post-employment defined benefit plans	**-**	(5,122)	**-**	(5,122)
Income tax and social contribution effect	**-**	1,743	**-**	1,743
	-	(3,379)	**-**	(3,379)
Total comprehensive income for the year	**2,500,884**	2,594,905	**2,504,746**	2,515,342
Total comprehensive income attributable to				
Equity holders of the parent			**2,500,884**	2,594,905
Non-controlling interests			**3,862**	(79,563)
			2,504,746	2,515,342

See explanatory notes.

Globo Comunicação e Participações S.A.

Statements of changes in equity
Years ended December 31, 2014 and 2013
(In thousands of Brazilian reais)

	Equity attributable to equity holders of the parent						
		Earnings reserves			Total comprehensive income		
	Capital	Legal reserve	Retained earnings reserves	Effects from capital transactions	Other comprehensive income	Retained earnings	T
Balances at December 31, 2012	6,408,936	148,336	1,314,211	(4,106)	(89)	-	7,86
Capital increase in subsidiary	-	-	-	-	-	-	
Translation adjustment of foreign operations	-	-	-	-	3,533	-	
Fair value adjustment of available for sale investments, net of taxes	-	-	-	-	11,921	-	1
Actuarial losses on post-employment defined benefit plans, net of taxes	-	-	-	-	(3,379)	-	(
Net income for the year	-	-	-	-	-	2,582,830	2,58
Dividends (Note 17)	-	-	-	-	-	(613,422)	(61
Transfer to reserves	-	129,141	1,840,267	-	-	(1,969,408)	
Other	-	-	-	640	-	-	
Balances at December 31, 2013	6,408,936	277,477	3,154,478	(3,466)	11,986	-	9,84
Translation adjustment of foreign operations	**-**	**-**	**-**	**-**	**3,611**	**-**	
Fair value adjustment of available for sale investments, net of taxes	**-**	**-**	**-**	**-**	**144,081**	**-**	**14**
Net income for the year	**-**	**-**	**-**	**-**	**-**	**2,353,192**	**2,35**
Dividends (Note 17)	**-**	**-**	**(937,000)**	**-**	**-**	**(558,883)**	**(1,49**
Transfer to reserves	**-**	**117,660**	**1,676,649**	**-**	**-**	**(1,794,309)**	
Other	**-**	**-**	**-**	**1,743**	**-**	**-**	
Balances at December 31, 2014	**6,408,936**	**395,137**	**3,894,127**	**(1,723)**	**159,678**	**-**	**10,85**

See explanatory notes.

Globo Comunicação e Participações S.A.

Statements of cash flows (Indirect method)
Years ended December 31, 2014 and 2013
(In thousands of Brazilian reais)

	Parent Company		Consolidated	
	2014	2013	2014	2013
Cash flows from operating activities				
Income before income tax and social contribution	**3,558,854**	3,304,000	**4,352,286**	3,762,107
Adjustments to reconcile income before income tax and social contribution for the year and net cash provided by operating activities				
Depreciation and amortization	**216,858**	186,187	**286,605**	250,948
Equity pick-up	**(1,399,210)**	(1,000,506)	**(185,915)**	(152,077)
Interest expense and monetary variation of assets and liabilities, net	**296,216**	379,192	**309,754**	339,150
Gain from fair value of equity investments	**-**	(20,017)	**-**	(20,017)
(Reversal of provision) provision for contingencies	**(1,457)**	21,044	**7,369**	22,104
Impairment of assets	**47,864**	12,531	**82,239**	146,152
Loss on disposal of property, plant and equipment and investment	**17,876**	5,261	**31,736**	13,553
	2,737,001	2,887,692	**4,884,074**	4,361,920
(Increase) decrease of assets and increase (decrease) of liabilities				
Trade receivables	**131,927**	(233,615)	**158,111**	(295,799)
Transmission and exhibition rights	**279,029**	(308,695)	**219,885**	(410,974)
Advances from customers	**(509,260)**	666,097	**(519,391)**	662,419
Accounts payable	**(13,937)**	(69,482)	**672**	10,992
Dividends received	**1,043,522**	676,082	**162,912**	111,254
Other assets and liabilities	**(21,464)**	55,211	**(4,323)**	131,700
Cash provided by operating activities	**3,646,818**	3,673,290	**4,901,940**	4,571,512
Payments of debt interest	**(118,200)**	(96,210)	**(118,200)**	(96,210)
Payments of income tax and social contribution	**(1,505,433)**	(591,472)	**(2,259,146)**	(1,017,540)
Net cash provided by operating activities	**2,023,185**	2,985,608	**2,524,594**	3,457,762
Cash flows from investing activities				
Redemption (acquisition) of marketable securities	**2,669,043**	(112,449)	**1,196,368**	(372,335)
Acquisition of property, plant, equipment and software	**(605,443)**	(375,877)	**(688,650)**	(488,355)
Capital increase in subsidiaries	**(1,198,421)**	(111,271)	**-**	-
Proceeds from disposal of property, plant and equipment	**23,373**	2,360	**23,630**	2,360
Acquisition of other intangibles	**-**	-	**(33)**	-
Proceeds from sale of investments	**13,004**	303,523	**13,004**	303,523
Acquisition of subsidiary, net of acquired cash	**-**	-	**(30,019)**	-
Dividends from available for sale investments	**81,752**	-	**81,752**	-
Related parties transactions	**-**	(8,023)	**-**	-
Net cash provided by (used in) investing activities	**983,308**	(301,737)	**596,052**	(554,807)
Cash flows from financing activities				
Proceeds from new debt	**225,000**	-	**243,707**	114,896
Debt amortization	**-**	-	**-**	(94,974)
Dividends paid	**(3,460,261)**	(1,327,947)	**(3,460,261)**	(1,327,947)
Net cash used in financing activities	**(3,235,261)**	(1,327,947)	**(3,216,554)**	(1,308,025)
(Decrease) increase in cash and cash equivalents	**(228,768)**	1,355,924	**(95,908)**	1,594,930
Cash and cash equivalents at the beginning of the year	**2,202,031**	846,107	**2,622,652**	1,027,722
Cash and cash equivalents at the end of the year	**1,973,263**	2,202,031	**2,526,744**	2,622,652

See explanatory notes.

Globo Comunicação e Participações S.A.

Notes to the financial statements
December 31, 2014 and 2013
(In thousands of Brazilian reais, except when otherwise indicated)

1. General information

Globo Comunicação e Participações S.A. ("Company") and its subsidiaries (collectively referred hereinafter as "Globo") comprise a group of television broadcast stations and internet businesses engaged through its subsidiaries and jointly controlled companies in Pay TV's programming and publishing businesses, being the largest media group in Brazil.

The Company is a privately held company incorporated in Brazil, not listed on any stock exchange. Its registered office is headquartered in Rio de Janeiro, Brazil, located at Rua Lopes Quintas, 303. The Company's Investor Relations department main telephone number is (55 21) 2540-4444.

2. Approval and basis of preparation and presentation of the financial statements

These financial statements (Parent Company and Consolidated) are the responsibility of the Company's management. The individual and consolidated financial statements were prepared in accordance with the accounting practices adopted in Brazil ("Brazilian GAAP"), which includes the provisions of Brazilian Corporate Law and the accounting pronouncements, orientation and interpretations issued by the Accounting Pronouncements Committee (CPC) and in accordance with IFRS, as issued by the International Accounting Standards Board (IASB).

Until December 31, 2013, the BR GAAP differed from IFRS applicable to the separate financial statements solely with respect to the measurement of investments in subsidiaries under the equity method, while for IFRS purposes such investments should have been measured at cost or fair value. Following the revision of IAS 27 (Separate Financial Statements) in 2014, the investments in subsidiaries, associates and jointly controlled entities can be measured by equity method in the separate financial statements. Therefore, beginning 2014, the parent company financial statements are also in accordance with IFRS.

These financial statements were authorized for issuance by the Company's directors on March 10, 2015.

2. Approval and basis of preparation and presentation of the financial statements (Continued)

These policies have been consistently applied to all years presented and uniformly applied by all Globo companies, including the jointly controlled companies and associate.

These financial statements of Globo are prepared using accounting policies that comply with the pronouncements effective for the fiscal years beginning on or after January 01, 2014.

The main accounting policies adopted by Globo are described below:

2.1. Basis of consolidation

Consolidated financial statements include the Company and its direct and indirect subsidiaries, as detailed in Note 3.

Subsidiaries

Subsidiaries are all entities which the Company is exposed to variable returns from its involvement with them and has the ability to affect those returns through its power over these entities. Subsidiaries are fully consolidated from the date on which control is transferred to Globo, and, deconsolidated from the date that control ceases.

Changes in a Globo’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions in equity as "Effects from capital transactions ".

Non-controlling interests on subsidiaries

The non-controlling interests are accounted for based on the proportionate participation on the subsidiaries’ book values.

2. Approval and basis of preparation and presentation of the financial statements (Continued)

2.1. Basis of consolidation (Continued)

Consolidation

Globo consolidates all of its subsidiaries. The consolidation consists of an aggregation of assets, liabilities, and income and expenses account balances, as per their nature, complemented by the following adjustments and eliminations:

- The effects of significant transactions carried out among the consolidated companies.
- The Globo's interest in the capital, reserves, and retained earnings or deficits of subsidiaries and comprehensive income items.
- The balances of loans, current accounts and other asset and liability accounts held among the consolidated companies.
- The non-controlling interest in the equity and results of operations of the consolidated companies, recorded as "non-controlling interests".

2.2. Investments in jointly controlled entities

Globo has interests in jointly controlled entities, whereby the ventures have an agreement that establishes joint control over the economic activities of those entities. These investments are accounted for using the equity method. Under the equity method, the investment is carried in the statement of financial position at cost plus post acquisition changes in Globo's share of the net assets of the investee.

2.3. Investments in associates

Associates are entities over which Globo has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights. The investment in associates is accounted for using the equity method of accounting.

2. Approval and basis of preparation and presentation of the financial statements (Continued)

2.4. Use of estimates and judgments

The preparation of the financial statements requires management to make estimates and assumptions that affect reported amounts of revenues, expenses, assets and liabilities, and accompanying notes. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The main estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities include: impairment of assets, determination of current and deferred income taxes, fair value of financial instruments, useful lives and residual value of property plant and equipment and intangible assets, provision for contingencies and revenue recognition. The estimations and judgments are complex and consider several assumptions and projections of the future and, therefore, by definition, actual results may differ from these estimates. Management reviews the main estimates and assumptions quarterly or annually.

2.5. Functional currency

The financial statements are presented in Brazilian Reais, which is its functional and presentation currency.

2.6. Revenue recognition

Revenue is recognized to the extent that it is both probable that the economic benefits will flow to Globo and can be reliably measured. Revenue is measured at the fair value of the consideration received, net of sales deductions such as estimated rebates, credit notes, refunds, rate adjustments, discounts and sales taxes or duties.

All revenue, as well as costs and expenses, are recorded on an accrual basis. Key classes of revenue are recognized on the following basis:

Type of revenue	Recognition
Broadcast and print advertising	On transmission, or as published
Internet advertising	As displayed
Programming and content	Monthly / Accrual basis
Publishing	Upon the effective delivery
Internet subscription and e-commerce	As the service is rendered, or the products are shipped

2. Approval and basis of preparation and presentation of the financial statements (Continued)

2.6. Revenue recognition (Continued)

A summary of revenue recognition policies by significant activity is as follows:

Advertising revenues

The main advertising revenues are from broadcasting on its free to air television channel and pay-tv channels, merchandising in in-house production programming, published in magazines and displaying on websites.

Advertising and merchandising revenues from free to air television channel, pay-tv channels and publishing products are recognized as they are aired or published over the period of the advertising contract. Publication is regarded to be when the product has been delivered to the retailer and is available to be purchased by the general public, net of estimated returns. Online advertising revenues are recognized over the period in which the advertisements are displayed, according to the contracts.

A significant portion of revenues are collected in advance from customers, primarily in connection with sponsorships of sports events to be broadcasted in future periods. Accordingly, these advances are recorded as liabilities (Advances from customers) and the revenue is recognized when the advertising is aired.

Programming and content

Pay television programming revenues are recognized monthly on an accrual basis, in accordance with the subscribers' base and prices established in the contracts. Revenues from licensed television programs, co-produced films and live events are recognized when the programs are sold and become available for broadcast. Revenue derived from phonographic licenses is recognized on an accrual basis.

Publishing

Publishing revenues consist of newsstands and bookstore sales of magazines and books to retail consumers and subscribers. Circulation revenue is recognized in the month in which the magazine is sold. Subscription revenue is recognized upon the effective delivery of the units to the subscribers. Book publishing and sale are recognized upon delivery of products to customers. Revenue relating to any particular publication is brought into account in the month it is published.

2. Approval and basis of preparation and presentation of the financial statements (Continued)

2.6. Revenue recognition (Continued)

Publishing (Continued)

Advances from subscribers of magazines are recorded as advances from customers and the revenues are recognized upon delivery of the product.

2.7. Current and non-current assets and liabilities

Assets and liabilities are classified as current when realizable or settled within the following 12 months. Current and non-current liabilities are stated at the amounts for which they would be settled at each balance sheet date, including interest accrued in accordance with contractual conditions.

2.8. Cash and cash equivalents and marketable securities

Cash equivalents are held for the purpose of meeting short term cash commitments and are readily convertible to a known amount of cash and subject to insignificant risks of changes in value. Therefore, the amount classified as cash equivalent comprises short maturity investments of three months or less from the date of acquisition.

Marketable securities are investments held in part with the objective to be actively traded and in part with the positive intention and ability to be held to maturity. Such investments are measured, respectively, at fair value through profit and loss, whereas the gains and losses from the fair value fluctuations are recognized in the income statement and at amortized cost using the effective interest method, less impairment, whereas the fluctuations are included as financial income in the income statement.

2.9. Transmission and exhibition rights

Transmission and exhibition rights are comprised of films, live events and other exhibition rights, and are recorded at the acquisition cost when such rights become available or when advances are made, whichever occurs first.

Film costs include the unamortized cost of film and television series rights acquired from third parties pursuant to acquisition agreements. The films amortization is determined based upon the generated benefit for each exhibition throughout its contractual life cycle.

2. Approval and basis of preparation and presentation of the financial statements (Continued)

2.9. Transmission and exhibition rights (Continued)

Live events comprise mainly sports rights, including soccer championships transmission rights, and are amortized as aired.

The recovery of live events and film rights are revised on a title-by-title basis, and, if necessary, are impaired when it becomes known that a film or event will not be aired until the end of the contract term.

Casting rights are represented by the total amount of the contracts with artists and are allocated to programming production costs using the straight-line method over the contract term.

The production costs of completed and in process “telenovelas”, mini-series, series and other television programming are also recorded as exhibition rights. These rights are expensed as the programs are aired. Programs are written-off when it is determined they will not be aired.

2.10. Business combination and goodwill

The purchase method of accounting is used to account for business combinations. The cost of an acquisition is measured as the total consideration transferred, including assets given and any equity or debt instruments issued, at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. Acquisition costs incurred are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Goodwill is initially measured as the difference between the transferred consideration exceeding the acquired net assets (identifiable net assets acquired and liabilities assumed). After initial recognition, goodwill is measured at cost, net of any accumulated impairment losses, not subject to amortization.

There have been no significant business combinations in 2014 and 2013.

2. Approval and basis of preparation and presentation of the financial statements (Continued)

2.11. Other intangibles

Other intangible assets comprise mainly software acquired separately and measured on initial recognition at cost and assets acquired in business combinations, measured at fair value on initial recognition. The useful lives of these intangible assets are assessed as finite and they are amortized over the useful economic lives. Globo assesses for impairment whenever there is an indication that the intangible asset may be impaired.

2.12. Property, plant and equipment

Land and buildings comprise mainly studios, production facilities and offices. All property, plant and equipment is stated at acquisition or construction cost, less accumulated depreciation and/or accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Globo and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is recorded using the straight-line method based upon the estimated economic useful lives of the asset. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end.

2.13. Impairment of non-financial assets

Assets that have an indefinite useful life (e.g. goodwill) are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2. Approval and basis of preparation and presentation of the financial statements (Continued)

2.14. Income tax and social contribution

Current income tax and social contribution is calculated based on profit, adjusted by additions and deductions as determined by the current tax legislation. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax and social contribution is recognized on tax loss carryforwards, negative basis of social contribution and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax and social contribution assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

2.15. Assets and liabilities denominated in foreign currency or subject to indexation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, within ‘financial income or expenses’.

Assets and liabilities denominated in Brazilian Reais and subject to indexation are adjusted based on applicable indices and are recorded in the income statement as financial income or expenses.

2.16. Debt

Debt is adjusted for monetary and exchange rate variations and includes interest incurred up to the balance sheet date, based on effective interest rates and contractual terms.

2. Approval and basis of preparation and presentation of the financial statements (Continued)

2.17. Incentive plan commission on sales

Additional commission on sales is paid to the advertising agencies in accordance with the agreements between Globo and the agencies, according to each agency's sales performance. The expenses are recorded as selling expenses on an accrual basis based on management estimates.

2.18. Provision for contingencies and other liabilities

Provisions for contingencies are recognized when: Globo has a present legal obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, and the increase in the provision due to passage of time is recognized as interest expense.

2.19. Financial instruments

Financial assets - initial recognition and measurement

The classification depends on the purpose for which the financial assets were acquired and is determined at initial recognition.

Financial assets mainly includes cash and cash equivalent, marketable securities, derivative financial instruments, available for sale investments and trade receivable.

Purchases and sales of financial assets are recognized on the trade-date - the date on which Globo commits to purchase or sell the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and Globo has transferred substantially all risks and rewards of ownership.

2. Approval and basis of preparation and presentation of the financial statements (Continued)

2.19. Financial instruments (Continued)

Financial assets - initial recognition and measurement (Continued)

Globo classifies and measures its financial assets as follows:

(i) *Financial assets at fair value through profit or loss*

These are held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term and, accordingly, are classified as current assets. Derivatives are also categorized as held for trading.

These financial assets are initially recognized at fair value, and transaction costs are expensed in the income statement. The subsequent measurement is at fair value and gains or losses arising from changes in the fair value are presented in the income statement in the period in which they arise.

(ii) *Financial assets available-for-sale*

Include equity investments neither classified as held for trading nor designated at fair value through profit or loss. After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealized gains or losses recognized as other comprehensive income until the investment is derecognized, at which time the cumulative gain or loss is recognized in financial income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the other comprehensive income to the income statement.

Dividend income from these financial assets is recognized in the income statement when the right to receive dividends is established.

2. Approval and basis of preparation and presentation of the financial statements (Continued)

2.19. Financial instruments (Continued)

Financial assets - initial recognition and measurement (Continued)

(iii) *Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when Globo has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest method. The effective interest method amortization is included as financial income in the income statement.

(iv) *Receivables*

Trade receivables are amounts due from customers for sales or services in the ordinary course of business.

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are initially recognized at fair value plus transaction costs, and are subsequently measured at amortized cost using the effective interest method, on which the interest income is recognized in the income statement on an accrual basis, less provision for losses, if applicable.

2. Approval and basis of preparation and presentation of the financial statements (Continued)

2.19. Financial instruments (Continued)

Impairment of financial assets carried at amortized cost

Globo assesses at the end of each reporting period whether there is objective evidence that financial assets is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. The amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate. The asset’s carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated income statement. The impairment loss can be reversed when objectively related to an event occurring after the impairment was recognized (such as an improvement in the debtor’s credit rating) and the reversal is recognized in the consolidated income statement.

Financial liabilities - initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings (debt) or accounts payable. Globo determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings (debt), plus directly attributable transaction costs. Globo’s financial liabilities include accounts payables, loans and borrowings (debt), and derivative financial instruments. Globo has no effective hedge.

After initial recognition, interest bearing loans and borrowings (debt) are subsequently measured at amortized cost using the effective interest rate method, and the gains and losses are recognized in the income statement.

2. Approval and basis of preparation and presentation of the financial statements (Continued)

2.19. Financial instruments (Continued)

Financial liabilities - initial recognition and measurement (Continued)

Globo has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Gains or losses are recognized in the income statement.

Fair value of financial instruments

Globo determines the fair market value of financial instruments at the balance sheet date, including hedge and swap instruments, based on significant market values resulting from trading at securities markets. In cases where quoted market prices are not available, the fair value is based on estimates using present value and other valuation techniques.

2. Approval and basis of preparation and presentation of the financial statements (Continued)

2.20. Cost and expenses

Costs and expenses are recorded on an accrual basis. Costs include manufacturing and distribution costs, royalty and copyright expenses, artists' rights costs, exhibition and transmission rights, recording costs and direct overheads. Selling, general and administrative expenses substantially include marketing and advertising expenses, selling costs, impairment and indirect overheads.

2.21. New accounting pronouncements

In 2014, IASB issued the standard IFRS 15 - Revenue from Contracts with Customers, that becomes effective on January 01, 2017.

IFRS 15 provides a single principles based five-step model to be applied to all contracts with customers and introduces news disclosures requirements. The Company's Management is evaluating the impact of these changes in its financial statements.

(In thousands of Brazilian reais, except when otherwise indicated)

3. Segment information

At December 31, 2014 and 2013, Company had the following interests and related segments:

	Ownership %				
	December 31, 2014			December 31, 2013	
	Direct	Indirect	Total	Total	Segment
Fully consolidated entities					
Globosat Programadora Ltda.	**100.00**	**-**	**100.00**	100.00	Television
Globo International London Ltd. (*)	**100.00**	**-**	**100.00**	100.00	Television
Globo International New York Ltd. (*)	**-**	**100.00**	**100.00**	100.00	Television
Globo Portugal Unipessoal, Lda. (*)	**100.00**	**-**	**100.00**	100.00	Television
Brazilian TV Network Ltd. (*)	**100.00**	**-**	**100.00**	100.00	Television
Horizonte Conteúdos Ltda.	**100.00**	**-**	**100.00**	100.00	Television
Interpro - International Promotions Ltda. (operations ceased)	**100.00**	**-**	**100.00**	100.00	Television
G2C Globosat Comercialização de Conteúdos S.A.	**100.00**	**-**	**100.00**	100.00	Television
Editora Globo S.A.	**99.99**	**-**	**99.99**	99.99	Editorial
Edições Globo Condé Nast S.A.	**-**	**70.00**	**70.00**	70.00	Editorial
Editora Globo Livros Ltda.	**1.00**	**99.00**	**100.00**	100.00	Editorial
Editora Távola Infanto Juvenil Ltda.	**1.00**	**99.00**	**100.00**	100.00	Editorial
UGB Participações S.A.	**96.28**	**-**	**96.28**	59.28	Internet service
Zap S.A. Internet	**-**	**96.28**	**96.28**	59.28	Internet service
Pense Imóveis Serviços de Internet S.A. (**)	**-**	**96.28**	**96.28**	-	Internet service
Zende - Serviços de Apoio e Logística Ltda.	**99.99**	**-**	**99.99**	99.99	Sound recording
Sigem - Sistema Globo de Edições Musicais Ltda.	**99.99**	**-**	**99.99**	99.99	Sound recording
Sigla - Sistema Globo de Gravações Audiovisuais da Amazônia Ltda.	**99.99**	**-**	**99.99**	99.99	Sound recording
Comercial Fonográfica RGE Ltda.	**99.99**	**-**	**99.99**	99.99	Sound recording
Power Company S.A.	**100.00**	**-**	**100.00**	100.00	Off-shore
Worldwide Financial Trading Limited	**100.00**	**-**	**100.00**	100.00	Off-shore
Globo Investments Ltd.	**100.00**	**-**	**100.00**	100.00	Off-shore
Pluris Participações Ltda.	**100.00**	**-**	**100.00**	100.00	Other
Get Empreendimentos Temáticos Ltda. (investment sold in May 2014)	**-**	**-**	**-**	100.00	Other
GLC Holding e Serviços S.A. (previously Globo Cabo Participações S.A.)	**100.00**	**-**	**100.00**	100.00	Other
GML Licenciamentos Ltda.	**-**	**100.00**	**100.00**	100.00	Other

(*) Collectively referred hereinafter as Globo International Consolidated.

(**) In December 2014, the subsidiary Zap S.A. Internet (“Zap”) acquired Pense Imóveis Serviços de Internet S.A. (“Pense”). Pense is an internet service company which operates a classified advertisement site of real estate sector. The fair value evaluation of the assets acquired and liabilities assumed are still ongoing and, preliminarily, the excess over net assets paid, in the amount of R$27,377, are recorded as intangibles - goodwill.

Management has determined the operating segments based on the internal reports reviewed by the Group Chief Executive Officer (“CEO”) that are used to make strategic decisions. The CEO considers the business from a product perspective and analyzes separately the performance of Television (Media Network), Editorial, Internet services, Sound recording and Other businesses.

3. Segment information (Continued)

The reportable segments are presented below:

Television segment

The Television Segment comprises a group of Free to Air TV and Pay TV entities.

The business unit of free to air television, together with its own five broadcast television stations (Rio de Janeiro, São Paulo, Recife, Brasília and Belo Horizonte), its affiliated network of 117 stations, is also known as “Rede Globo” (“Globo Network”). The affiliated network stations are performed by independent Brazilian companies owned by non-related parties, regulated by a convention which establishes specific rules according to market conditions.

The bulk of the free to air television production activities takes place in studios and production facilities in and around Rio de Janeiro and São Paulo. The Projac production complex located in the outskirts of Rio de Janeiro serves as a comprehensive television production site tailored to the particular needs of the Company. Projac’s facilities are among the most technologically advanced television production studios in the world, leading to continuously increasing quality in the Company’s programming.

Globo is the leading producer of Pay TV programming in Brazil, including pay-per-view content and subscription channels that are sold to multiple system operators (“MSOs”).

Besides parent company, the main activities and operations carried out by the subsidiaries included in this segment are summarized as follows:

(a) Globosat Programadora Ltda. (“Globosat”) - Globosat is the leading producer of Pay TV programming in Brazil, including subscription channels that are sold to multiple system operators (“MSOs”). Globosat’s content is available to cable, MMDS (Multichannel Multipoint Distribution Service) and DTH (Direct to Home) subscribers, and its channels are present in the main Pay TV operators bases such as NET, SKY, Claro TV, VIVO TV, OI TV, GVT TV, Algar Telecom and other smaller operators subscriber bases.

3. Segment information (Continued)

Television segment (Continued)

(b) Horizonte Conteúdos Ltda. (“Horizonte”) is a producer of pay-per-view, *a la carte* content and on demand content to several media platforms, including multiple system operators (“MSOs”) and internet. Horizonte provides content for new digital platforms in the pay-tv market which enables views to watch TV on multiple platforms and devices. Horizonte’s content is available to cable, MMDS (Multichannel Multipoint Distribution Service) and DTH (Direct to Home) subscribers, and are present in the main Pay TV operators bases such as NET, SKY, Claro TV, VIVO TV, OI TV, GVT TV, Algar Telecom and other smaller operators subscriber bases.

(c) G2C Globosat Comercialização de Conteúdos S.A. (“G2C”) - G2C acts (i) as a purchasing agent of Brazilian content, including Globosat, Horizonte and Telecine Programação de Filmes Ltda. (“Telecine”) programming, distributed to MSOs, such as NET and SKY and (ii) as programmers’s representant with other operators, such as Claro TV, VIVO TV, OI TV, GVT TV and Algar Telecom. G2C´s activities include negotiating terms and conditions for distribution of programming by cable, MMDS and DTH television operators and developing new services and products for such operators.

Editorial segment

The Editorial Segment, represented mainly by Editora Globo S.A. (“Editora Globo”), operates in the publishing and advertising for magazines and books.

The activities and operations carried out by the companies included in this segment are summarized as follows:

(a) Editora Globo S.A. publishes magazines and books, which are sold at newsstands, bookstores and other retailers, as well as through subscriptions and sales people. It is one of the largest publishing companies in the Brazilian market with 13 different magazine titles, which are published weekly or monthly, as well as various books and collections that are sold throughout Brazil.

(b) Edições Globo Condé Nast S.A. (“Edições Globo CN”) publishes Vogue and three other Condé Nast magazine titles in Brazil.

(In thousands of Brazilian reais, except when otherwise indicated)

3. Segment information (Continued)

Other businesses

The smaller segments have been combined as "other business" for reporting purposes. Other business segments include internet services, music content and other minor businesses.

Globo has a strong position in Brazilian internet audience mainly in the entertainment, journalism and sports segments.

The Company has a music content business unit focused on producing, promoting and selling CD's and DVD's of national and international artists, as well as soundtracks connected to its "telenovelas", series and shows.

The segment information provided to the CEO for the reportable segments for the years ended December 31, 2014 and 2013 is as follows:

	December 31, 2014				
	Television	Editorial	Other	Adjustments and eliminations	Consolidated
Net sales, advertising and services	15,517,139	474,664	286,885	(34,805)	16,243,883
Cost of sales and services (a)	(8,069,581)	(197,622)	(100,351)	1,942	(8,365,612)
Gross profit	7,447,558	277,042	186,534	(32,863)	7,878,271
Operating (expenses) income					
Selling (a)	(1,471,267)	(154,602)	(107,902)	33,503	(1,700,268)
General and administrative (a)	(1,460,619)	(114,104)	(101,419)	1,502	(1,674,640)
Other operating (expense) income	(58,498)	(7,461)	(1,125)	(2,142)	(69,226)
Dividends received	200,536	-	-	(37,624)	162,912
Adjusted EBITDA	4,657,710	875	(23,912)	(37,624)	4,597,049
Items excluded from income statement to reach the Adjusted EBITDA					
Loss on disposal of property, plant and equipment					(28,557)
Depreciation and amortization					(286,605)
Equity pick-up					185,915
Other investments results					4,650
Financial income					918,148
Financial expense					(875,402)
Income tax and social contribution					(1,995,232)
Dividends received					(162,912)
Net income for the year					2,357,054
CAPEX (b)	604,780	1,430	82,440	-	688,650

(a) Excludes depreciation and amortization expenses.
(b) Refers to acquisitions of properties, plant and equipment and software.

(In thousands of Brazilian reais, except when otherwise indicated)

3. Segment information (Continued)

	December 31, 2013				
	Television	**Editorial**	**Other**	**Adjustments and eliminations**	**Consolidated**
Net sales, advertising and services	13,753,528	494,289	417,461	(29,535)	14,635,743
Cost of sales and services (a)	(7,217,583)	(216,000)	(179,941)	10,785	(7,602,739)
Gross profit	6,535,945	278,289	237,520	(18,750)	7,033,004
Operating (expenses) income					
Selling (a)	(1,300,542)	(156,588)	(118,072)	18,814	(1,556,388)
General and administrative (a)	(1,365,824)	(114,778)	(173,793)	1,459	(1,652,936)
Other operating (expense) income	(42,417)	(396)	(1,124)	(1,523)	(45,460)
Dividends received	122,971	-	-	(11,717)	111,254
Adjusted EBITDA	3,950,133	6,527	(55,469)	(11,717)	3,889,474
Items excluded from income statement to reach the Adjusted EBITDA					
Loss on sale of property, plant and equipment					(4,279)
Depreciation and amortization					(250,948)
Equity pick-up					152,077
Other investments results					(132,760)
Financial income					749,845
Financial expense					(530,048)
Income tax and social contribution					(1,258,840)
Dividends received					(111,254)
Net income for the year					2,503,267
CAPEX (b)	474,072	2,549	11,734	-	488,355

(a) Excludes depreciation and amortization expenses.
(b) Refers to acquisitions of properties, plant and equipment and software.

Adjusted EBITDA refers to earnings before financial results, income tax and social contribution, depreciation and amortization, gain (loss) on sale of property, plant and equipment, equity pick-up and investment results, and includes dividends received from non-consolidated investees.

Adjusted EBITDA is not defined under IFRS, and because not all companies use identical calculations, Globo's adjusted EBITDA may not be comparable to other similarly titled measures provided by other companies. Also, adjusted EBITDA should not be considered in isolation or as an alternative to operating income or net income, as a measure of operating performance, or to cash flows from operating activities.

The amounts provided to the CEO with respect to total assets and liabilities are measured in a manner consistent with these consolidated financial statements. There is no allocation of assets or liabilities per segments.

The total assets located in countries other than Brazil is insignificant.

(In thousands of Brazilian reais, except when otherwise indicated)

4. Cash, cash equivalents and marketable securities

	Parent Company		Consolidated	
	2014	**2013**	**2014**	**2013**
Cash and bank deposits	**43,966**	43,290	**94,154**	80,776
Cash equivalents	**1,929,297**	2,158,741	**2,432,590**	2,541,876
Total cash and cash equivalents	**1,973,263**	2,202,031	**2,526,744**	2,622,652
Marketable securities				
Trading				
Government bonds	**1,383,454**	1,432,853	**1,751,137**	1,497,662
CDB (Certificates of bank deposits)	**574,086**	1,770,827	**804,978**	1,891,760
Financial notes	**32,482**	995,707	**762,062**	995,708
Investment funds	**1,046,312**	1,110,110	**1,046,312**	1,110,110
Other	**156,706**	159,699	**173,364**	169,508
Held to maturity (*)	**62,820**	257,454	**229,337**	335,507
Current marketable securities	**3,255,860**	5,726,650	**4,767,190**	6,000,255
Non-current - held to maturity marketable securities	**125,685**	323,939	**458,847**	422,149
Total marketable securities	**3,381,545**	6,050,589	**5,226,037**	6,422,404

(*) Refers to the held-to-maturity investment portion in banking financial notes and CDB.

Cash equivalents are comprised mainly of excess cash position carried over from one trading day until the next, fully collateralized by Brazilian government securities (LFT, NTN, NTB), which pays floating rates (CDI) at the beginning of the next business day.

The government bonds are comprised of LFTs and LTNs and are fixed-income investments, mainly made through exclusive investment funds. LFTs are subject to floating remuneration at Selic rate (Brazilian standard interest rate) and LTNs are remunerated via a fixed rate. Globo has swap contracts to exchange the remuneration of its fixed-rate financial investments into floating remuneration.

The CDBs are remunerated at an average rate of 101.2% of the CDI (interbank deposit rate) fluctuation, are issued by first-line banks and most of them have daily liquidity. The CDB's have floating remuneration, are valued on a daily basis, are registered with the CETIP (clearinghouse), and have high liquidity.

Financial Notes (Letra Financeira - "LF") are issued by financial institutions and are fixed-income investments, combined or not with floating rate or price indexes. They must be registered at CETIP or other custody and settlement system authorized. LF has a due date of, at least, 24 months. They are traded in a primary and secondary market and were remunerated at an average rate of 106.0% of the CDI fluctuation for 2014.

(In thousands of Brazilian reais, except when otherwise indicated)

4. Cash, cash equivalents and marketable securities (Continued)

Investment funds comprise mainly multimarkets investment funds which have investment policies that involve multiple risk factors, as they combine investments in fixed income markets, foreign exchange, stocks, among others. These funds use derivative instruments to leverage their positions or as a protection of their portfolios (hedge).

5. Trade receivables

	Parent Company		Consolidated	
	2014	**2013**	**2014**	**2013**
Trade receivables	**920,192**	1,077,943	**1,365,712**	1,559,584
Provision for bad debt of trade receivables	**(5,224)**	(16,466)	**(19,274)**	(25,444)
Trade receivables from related parties (Note 7)	**129,923**	108,188	**4,176**	2,514
Trade receivables, net	**1,044,891**	1,169,665	**1,350,614**	1,536,654

The maturities of trade receivables (net of its provision for bad debts) are as follows:

	Parent Company		Consolidated	
	2014	**2013**	**2014**	**2013**
Current	**942,922**	1,091,394	**1,194,357**	1,423,904
Past due				
Less than 1 month	**60,534**	41,430	**75,192**	54,149
Between 1 and 3 months	**23,849**	19,911	**36,051**	26,342
Between 3 and 6 months	**10,598**	10,226	**16,478**	14,987
Between 6 and 12 months	**6,988**	6,704	**28,536**	17,272
	101,969	78,271	**156,257**	112,750
Trade receivables, net	**1,044,891**	1,169,665	**1,350,614**	1,536,654

(In thousands of Brazilian reais, except when otherwise indicated)

5. **Trade receivables** (Continued)

Movements on provision for bad debts of trade receivables are as follows:

	Parent Company		Consolidated	
	2014	**2013**	**2014**	**2013**
At the beginning of the year	**(16,466)**	(15,263)	**(25,444)**	(25,865)
Provision for bad debts, net of reversals	**(14,874)**	(12,929)	**(57,482)**	(18,248)
Receivables written off as uncollectible	**17,366**	4,724	**44,120**	7,854
Collections of impaired receivables	**8,750**	7,002	**19,532**	10,815
At the end of the year	**(5,224)**	(16,466)	**(19,274)**	(25,444)

The changes in the provision for bad debts of trade receivables have been included in "selling expenses" in the statements of income. Trade receivables are written off when there is no expectation of recovering additional cash.

The carrying amounts of the trade and other receivables (net of its provision for bad debts) are denominated in the following currencies:

	Parent Company		Consolidated	
	2014	**2013**	**2014**	**2013**
Local currency	**1,008,577**	1,134,321	**1,291,828**	1,489,456
U.S. Dollars	**36,314**	35,344	**55,967**	43,269
Euro	**-**	-	**2,819**	3,895
Other currencies	**-**	-	**-**	34
	1,044,891	1,169,665	**1,350,614**	1,536,654

Globo Comunicação e Participações S.A.

Notes to the financial statements (Continued)
December 31, 2014 and 2013
(In thousands of Brazilian reais, except when otherwise indicated)

6. Transmission and exhibition rights

Changes in the transmission and exhibition rights for the years ended December 31, 2014 and 2013 are

2014

	Parent Company				
	December 31, 2013	Acquisition	Internal development	Impairment losses (recognized) reversed	Amortization
Current					
Live events	444,073	**1,559,127**	**-**	**3,361**	**(1,896,743)**
Films	203,262	**223,773**	**-**	**(321)**	**(219,710)**
In-house productions programming	247,988	**-**	**435,298**	**-**	**(502,973)**
Casting rights	70,932	**12,252**	**-**	**-**	**(79,974)**
Documentary programs	832	**6,319**	**-**	**-**	**(2,878)**
Other	40,239	**15,223**	**-**	**(1,874)**	**(33,011)**
	1,007,326	**1,816,694**	**435,298**	**1,166**	**(2,735,289)**
Non-current					
Live events	737,625	**71,652**	**-**	**-**	**-**
Films	49,139	**32,169**	**-**	**-**	**-**
Casting rights	100,107	**65,150**	**-**	**-**	**-**
Other	42,659	**35,297**	**-**	**-**	**-**
	929,530	**204,268**	**-**	**-**	**-**

(In thousands of Brazilian reais, except when otherwise indicated)

6. Transmission and exhibition rights (Continued)

2013

	Parent Company				
	December 31, 2012	Acquisition	Internal development	Impairment losses (recognized) reversed	Amortization
Current					
Live events	202,657	1,272,986	-	-	(1,228,647)
Films	159,934	79,525	-	(5,876)	(173,735)
In-house productions programming	149,905	-	432,062	-	(333,979)
Casting rights	62,383	14,994	-	-	(78,160)
Documentary programs	5,353	202	-	-	(1,018)
Other	31,541	36,337	-	(728)	(27,648)
	611,773	1,404,044	432,062	(6,604)	(1,843,187)
Non-current					
Live events	824,858	109,844	-	-	-
Films	48,094	139,939	-	-	-
Casting rights	139,115	32,708	-	-	-
Other	10,925	33,285	-	-	-
	1,022,992	315,776	-	-	-

(In thousands of Brazilian reais, except when otherwise indicated)

6. Transmission and exhibition rights (Continued)

2014

	Consolidated				
	December 31, 2013	Acquisition	Internal development	Impairment losses (recognized) reversed	Amortizatio
Current					
Live events	528,879	**2,349,304**	**-**	**3,361**	**(2,710,522)**
Films	203,262	**223,773**	**-**	**(321)**	**(219,710)**
In-house productions programming	247,988	**-**	**435,298**	**-**	**(502,973)**
Casting rights	70,932	**12,252**	**-**	**-**	**(79,974)**
Documentary programs	10,291	**93,774**	**-**	**-**	**(67,235)**
Other	91,478	**137,879**	**-**	**(1,874)**	**(144,423)**
	1,152,830	**2,816,982**	**435,298**	**1,166**	**(3,724,837)**
Non-current					
Live events	1,088,719	**112,556**	**-**	**-**	**-**
Films	49,139	**32,169**	**-**	**-**	**-**
Casting rights	100,107	**65,150**	**-**	**-**	**-**
Other	51,541	**35,297**	**-**	**-**	**-**
	1,289,506	**245,172**	**-**	**-**	**-**

(In thousands of Brazilian reais, except when otherwise indicated)

6. Transmission and exhibition rights (Continued)

2013

	Consolidated				
	December 31, 2012	Acquisition	Internal development	Impairment losses (recognized) reversed	Amortizatio
Current					
Live events	291,306	1,922,806	-	-	(1,899,252)
Films	159,934	79,525	-	(5,876)	(173,735)
In-house productions programming	149,905	-	432,062	-	(333,979)
Casting rights	62,223	15,154	-	-	(78,160)
Documentary programs	11,510	44,143	-	-	(41,657)
Other	44,234	277,077	-	(728)	(229,842)
	719,112	2,338,705	432,062	(6,604)	(2,756,625)
Non-current					
Live events	1,119,883	182,855	-	-	-
Films	48,094	139,939	-	-	-
Casting rights	139,115	32,708	-	-	-
Other	10,925	42,938	-	-	(771)
	1,318,017	398,440	-	-	(771)

7. Related party transactions

The Marinho family is the ultimate controlling party of Globo, and holds indirectly 100% of the Company's shares.

The nature of the main intercompany transactions carried out among related parties is summarized as follows:

a) The Company enters into transactions with consolidated investees and with unconsolidated related parties generally with respect to the use of advertising space in the ordinary course of business. Certain sales are made through barter transactions.

b) The Company produces the content for the "Globonews" channel, a Pay TV channel whose distribution of exhibition rights is intermediated by G2C. Globosat is responsible for the advertising commercialization of the Globonews channel. Each month, the Company pays to Globosat an amount equivalent to 27% of net revenues based on the advertising time inserted on the Globonews channel as a commission.

c) The Company produces and licenses content for "SPORTV", a Pay TV channel offered by Globosat. Each month Globosat pays to Company an amount agreed between the parties, and pays annually an additional amount based on advertising net revenue growth.

d) The Company licenses in-house productions programming for "Canal Viva", a Pay TV channel offered by Globosat. The agreement determines monthly payments, according to the Channel's advertising net revenues.

e) The Company licenses some in-house production content to be used by some related parties, including the right to use the "Globo" trademark.

f) Editora Globo has joint sales agreement with Infoglobo's labels. In addition, Infoglobo provides magazine distribution services to Editora Globo subscribers in the state of Rio de Janeiro.

(In thousands of Brazilian reais, except when otherwise indicated)

7. Related party transactions (Continued)

g) Globosat provides management and technical services to Canal Brazil S.A., NBCU Universal Networks International Brasil Programadora S.A. ("NBCU Brasil"), G2C, Telecine, Horizonte and PB Brasil Entretenimento S.A. ("PB Brasil") in exchange for a monthly fee determined under a service agreement. Globosat purchases and sells advertising time from/to related parties such as Infoglobo, Editora Globo, NBCU Brasil, Telecine, Canal Brazil S.A., and others. Certain sales are made through barter transactions. In addition, Horizonte also provides technical services to Globosat, Canal Brazil S.A., NBCU Brasil, Telecine and PB Brasil in exchange for a monthly fee determined under a service agreement.

h) The Company, through its internet business unit, Globo.com, provides internet and related technology services to related parties, such as Infoglobo and most of its joint controlled entities (Canal Brazil, NBCU Brasil and Telecine). Such services are provided under a service agreement, in exchange for a monthly fee corresponding to the amount of service used.

As of December 31, 2014, the amounts due to and from related companies, arising from commercial transactions in the ordinary course of business, and classified as current accounts receivable and accounts payable, totaled R$129,923 and R$6,222 (R$108,188 and R$8,585 at December 31, 2013), respectively, in the Parent Company´s financial statements, and R$4,176 and R$35,208 (R$2,514 and R$84,504 at December 31, 2013), respectively, in the consolidated financial statements.

The amounts due to and from related companies classified as non-current assets at December 31, 2014 and 2013, are as follows:

	Parent Company					
	Accounts receivable		Advances for future capital increase		Total	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
Worldwide Financial Trading Limited	**61,564**	-	**-**	-	**61,564**	-
Power Company S.A.	**-**	52,867	**-**	-	**-**	52,867
Interpro - International Promotions Ltda.	**-**	-	**-**	10,500	**-**	10,500
Pluris Participações Ltda.	**-**	-	**55**	4,704	**55**	4,704
Globosat Programadora Ltda.	**38**	32	**-**	-	**38**	32
Other	**175**	164	**43**	250	**218**	414
Total	**61,777**	53,063	**98**	15,454	**61,875**	68,517

(In thousands of Brazilian reais, except when otherwise indicated)

7. Related party transactions (Continued)

	Consolidated					
	Accounts receivable		Advances for future capital increase		Total	
	2014	2013	2014	2013	2014	2013
Infoglobo Comunicação e Participações S.A.	**42**	-	**-**	-	**42**	-
Telecine Programação de Filmes Ltda.	**18**	-	**-**	-	**18**	-
Endemol Globo S.A.	**8**	18	**-**	-	**8**	18
Other	**76**	188	**6**	-	**82**	188
Total	**144**	206	**6**	-	**150**	206

The operating revenues and net financial income (expense) with related companies for the years ended December 31, 2014 and 2013 are as follows:

	Parent Company			
	Operating revenues		Net financial income (expenses)	
	2014	2013	2014	2013
Globosat Programadora Ltda.	**355,966**	313,263	**(50)**	(765)
Horizonte Conteúdos Ltda.	**31,637**	34,895	**(362)**	(638)
Zap S.A. Internet	**28,589**	12,637	**-**	-
Mosaico Negócios de Internet S.A.	**-**	9,360	**-**	(1)
Infoglobo Comunicação e Participações S.A.	**7,893**	5,046	**(135)**	(143)
Globo International Consolidated	**1,484**	5,628	**(539)**	2,207
Editora Globo S.A.	**2,381**	3,106	**(82)**	(82)
Power Company S.A.	**-**	-	**8,697**	8,040
Other	**5,535**	4,290	**(160)**	(110)
	433,485	388,225	**7,369**	8,508

	Consolidated			
	Operating revenues		Net financial income (expenses)	
	2014	2013	2014	2013
Telecine Programação de Filmes Ltda.	**109,269**	94,988	**(71)**	(30)
NBCUniversal Networks International Brasil Programadora S.A.	**23,845**	20,493	**(16)**	437
Canal Brazil S.A.	**8,323**	7,400	**(1)**	-
Infoglobo Comunicação e Participações S.A.	**9,197**	6,774	**(1,402)**	(2,168)
Other	**10,750**	9,178	**(56)**	356
	161,384	138,833	**(1,546)**	(1,405)

(In thousands of Brazilian reais, except when otherwise indicated)

8. Legal deposits

Globo is a defendant in several judicial tax, civil and labor claims for which certain legal deposits have been made, as follows:

	Parent Company		Consolidated	
	2014	**2013**	**2014**	**2013**
Tax proceedings	**185,809**	169,626	**196,613**	180,466
Civil proceedings	**8,412**	8,543	**20,903**	20,644
Labor claims	**33,075**	33,078	**41,165**	40,437
Total	**227,296**	211,247	**258,681**	241,547

The legal deposits made in connection with certain proceedings will be released only in the event of a favorable outcome for Globo.

Globo Comunicação e Participações S.A.

Notes to the financial statements (Continued)
December 31, 2014 and 2013
(In thousands of Brazilian reais, except when otherwise indicated)

9. Income tax and social contribution

The changes in the deferred income tax and social contribution assets and liabilities in 2014 and 2013 ar

	Parent Company			
	December 31, 2012	**Additional benefit (obligation) recorded (offset)**	**December 31, 2013**	**Additio (obligatio (o**
Assets				
Negative basis of social contribution	17,810	(17,810)	-	
Temporary differences				
Provision for contingencies	105,295	(39,296)	65,999	**(4**
Provision for credit risk	20,307	(1,319)	18,988	
Provision for losses on assets	23,894	(473)	23,421	
Provision for investments losses	8,640	-	8,640	
Provision for benefits to employees	26,007	4,073	30,080	**2**
Amortized goodwill temporarily non-deductible	196,869	(63,984)	132,885	**(35**
Other	72,885	11,247	84,132	**(1**
Tax credits originated from merger with Globo S.A.	781,509	-	781,509	
Total deferred taxes assets	1,253,216	(107,562)	1,145,654	**(37**
Liabilities				
Temporary differences				
Amortization of goodwill for taxes purposes	(287,523)	3,165	(284,358)	
Depreciation of property, plant and equipment	(69,372)	(34,611)	(103,983)	**(34**
Available for sale investments	(235,230)	28,358	(206,872)	**(74**
Other	(2,153)	1,742	(411)	**(2**
Total deferred taxes liabilities	(594,278)	(1,346)	(595,624)	**(11**
Net effect	658,938	(108,908)	550,030	**(14**

(In thousands of Brazilian reais, except when otherwise indicated)

9. Income tax and social contribution (Continued)

	Consolidated			
	December 31, 2012	Additional benefit (obligation) recorded (offset)	December 31, 2013	Additional benefit (obligation) recorded (offset)
Assets				
Tax loss carryforwards	100,080	(29,382)	70,698	**(27,268)**
Negative basis of social contribution	53,684	(28,389)	25,295	**(9,848)**
Temporary differences				
Provision for contingencies	109,110	(39,718)	69,392	**(6,222)**
Provision for credit risk	20,307	(1,319)	18,988	**828**
Provision for losses on assets	23,894	(473)	23,421	**(472)**
Provision for investments losses	8,640	-	8,640	**-**
Provision for benefits to employees	26,655	3,425	30,080	**2,717**
Amortized goodwill temporarily non-deductible	196,973	(63,984)	132,989	**(35,018)**
Other	74,924	12,928	87,852	**6,131**
Tax credits originated from merger with Globo S.A.	781,509	-	781,509	**-**
Total deferred taxes assets	1,395,776	(146,912)	1,248,864	**(69,152)**
Liabilities				
Temporary differences				
Amortization of goodwill for taxes purposes	(287,523)	3,165	(284,358)	**-**
Depreciation of property, plant and equipment	(71,374)	(35,523)	(106,897)	**(35,261)**
Available for sale investments	(235,230)	28,358	(206,872)	**(74,224)**
Other	(2,784)	1,741	(1,043)	**(2,478)**
Total deferred taxes liabilities	(596,911)	(2,259)	(599,170)	**(111,963)**
Net effect	798,865	(149,171)	649,694	**(181,115)**

(a) Refers to the payment of interests through negative basis of social contribution in the Refinancing Tax Program (Note 15).

(In thousands of Brazilian reais, except when otherwise indicated)

9. Income tax and social contribution (Continued)

Globo also has approximately R$952,000 of temporary differences related to amortization of goodwill temporarily non-deductible over which no deferred tax assets have been recorded, considering the uncertainty of when it will be realized.

Additionally, at December 31, 2014 certain subsidiaries have tax loss carryforwards and negative basis of social contribution of R$993,726 and R$999,776, respectively, over which no deferred taxes were recorded, since currently there is no expectation to recover these tax credits.

Although the tax loss carryforwards and the negative basis of social contribution have no statutory limit, it can only be used up to 30% of taxable income each year.

Globo evaluates annually the carrying value of the deferred income tax and social contribution assets based on the Company's projected future taxable income, to maintain these assets at their expected realization value. Management estimates that the deferred income tax and social contribution assets will be realized within 10 years.

The reconciliation of the reported income tax and social contribution and the amount determined by applying the actual rate for the years ended December 31, 2014 and 2013, are as follows:

		2014			
		Parent Company		Consolidated	
		Income tax	Social contribution	Income tax	Social contribution
Income before income tax and social contribution		3,558,854	3,558,854	4,352,286	4,352,286
Income tax and social contribution at statutory rates (25% and 9% respectively)		(889,714)	(320,297)	(1,088,072)	(391,706)
Adjustments to derive the effective rates					
Permanent differences - (additions) / subtractions					
Equity pick-up		349,803	125,929	46,479	16,732
Tax benefits from political party and election programming		221,535	-	221,535	-
Discounts granted by the Tax Refinancing Program	(a)	66,407	23,907	83,107	29,919
Dividends received from available for sale investments		20,438	7,358	20,438	7,358
Other non-deductible expenses		(14,153)	(5,095)	(17,398)	(5,295)
Unrecorded benefits of deferred income tax and social contribution over temporary differences		-	-	51,259	18,455
Unrecorded credits from tax loss carryforward and negative basis of social contribution of subsidiaries		-	-	(55,419)	(20,066)
Recognition of deferred income tax and social contribution over tax loss carryforward and negative basis of social contribution originated in previous years		-	-	9,907	5,849
Amounts included in the Tax Refinancing Program	(b)	(596,791)	(212,885)	(696,265)	(248,844)
Other		16,057	1,839	15,295	1,501
Total expense for the year		(826,418)	(379,244)	(1,409,134)	(586,097)
Adjusted effective rates		23.22%	10.66%	32.38%	13.47%

(a) Refers to the benefits granted by the Refinancing Tax Program, whereby the reduction of the interest charges is not taxable.
(b) Refers to the amount of income tax assessments included in the Refinancing Tax Program. See Note 15.

(In thousands of Brazilian reais, except when otherwise indicated)

9. Income tax and social contribution (Continued)

		2013			
		Parent Company		Consolidated	
		Income tax	Social contribution	Income tax	Social contribution
Income before income tax and social contribution		3,304,000	3,304,000	3,762,107	3,762,107
Income tax and social contribution at statutory rates (25% and 9% respectively)		(826,000)	(297,360)	(940,527)	(338,590)
Adjustments to derive the effective rates					
Permanent differences - (additions)/subtractions					
Equity pick-up		250,127	90,046	38,019	13,687
Tax benefits from political party and election programming		83,635	-	83,635	-
Discounts granted by the Tax Refinancing Program	(a)	15,170	5,461	15,619	5,623
Other non-deductible expenses		(19,906)	(7,164)	(21,734)	(7,771)
Unrecorded benefits of deferred income tax and social contribution over temporary differences		(3,257)	(313)	(3,371)	114
Unrecorded credits from tax loss carryforward and negative basis of social contribution of subsidiaries		-	-	(66,769)	(24,046)
Amounts included in the Tax Refinancing Program	(b)	(14,201)	-	(14,404)	-
Other		2,592	-	1,675	-
Total expense for the year		(511,840)	(209,330)	(907,857)	(350,983)
Adjusted effective rates		15.49%	6.34%	24.13%	9.33%

(a) Refers to the benefits granted by the Refinancing Tax Program, whereby the reduction of the interest charges is not taxable.
(b) Refers to the amount of income tax assessments included in the Refinancing Tax Program. See Note 15.

The current and deferred income tax and social contribution for the years ended December 31, 2014 and 2013 are as follows:

	Parent Company		Consolidated	
	2014	2013	2014	2013
Current income tax	**(172,121)**	(429,890)	**(629,835)**	(796,100)
Current social contribution	**(149,442)**	(172,569)	**(313,397)**	(303,564)
Income tax and social contribution paid through refinancing tax program (a)	**(809,676)**	(14,201)	**(945,109)**	(14,404)
Total income tax and social contribution expense	**(1,131,239)**	(616,660)	**(1,888,341)**	(1,114,068)
Deferred income tax	**(57,506)**	(67,749)	**(83,035)**	(97,353)
Deferred social contribution	**(16,917)**	(36,761)	**(23,856)**	(47,419)
Total deferred income tax and social contribution expense	**(74,423)**	(104,510)	**(106,891)**	(144,772)
Total expense for the year	**(1,205,662)**	(721,170)	**(1,995,232)**	(1,258,840)
Deferred income tax and social contribution related to items recorded directly in equity				
Fair value adjustment of available for sale investments	**(74,224)**	(6,141)	**(74,224)**	(6,141)
Actuarial losses on post-employment defined benefit plans	**-**	1,743	**-**	1,743
Total deferred income tax and social contribution related to other comprehensive income	**(74,224)**	(4,398)	**(74,224)**	(4,398)

(a) Refers to the amount of income tax and social contribution tax assessments included in the Refinancing Tax Program. See Note 15.

(In thousands of Brazilian reais, except when otherwise indicated)

9. Income tax and social contribution (Continued)

Income tax and social contribution are subject to review by tax authorities for the last five years only.

On November 12, 2013, the tax authorities issued the Provisional Measure No. 627 (MP 627) that: (i) revokes the Transition Tax Regime (RTT) and (ii) amends Decree Law No. 1598/77 in relation to calculation of corporate income tax and social contribution. The Provisional Measure was converted into Law 12973/14 and becomes effective on January 01, 2015, with early adoption permission in 2014. The Company opted to not adopt the new rules for 2014 and therefore there were no effects on its financial statements.

10. Available for sale investments

The investments measured at fair value are as follows:

	Parent Company and Consolidated	
	2014	**2013**
Sky Brasil Serviços Ltda. (a)	**708,280**	662,115
Claro S.A. (b)	**480,656**	308,515
	1,188,936	970,630

At December, 31 2014, fair value of the investments in Sky Brasil and Claro was determined using a discounted cash flow analysis since these assets are not traded in an active market.

(a) Sky Brasil Serviços Ltda. (“Sky Brasil”) - Sky Brasil operates Pay TV services through satellite (Direct to Home), through the use of mini-parabolic antennas in the Ku band. Sky Brasil operates the Sky System in Brazil with DirectTV Group. At December 31, 2014, the Company has 7% interest in Sky Brasil.

During the year ended December 31, 2014, Sky Brasil paid dividends in the total amount of R$81,752, which were recorded in the statement of income as financial income.

(In thousands of Brazilian reais, except when otherwise indicated)

10. Available for sale investments (Continued)

(b) In December 2014, after the approval of certain corporate reorganizations of America Móvil group in Brazil, mainly comprising Net Serviços de Comunicação S.A. (“Net Serviços”), Empresa Brasileira de Telecomunicações S.A. - Embratel (“Embratel”) and Claro S.A. (“Claro”), Net Serviços and Embratel were merged into Claro with the objective of a consolidated structure of activities as a multiservice company, including cable television services, high-speed internet access services through cable network, as well as fixed and mobile lines telephony service, among other telecommunications services.

Following this reorganization, Globo exchanged its shares in Net Serviços for shares in Claro S.A. based on the fair value evaluations of both companies. Accordingly, at December, 31 2014, the Company’s ownership interest in Claro S.A. is 1.85%, held indirectly through EG Participações S.A..

11. Investments at equity method

The detailed information about jointly controlled entities and associates is as follows:

	Ownership %			
	2014			2013
Companies	**Direct**	**Indirect**	**Total**	**Total**
Jointly controlled entities				
Canal Brazil S.A.	**-**	**50.00**	**50.00**	50.00
Endemol Globo S.A.	**50.00**	**-**	**50.00**	50.00
PB Brasil Entretenimento S.A.	**-**	**60.00**	**60.00**	60.00
Telecine Programação de Filmes Ltda.	**50.00**	**-**	**50.00**	50.00
Associates				
NBCUniversal Networks International Brasil Programadora S.A.	**-**	**47.50**	**47.50**	47.50
TT2 Telecomunicações Ltda.	**-**	**57.77**	**57.77**	35.57

11. Investments at equity method (Continued)

The main activities and operations carried out by the joint controlled entities and the associates are summarized as follows:

i. Telecine Programação de Filmes Ltda. (“Telecine”) is a joint venture between Company (50%), Paramount (12.5%), Metro Goldwyn Mayer (“MGM”, 12.5%), Universal (12.5%) and Twentieth Century Fox (“Fox”, 12.5%) (Paramount, MGM, Universal and Fox together are referred to as the “Studio Partners”). Telecine offers premium and basic movie channels to subscription television operators in Brazil represented by G2C. The thirteen Telecine channels mainly broadcast exclusive films produced and licensed by the Studio Partners and films from selected studios such as Disney (Buena Vista International, Inc.) with which Telecine signed an exclusive contract until September, 2019, to exhibit the films produced by this studio.

ii. Canal Brazil S.A. (“Canal Brazil”) is a joint venture between Globosat (50%) and GCB Empreendimentos e Participações Ltda. (50%). Canal Brazil offers Brazilian content channel to subscription television operators in Brazil represented by G2C. Canal Brazil mainly broadcast Brazilian films, programs, in-house production content and independent production.

iii. PB Brasil Entretenimento S.A. is a joint venture between Globosat (60%) and Playboy TV Latin America LLC (40%). PB Brasil offers adult content channels to subscription television operators in Brazil represented by G2C. PB Brasil’s channels mainly broadcast exclusive films produced and licensed by PTVLA and independent production.

iv. NBCUniversal Networks International Brasil Programadora S.A. is a partnership between Globosat (47.5%) and USA Brasil Holdings, L.L.C. (52.5%), a NBC Universal Global Networks Latin America Inc. subsidiary. NBCU Brasil offers series and movies channels to subscription television operators in Brazil represented by G2C.

v. Endemol Globo S.A. (“Endemol Globo”) is a joint venture between Company (50%) and Endemol Finance B.V. (50%). Endemol Globo is engaged in developing, distributing and producing audiovisual programs based on formats owned by the shareholders and licensed on a worldwide basis.

Globo Comunicação e Participações S.A.

Notes to the financial statements (Continued)
December 31, 2014 and 2013
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11. Investments at equity method (Continued)

Changes in the Investments and Provision for losses on investments for the years ended December 31, 2
follows:

	Parent Company				
	December 31, 2013	Capital contribution	Foreign translation adjustment	Dividends/ interest on capital	Equity gain (loss)
Investments					
Subsidiaries					
Globosat Programadora Ltda.	606,365	**150,000**	**-**	**(919,398)**	**934,739**
Globo International Consolidated	32,890	**-**	**3,612**	**-**	**3,413**
UGB Participações S.A.	62,128	**1,038,755**	**-**	**(5,312)**	**20,761**
Horizonte Conteúdos Ltda.	847,184	**-**	**-**	**-**	**327,203**
Other	71,409	**6,349**	**-**	**(39,131)**	**24,686**
	1,619,976	**1,195,104**	**3,612**	**(963,841)**	**1,310,802**
Jointly controlled entities					
Endemol Globo S.A.	409	**-**	**-**	**(2,345)**	**2,345**
Telecine Programação de Filmes Ltda.	163,441	**-**	**-**	**(84,500)**	**104,485**
	163,850	**-**	**-**	**(86,845)**	**106,830**
Other investments	1,140	**-**	**-**	**-**	**-**
Total	1,784,966	**1,195,104**	**3,612**	**(1,050,686)**	**1,417,632**
Provision for losses on investments					
Subsidiaries					
Worldwide Financial Trading Limited	(60,243)	**-**	**-**	**-**	**(1,207)**
Pluris Participações Ltda.	(22,235)	**18,302**	**-**	**-**	**(4,069)**
Editora Globo	-	**-**	**-**	**-**	**(10,216)**
Sigla - Sistema Globo de Gravações Audiovisuais da Amazônia Ltda.	(544)	**-**	**-**	**-**	**(25)**
Other	(1,297)	**4,173**	**-**	**-**	**(2,905)**
Total	(84,319)	**22,475**	**-**	**-**	**(18,422)**

Globo Comunicação e Participações S.A.

Notes to the financial statements (Continued)
December 31, 2014 and 2013
(In thousands of Brazilian reais, except when otherwise indicated)

11. Investments at equity method (Continued)

	Parent Company				
	December 31, 2012	Capital contribution	Foreign translation adjustment	Dividends/ interest on capital	Equity gain (loss)
Investments					
Subsidiaries					
Globosat Programadora Ltda.	384,877	-	-	(612,335)	833,823
Globo International Consolidated	23,641	-	3,532	-	5,717
UGB Participações S.A.	80,788	68,659	-	-	(86,109)
Horizonte Conteúdos Ltda.	596,740	-	-	-	250,444
Other	104,639	37,744	-	(11,717)	(59,257)
	1,190,685	106,403	3,532	(624,052)	944,618
Jointly controlled entities					
Endemol Globo S.A.	585	-	-	(2,341)	2,165
Telecine Programação de Filmes Ltda.	130,391	-	-	(53,500)	86,550
	130,976	-	-	(55,841)	88,715
Other investments	1,140	-	-	-	-
Total	1,322,801	106,403	3,532	(679,893)	1,033,333
Provision for losses on investments					
Subsidiaries					
Worldwide Financial Trading Limited	(50,956)	-	-	-	(9,287)
Pluris Participações Ltda.	-	-	-	-	(22,235)
Sigla - Sistema Globo de Gravações Audiovisuais da Amazônia Ltda.	(2,112)	1,570	-	-	(2)
Other	(3,007)	3,013	-	-	(1,303)
Total	(56,075)	4,583	-	-	(32,827)

(In thousands of Brazilian reais, except when otherwise indicated)

11. Investments at equity method (Continued)

	Consolidated			
	December 31, 2013	**Dividends/ interest on capital**	**Equity gain (loss)**	**December 31, 2014**
Investments				
Jointly controlled entities				
Canal Brazil S.A.	21,756	**(15,113)**	**15,477**	**22,120**
Endemol Globo S.A.	409	**(2,345)**	**2,345**	**409**
PB Brasil Entretenimento S.A.	13,990	**(26,261)**	**24,570**	**12,299**
Telecine Programação de Filmes Ltda.	163,441	**(84,500)**	**104,485**	**183,426**
	199,596	**(128,219)**	**146,877**	**218,254**
Associates				
NBCUniversal Networks International Brasil Programadora S.A.	33,434	**(38,770)**	**39,040**	**33,704**
	33,434	**(38,770)**	**39,040**	**33,704**
Other investments	1,583	**-**	**-**	**1,583**
Total	234,613	**(166,989)**	**185,917**	**253,541**
Provision for losses on investments				
Associates	-	**-**	**(2)**	**(2)**
Total	-	**-**	**(2)**	**(2)**

	Consolidated				
	December 31, 2012	**Acquisitions**	**Dividends/ interest on capital**	**Equity gain (loss)**	**December 31, 2013**
Investments					
Jointly controlled entities					
Canal Brazil S.A.	19,524	-	(9,015)	11,247	21,756
Endemol Globo S.A.	585	-	(2,341)	2,165	409
PB Brasil Entretenimento S.A.	12,960	-	(21,264)	22,294	13,990
Telecine Programação de Filmes Ltda.	130,391	-	(53,500)	86,550	163,441
	163,460	-	(86,120)	122,256	199,596
Associates					
NBCUniversal Networks International Brasil Programadora S.A.	28,844	-	(25,080)	29,670	33,434
	28,844	-	(25,080)	29,670	33,434
Other investments	1,596	14	-	(27)	1,583
Total	193,900	14	(111,200)	151,899	234,613
Provision for losses on investments					
Associates					
Temparque S.A.	(178)	-	-	178	-
Total	(178)	-	-	178	-

(In thousands of Brazilian reais, except when otherwise indicated)

11. Investments at equity method (Continued)

The summary of the financial statements of the jointly controlled entities and associates for December 31
follows:

Joint controlled entities	NBCU Brasil		Telecine		Endemol Globo		PB Brasil
	2014	2013	2014	2013	2014	2013	2014
Assets							
Current assets	**111,444**	103,984	**471,877**	331,252	**3,319**	2,733	**31,323**
Non-current assets	**25,379**	20,649	**18,012**	17,514	**268**	275	**3,970**
Total	**136,823**	124,633	**489,889**	348,766	**3,587**	3,008	**35,293**
Liabilities and equity							
Current liabilities	**55,876**	52,822	**182,276**	83,395	**748**	2,169	**14,643**
Non-current liabilities	**9,991**	1,425	**5,907**	3,635	**-**	21	**152**
Equity	**70,956**	70,386	**301,706**	261,736	**2,839**	818	**20,498**
Total	**136,823**	124,633	**489,889**	348,766	**3,587**	3,008	**35,293**
Net revenues	**213,183**	179,815	**1,092,259**	924,589	**13,232**	8,328	**92,104**
Cost of sales and services	**(53,994)**	(47,492)	**(661,575)**	(555,472)	**(503)**	(9)	**(19,339)**
Operating expenses	**(38,876)**	(34,978)	**(134,679)**	(121,504)	**(3,119)**	(3,113)	**(13,206)**
Net interest (expense) income	**1,406**	(1,537)	**20,691**	13,213	**273**	159	**2,241**
Income tax and social contribution	**(39,385)**	(32,384)	**(107,726)**	(87,727)	**(1,267)**	(1,036)	**(20,738)**
Net income for the year	**82,334**	63,424	**208,970**	173,099	**8,616**	4,329	**41,062**

(In thousands of Brazilian reais, except when otherwise indicated)

12. Property, plant and equipment

		Parent Company			
	Annual depreciation rate	2014			2013
		Cost	Accumulated depreciation	Net	Net
Buildings and improvements	2.5%	2,343,611	(1,223,313)	1,120,298	1,073,728
Studio and transmission equipment	10%	1,605,920	(904,408)	701,512	526,216
Computer equipment and software	20%	276,068	(199,748)	76,320	68,684
Land	-	291,432	-	291,432	239,447
Construction in progress	-	227,421	-	227,421	196,873
Other	10% and 20%	428,764	(284,247)	144,517	112,835
Total		5,173,216	(2,611,716)	2,561,500	2,217,783

		Consolidated			
	Annual depreciation rate	2014			2013
		Cost	Accumulated depreciation	Net	Net
Buildings and improvements	2.5%	2,427,637	(1,233,403)	1,194,234	1,150,720
Studio and transmission equipment	10%	1,906,788	(1,070,523)	836,265	651,727
Computer equipment and software	20%	383,832	(265,343)	118,489	103,710
Land	-	311,122	-	311,122	259,137
Construction in progress	-	242,850	-	242,850	202,067
Other	10% and 20%	510,571	(327,317)	183,254	158,658
Total		5,782,800	(2,896,586)	2,886,214	2,526,019

(In thousands of Brazilian reais, except when otherwise indicated)

12. Property, plant and equipment (Continued)

Changes in Property, plant and equipment for the years ended December 31, 2014 and 2013 are as follo

	Parent Company				
2014	**December 31, 2013**	**Acquisitions**	**Disposals**	**Depreciation**	**Tr**
Buildings and improvements	1,073,728	**-**	**(348)**	**(33,925)**	
Studio and transmission equipment	526,216	**269,617**	**(1,157)**	**(96,586)**	
Computer equipment and software	68,684	**33,150**	**(119)**	**(28,314)**	
Land	239,447	**100,895**	**(48,910)**	**-**	
Construction in progress	196,873	**145,404**	**-**	**-**	(
Other	112,835	**30,146**	**(1,277)**	**(24,859)**	
Total of property, plant and equipment	2,217,783	**579,212**	**(51,811)**	**(183,684)**	

	Parent Company				
2013	**December 31, 2012**	**Acquisitions**	**Disposals**	**Depreciation**	**Tr**
Buildings and improvements	1,015,820	-	-	(32,386)	
Studio and transmission equipment	429,731	168,878	(1,115)	(74,334)	
Computer equipment and software	70,246	19,471	(515)	(26,447)	
Land	238,533	-	-	-	
Construction in progress	184,291	125,607	-	-	(
Other	98,991	22,686	(146)	(21,528)	
Total of property, plant and equipment	2,037,612	336,642	(1,776)	(154,695)	

(In thousands of Brazilian reais, except when otherwise indicated)

12. Property, plant and equipment (Continued)

2014	December 31, 2013	Consolidated Acquisitions	Disposals	Depreciation	Transfers
Buildings and improvements	1,150,720	**158**	**(348)**	**(37,139)**	**80,843**
Studio and transmission equipment	651,727	**278,721**	**(962)**	**(130,977)**	**37,756**
Computer equipment and software	103,710	**49,017**	**(240)**	**(41,738)**	**7,671**
Land	259,137	**100,895**	**(48,910)**	**-**	**-**
Construction in progress	202,067	**190,122**	**(4)**	**-**	**(149,335)**
Other	158,658	**34,122**	**(765)**	**(31,937)**	**23,065**
Total of property, plant and equipment	2,526,019	**653,035**	**(51,229)**	**(241,791)**	**-**

2013	December 31, 2012	Consolidated Acquisitions	Disposals	Depreciation
Buildings and improvements	1,051,319	43,381	(350)	(34,089)
Studio and transmission equipment	552,834	182,895	(3,450)	(104,880)
Computer equipment and software	101,808	32,045	(734)	(37,800)
Land	258,223	-	-	-
Construction in progress	193,168	148,105	47	-
Other	151,225	29,096	(5,696)	(31,128)
Total of property, plant and equipment	2,308,577	435,522	(10,183)	(207,897)

(In thousands of Brazilian reais, except when otherwise indicated)

13. Intangibles

Changes in the intangible assets for the years ended December 31, 2014 and 2013 are as follows:

	Annual amortization rate	Parent Company				
		December 31, 2013	Acquisitions	Amortization	Other	December 31, 2014
Finite useful lives						
Software	**20%**	90,725	**26,232**	**(33,174)**	**25**	**83,808**
Other	**-**	1,863	**-**	**-**	**-**	**1,863**
Total		92,588	**26,232**	**(33,174)**	**25**	**85,671**
Indefinite useful lives						
Goodwill						
Debt restructuring goodwill		836,343	**-**	**-**	**-**	**836,343**
Globosat Programadora Ltda.		23,985	**-**	**-**	**-**	**23,895**
Total		860,238	**-**	**-**	**-**	**860,238**
		952,826	**26,232**	**(33,174)**	**25**	**945,909**

	Annual amortization rate	Parent Company				
		December 31, 2012	Acquisitions	Amortization	Other	December 31, 2013
Finite useful lives						
Software	**20%**	83,022	39,235	(31,492)	(40)	90,725
Other	**-**	1,863	-	-	-	1,863
Total		84,885	39,235	(31,492)	(40)	92,588
Indefinite useful lives						
Goodwill						
Debt restructuring goodwill		836,343	-	-	-	836,343
Globosat Programadora Ltda.		23,895	-	-	-	23,985
Total		860,238	-	-	-	860,238
		945,123	39,235	(31,492)	(40)	952,826

(In thousands of Brazilian reais, except when otherwise indicated)

13. Intangibles (Continued)

	Annual amortization rate	Consolidated			
		December 31, 2013	Acquisitions	Amortization	Business combination
Finite useful lives					
Software	**20%**	118,894	**35,614**	**(43,509)**	**2,443**
Trademarks and patents	**5%**	17,492	**25**	**(703)**	**19**
Other	**20%**	19,508	**8**	**(602)**	**-**
Total		155,894	**35,647**	**(44,814)**	**2,462**
Indefinite useful lives					
Goodwill					
Debt restructuring goodwill		836,343	**-**	**-**	**-**
Globosat Programadora Ltda.		23,895	**-**	**-**	**-**
Zap S.A. Internet		67,507	**-**	**-**	**-**
Pense Imóveis Serviços de Internet S.A. (*)		-	**-**	**-**	**27,377**
Total		927,745	**-**	**-**	**27,377**
		1,083,639	**35,647**	**(44,814)**	**29,839**

(*) As described in Note 3, in December 2014, the subsidiary Zap acquired Pense and the fair value evaluation of the assets acquired and liabilities assumed are st
excess over net assets paid, in the amount of R$27,377, are recorded as intangibles - goodwill.

Globo Comunicação e Participações S.A.

Notes to the financial statements (Continued)
December 31, 2014 and 2013
(In thousands of Brazilian reais, except when otherwise indicated)

13. **Intangibles** (Continued)

	Annual amortization rate	Consolidated			
		December 31, 2012	Acquisitions	Amortization	Disposals/ Impairment
Finite useful lives					
Software	**20%**	106,409	52,833	(39,961)	(561)
Trademarks and patents	**5%**	7,098	14,072	(547)	(3,131)
Other	**20%**	13,741	12,213	(2,543)	(4,584)
Total		127,248	79,118	(43,051)	(8,276)
Indefinite useful lives					
Goodwill					
Debt restructuring goodwill		836,343	-	-	-
Globosat Programadora Ltda.		23,895	-	-	-
Zap S.A. Internet (*)		-	67,507	-	-
Mosaico Negócios de Internet S.A.		3,591	-	-	(3,591)
Mundi Negócios de Internet Ltda.		16,205	-	-	(16,205)
Valônia Serviços de Intermediação e Participações S.A.		52,943	-	-	(52,943)
Gazzag Serviços de Internet Ltda.		30,191	-	-	(30,191)
Trade Network Participações Ltda.		8,843	-	-	(8,843)
Outplan Sistemas S.A.		5,023	-	-	(9,423)
Total		977,034	67,507	-	(121,196)
		1,104,282	146,625	(43,051)	(129,472)

(*) In June 6, 2013, Organizações Globo Participações S.A., the controlling shareholder of the Company, made a capital contribution in UGB Participações S.A., a w
with its investment in Zap, in the amount of approximately R$102,000, compounded mainly by intangible assets, as goodwill, trademarks and customer relations

(In thousands of Brazilian reais, except when otherwise indicated)

13. Intangibles (Continued)

Globo internally generated intangibles assets, such as trademarks which are not recognized as assets.

Impairment tests for goodwill

Goodwill is allocated to the related entity that originated the goodwill, which are considered the lowest levels of cash generating units (CGU). Globo's cash-generating units are identified according to its operating segment. An operating segment-level summary of the goodwill allocation is presented below.

Segments	2014	2013
Television	**860,238**	860,238
Internet	**94,884**	67,507
Total	**955,122**	927,745

The recoverable amount of a CGU is determined based on value-in-use calculations using pre-tax cash flow projections based on financial budgets approved by management covering a five-year period, and considers assumptions consistent with current macroeconomics indexes.

Regarding the revenues projections, the Company considers the expected growth of advertising market and projected market share of each segment.

Concerning the costs and operating expenses, the Company considers the historical figures of its operations and also the growth expected with acquisition of sport and transmission rights, license agreement, and development of content and programming, etc.

Additionally, the projections of capital investments are estimated based on the assumption of maintenance of the current level of operation and also for the updating to the newest standards of technology for production, programming and transmission.

The discount rate used (14.5% in 2014) is pre-tax and reflect specific risks relating to the relevant operating segments.

(In thousands of Brazilian reais, except when otherwise indicated)

14. Debt

The outstanding debt as of December 31, 2014 and 2013 are comprised as follows:

	Parent Company					
	2014			2013	Interest rate	
Description	**Short-term**	**Long-term**	**Total**	**Total**	**per year**	**Maturities**
Local currency						
Bank credit notes (CCB)	**186**	**225,000**	**225,186**	-	**95% CDI**	**December 2016 to June 2024**
Total	**186**	**225,000**	**225,186**	-		
Foreign currency *						
Perpetual Notes	**10,491**	**863,265**	**873,756**	770,597	**6.25%**	
US$ 200MM NC5 Senior Notes	**3,837**	**531,240**	**535,077**	471,904	**5.307%**	**May 2022**
US$ 300MM Senior Notes	**8,525**	**796,860**	**805,385**	710,299	**4.875%**	**April 2022**
Total	**22,853**	**2,191,365**	**2,214,218**	1,952,800		
Total	**23,039**	**2,416,365**	**2,439,404**	1,952,800		

	Consolidated					
	2014			2013	Interest rate	
Description	**Short-term**	**Long-term**	**Total**	**Total**	**per year**	**Maturities**
Local currency						
Bank credit notes (CCB)	**186**	**225,000**	**225,186**	-	**95% CDI**	**December 2016 to June 2024**
Other bank loans	**30,338**	**-**	**30,338**	21,971	**Various**	
Total	**30,524**	**225,000**	**255,524**	21,971		
Foreign currency *						
Perpetual Notes	**10,491**	**863,265**	**873,756**	770,597	**6.25%**	
US$200MM NC5 Senior Notes	**3,837**	**531,240**	**535,077**	471,904	**5.307%**	**May 2022**
US$300MM Senior Notes	**8,525**	**796,860**	**805,385**	710,299	**4.875%**	**April 2022**
Finimp	**15,850**	**-**	**15,850**	-	**Various**	**January 2015 to June 2015**
Total	**38,703**	**2,191,365**	**2,230,068**	1,952,800		
Total	**69,227**	**2,416,365**	**2,485,592**	1,974,771		

(*) The Perpetual Notes and the U$200MM NC5 Senior Notes have quarterly and semiannually call options starting on July 20, 2015 and on May 11, 2017, respectively.

There are no guarantees related to the debt at December 31, 2014.

On June 27, 2014, the Company entered into a financing contract (CCB) with Itaú Unibanco S.A. in the amount of R$225,000 which will be repaid in semi-annually installments from December 27, 2016 to June 27, 2024, with the specific purpose of financing the expansion, renovation or construction of property owned by the Company. The financing contract has interests of 95% of the CDI (interbank deposit rate) that will be payable semi-annually commencing on December 29, 2014 and will mature on June 27, 2024.

(In thousands of Brazilian reais, except when otherwise indicated)

14. Debt (Continued)

The indexes associated with outstanding consolidated debt, as of December 31, 2014, are as follows:

	December 31, 2014
CDI (Interbank deposit rate)	11.57
Dollar (R$/US$ PTAX Central Bank)	2.6562

15. Provision for contingencies

Globo is a defendant in several judicial tax, civil and labor. Based on the opinion of Globo's internal and independent legal counsel, Management recognizes provision for contingencies in amount considered sufficient to cover probable losses resulting from such proceedings.

Changes in contingencies are summarized as follows:

	Parent Company				
	2014				2013
	Tax proceedings	Labor claims	Civil proceedings	Total	Total
Balances at the beginning of the year	79,367	89,377	29,187	197,931	317,197
Additions net of reversals	(8,532)	3,789	3,286	(1,457)	21,044
Offset with legal deposits	-	-	(584)	(584)	(112,943)
Payments	(4,981)	(8,246)	(2,089)	(15,316)	(31,818)
Monetary variation	-	4,759	-	4,759	4,451
Balances at the end of the year	65,854	89,679	29,800	185,333	197,931

	Consolidated				
	2014				2013
	Tax proceedings	Labor claims	Civil proceedings	Total	Total
Balances at the beginning of the year	89,790	103,882	36,593	230,265	353,288
Additions net of reversals	(11,079)	12,194	6,254	7,369	21,389
Offset with legal deposits	-	-	(955)	(955)	(112,943)
Payments	(7,353)	(12,737)	(7,006)	(27,096)	(36,530)
Monetary variation	18	4,932	228	5,178	5,061
Balances at the end of the year	71,376	108,271	35,114	214,761	230,265

15. Provision for contingencies (Continued)

In November 2014, the Secretary of the Treasury of the State of Rio de Janeiro imposed two tax assessments of approximately R$799,000 claiming that ICMS tax should be levied on advertising revenue insertion from its Pay TV channel Globonews and from the internet portal Globo.com, for the period from 2009 to 2013, claiming the legal framework of this revenue as communication service. Company has presented its administrative defense and is now waiting the judgment. The Company, based on opinions of internal and independent legal counsel, believes that a favorable outcome is possible and, therefore, no provision has been recorded.

Refinancing Tax Program - Law 11.941/09

On May 27, 2009, Brazilian government enacted the Law 11.941/09, which amended the tax legislation regarding the payment of tax debts due up to November 30, 2008. The law launched a Refinancing Tax Program and granted certain benefits, such as reduction of penalty and interest depending on the payment form.

Additionally, Law 11.941/09 allows the companies to pay the interest through its tax loss carryforward and negative basis of social contribution.

On October 09, 2013, the adherence period was reopened until December 31, 2013 through the Law 12.865/13.

On June 18, 2014, the program was reopened again until August 25, 2014, through the Law 12.996/14, and included tax debts due up to December 31, 2013.

(In thousands of Brazilian reais, except when otherwise indicated)

15. Provision for contingencies (Continued)

Refinancing Tax Program - Law 11.941/09 (Continued)

Management evaluated the benefits granted by this refinancing tax program and included the following matters in the refinancing program:

2014

Description		Tax debit amount (*)	Reduction of penalty and interest (**)	Total amount to be paid	Payment: In cash	Payment: Offset of negative basis of social contribution	Payment: In installments
Income tax and social contribution - deductibility of goodwill (parent company)	(a)	**1,792,828**	**(711,601)**	**1,081,227**	**1,081,227**	**-**	**-**
Income tax and social contribution - deductibility of goodwill (subsidiary)	(b)	**460,171**	**(243,824)**	**216,347**	**216,347**	**-**	**-**
Other		**5,749**	**(1,653)**	**4,096**	**1,055**	**2,250**	**791**
Subtotal		**2,258,748**	**(957,078)**	**1,301,670**	**1,298,629**	**2,250**	**791**
Tax liability already recorded				**(2,194)**			
Tax liability recorded in 2014				**1,299,476**			

(*) These amounts were calculated in accordance with the criteria established at the system of the Secretaria da Receita Federal do Brasil (Brazilian Tax Authority).

(**) According to Law 11.941/09, given the tax debit was paid in one installment, 100% of penalties were waived and the interest charges were reduced by 45%.

(a) This refers to a tax assessment imposed in 2009 by the Brazilian tax authorities to the Company to pay income tax and social contribution related mainly to the amount of goodwill recorded in excess upon the acquisition of investments in one of its subsidiaries in 2005, which was amortized and used for determination of taxable profit in the calendar-years from 2005 to 2008. Additionally, in 2014, the Brazilian tax authorities imposed a tax assessment related to the same matter above, for the calendar-years 2009 and 2010. The Company, based on opinions of internal and independent legal counsel, believed that a favorable outcome was possible and, therefore, no provision had been recorded in previous years.

(b) This refers to a tax assessment imposed in 2010 and 2012 by the Brazilian tax authorities to the subsidiary Globosat, mainly related to the deductibility of goodwill originated in 2004 and amortized for determination of taxable profit from 2004 to 2008. Based on opinions of its internal and independent legal counsel, Management believed that a favorable outcome was possible and, therefore, no provision had been recorded in previous years.

In the third quarter of 2014, upon recognition of this Refinancing Tax Program, Globo recorded a total net expense of R$1,299,476, of which R$354,367 against financial expenses and R$945,109 against income tax and social contribution.

(In thousands of Brazilian reais, except when otherwise indicated)

15. Provision for contingencies (Continued)

Refinancing Tax Program - Law 11.941/09 (Continued)

2013

					Payment	
Description		**Tax debit amount (*)**	**Reduction of penalty and interest (**)**	**Total amount to be paid**	**Offset of negative basis of social contribution**	**In cash**
Social security contributions (INSS)	(a)	122,052	(43,351)	78,701	-	78,701
Income tax	(b)	42,754	(18,681)	24,073	385	23,688
Other		1,254	(445)	809	154	655
Total		166,060	(62,477)	103,583	539	103,044

(*) These amounts were calculated in accordance with the criteria established at the system of the Secretaria da Receita Federal do Brasil (Brazilian Tax Authority).

(**) According to Law 11941/09, since the tax debt was paid in one installment, 100% of penalties are waived, and interest charges were reduced by 45%.

(a) This refers to assessments of social security contributions (“INSS”) in connection with payment of services rendered by certain legal entities from December 2002 to December 2005. The Company’s internal and independent legal counsel has estimated the probability of loss as possible and, thus, no provision had been recorded before.

(b) This refers to an assessment in connection with offsets of tax loss carryforwards in merger transactions with no limit of 30% of taxable profit as established by current legislation. The Company’s internal and independent legal counsel estimated the probability of loss as possible and, thus, no provision had been recorded before.

In the fourth quarter of 2013, upon recognition of this Refinancing Tax Program, the Globo Group recorded a total net expense R$103,583, which was fully paid in December 2013, of which R$50,360 against operating expenses, R$38,819 against financial expenses and R$14,404 against income tax.

16. Commitments

In connection with its operational activities, Globo has commitments related to acquisition of transmission and exhibition rights, including live events, films, documentaries, television series and other rights.

(In thousands of Brazilian reais, except when otherwise indicated)

16. Commitments (Continued)

The main commitments agreed by Globo for the following years, and not registered are summarized below:

	Within one year	After one year and less than five years	After five years	Total
Transmission and exhibition rights	**2,303,848**	**7,357,848**	**3,043,249**	**12,704,945**

These commitments refer mainly to sports events, such as National Brazilian Soccer and Regional championships, FIFA World Cup, F1 car racing, Olympics games, among others.

Additionally, Globo rents equipment and properties from third parties in connection with its in-house production television programming of soap-operas, mini-series, series and other television programs. In the year ended December 31, 2014, Globo incurred in expenses amounting approximately to R$387,500 (approximately R$296,000 in 2013).

17. Equity

Capital

Company's capital at December 31, 2014 and 2013, is represented by 1,000,000 shares, of which 333,335 are common shares and 666,665 are preferred shares, all without par value.

Under Company's by-laws, only the holders of common shares are entitled to vote. Specific rights are guaranteed to the non-voting preferred shares, such as priority over the proceeds in the event of Company's liquidation.

Earnings reserves

In accordance with Brazilian Corporate Law, the legal reserve, which is intended to ensure the integrity of capital and may only be used to offset losses or increase the capital, is set up on an annual basis at 5% of the net income for the year and it cannot exceed 20% of the capital stock.

The Bylaws provide for the distribution of mandatory dividends of 25% of net income for the year, adjusted in compliance with article 202 of Law 6.404/76.

(In thousands of Brazilian reais, except when otherwise indicated)

17. **Equity** (Continued)

Earnings reserves (Continued)

Minimum mandatory dividends are recognized as liability at year-end. Additional dividends are recognized in period in which the dividends are approved by the shareholders.

In December 2014 and 2013, Company's Management proposed a distribution of the net income, as follows:

Segments	2014	2013
Net income for the year	**2,353,192**	2,582,830
Legal reserve	**(117,660)**	(129,141)
	2,235,532	2,453,689
Minimum mandatory dividends	**(558,883)**	(613,422)
Retained earnings reserves	**1,676,649**	1,840,267

Dividends

During the year ended December 31, 2014 the Company paid R$3,460,261 of dividends (R$2,523,261 from the amount recorded as liabilities and R$937,000 from the retained earnings reserves, according to the distribution approved by the Shareholders' General Meeting on August 25, 2014).

At December 31, 2014, dividends payable to shareholders amounted to R$559,994 (R$2,524,372 at December 31, 2013) recorded as current liabilities.

On January 6, 2015, the Shareholders' General Meeting approved the distribution of R$718,920 of dividends to the account of retained earnings reserves.

(In thousands of Brazilian reais, except when otherwise indicated)

18. Net revenues

	Parent Company		Consolidated	
	2014	2013	2014	2013
Third parties				
Gross revenues	**12,126,029**	10,776,055	**17,373,710**	15,450,449
Taxes	**(622,180)**	(441,364)	**(1,083,746)**	(851,772)
Other deductions	**(47,654)**	(29,556)	**(207,465)**	(101,767)
	11,456,195	10,305,135	**16,082,499**	14,496,910
Related parties				
Gross revenues	**492,729**	422,518	**186,772**	160,698
Taxes	**(45,277)**	(32,122)	**(24,677)**	(20,939)
Other deductions	**(13,967)**	(2,171)	**(711)**	(926)
	433,485	388,225	**161,384**	138,833
Net revenues	**11,889,680**	10,693,360	**16,243,883**	14,635,743

19. Financial income and financial expense

	Parent Company		Consolidated	
	2014	2013	2014	2013
Financial income	**723,452**	706,830	**918,148**	749,845
Financial expense	**(761,777)**	(489,111)	**(875,402)**	(530,048)
Financial income, net	**(38,325)**	217,719	**42,746**	219,797

The financial income (expense), net for the years ended December 31, 2014 and 2013 are comprised as follows:

	Parent Company			
	2014			2013
	Interest	Monetary and exchange variation	Total	Total
Financial income				
Income	**615,764**	**305**	**616,069**	682,532
Discounts obtained	**1,097**	**-**	**1,097**	548
Dividends from available for sale investments	**81,752**	**-**	**81,752**	-
Fair value of equity investments	**-**	**-**	**-**	20,017
Other	**608**	**15,248**	**15,856**	3,733
Financial expense				
Interest on debt	**(125,209)**	**(260,373)**	**(385,582)**	(345,540)
Discounts granted	**(17,582)**	**-**	**(17,582)**	(13,166)
Refinancing Tax Program (Note 15)	**(272,607)**	**-**	**(272,607)**	(37,191)
Other	**(64,349)**	**(20,349)**	**(84,698)**	(101,722)
Net financial income - related parties (Note 7)	**648**	**6,721**	**7,370**	8,508
	220,122	**(258,448)**	**(38,325)**	217,719

(In thousands of Brazilian reais, except when otherwise indicated)

19. Financial income and financial expense (Continued)

	Consolidated			
	2014			2013
	Interest	Monetary and exchange variation	Total	Total
Financial income				
Income	**805,688**	**305**	**805,993**	720,994
Discounts obtained	**4,988**	**-**	**4,988**	3,606
Dividends from available for sale investments	**81,752**	**-**	**81,752**	-
Fair value of equity investments	**-**	**-**	**-**	20,017
Other	**4,065**	**21,350**	**25,415**	5,228
Financial expense				
Expense from debt	**(125,540)**	**(260,373)**	**(385,913)**	(346,385)
Discounts granted	**(27,835)**	**-**	**(27,835)**	(23,700)
Refinancing Tax Program (Note 15)	**(354,367)**	**-**	**(354,367)**	(38,819)
Other	**(71,220)**	**(34,521)**	**(105,741)**	(119,739)
Net financial expense - related parties (Note 7)	**(1,546)**	**-**	**(1,546)**	(1,405)
	315,985	**(273,239)**	**42,746**	219,797

20. Investment results

	Parent Company		Consolidated	
	2014	2013	2014	2013
Losses related to Internet service activity (a)	**-**	-	**(15,534)**	(109,664)
Losses related to Promotions and events activity (b)	**-**	-	**-**	(17,928)
Gain on sale of subsidiary	**10,534**	-	**10,534**	-
Other	**-**	(5,311)	**9,650**	(5,168)
	10,534	(5,311)	**4,650**	(132,760)

(a) Refers to loss on sale of the Company´s subsidiaries Valônia, Mosaico, Gazeus, Gazzag and Mundi in November 2013 and January, 2014.
(b) At the end of 2013, the Company ceased the promotion and events activities and recognized an impairment loss of the related assets.

(In thousands of Brazilian reais, except when otherwise indicated)

21. Financial instruments

21.1. Financial instruments by category

The classification and measurement of the main Globo's financial assets by category are as follows

	Parent Company						
	December 31, 2014					Dece	
Financial assets	Receivables	At fair value through the profit and loss	Available for sale	Held to maturity	Total	Receivables	At fair value through the profit and loss
Cash and cash equivalents	**-**	**1,973,263**	**-**	**-**	**1,973,263**	-	2,202,031
Marketable securities	**-**	**3,193,040**	**-**	**188,505**	**3,381,545**	-	5,469,196
Trade receivables	**1,116,249**	**-**	**-**	**-**	**1,116,249**	1,252,312	-
Available for sale investments (*)	**-**	**-**	**1,188,936**	**-**	**1,188,936**	-	-
	1,116,249	**5,166,303**	**1,188,936**	**188,505**	**7,659,993**	1,252,312	7,671,227

	Consolidated						
	December 31, 2014					Dece	
Financial assets	Receivables	At fair value through the profit and loss	Available for sale	Held to maturity	Total	Receivables	At fair value through the profit and loss
Cash and cash equivalents	**-**	**2,526,744**	**-**	**-**	**2,526,744**	-	2,622,652
Marketable securities	**-**	**4,537,853**	**-**	**688,184**	**5,226,037**	-	5,664,748
Trade receivables	**1,360,247**	**-**	**-**	**-**	**1,360,247**	1,553,455	-
Available for sale investments (*)	**-**	**-**	**1,188,936**	**-**	**1,188,936**	-	-
	1,360,247	**7,064,597**	**1,188,936**	**688,184**	**10,301,964**	1,553,455	8,287,400

(*) At December, 31 2014, fair value of the investments in Sky Brasil and Claro was determined using a discounted cash flow analysis (Level 3 inputs) sinc market. See Note 10 about the merger of Net Serviços into Claro.

(In thousands of Brazilian reais, except when otherwise indicated)

21. Financial instruments (Continued)

21.1. Financial instruments by category (Continued)

The fair value of all securities is based on their current bid prices in an active market. There are no guarantees for customers' credits.

The counterparties without external credit rating, in most cases, are the customers. That credits has the management valuation to define the credit risk. This valuation is based on historical information about counterparties, time of payment in arrears, relevance of the account receivable and individually renegotiation.

The financial liabilities are classified and measured at amortized cost, as follows:

	Parent Company		Consolidated	
	Amortized cost		Amortized cost	
Financial liabilities	**2014**	**2013**	**2014**	**2013**
Debt	**2,439,404**	1,952,800	**2,485,592**	1,974,771
Accounts payable	**874,659**	917,958	**1,269,513**	1,217,160
Payables to related parties	**576,547**	2,556,821	**596,342**	2,609,613
	3,890,610	5,427,579	**4,351,447**	5,801,544

The fair value of the debt at December 31, 2014 and 2013 are as follows:

	Parent Company			
	2014		2013	
Description	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Local currency loans	**225,186**	**225,186**	-	-
Foreign currency loans	**2,214,218**	**2,283,636**	1,952,800	2,001,390
	2,439,404	**2,508,822**	1,952,800	2,001,390

	Consolidated			
	2014		2013	
Description	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Local currency loans	**255,524**	**255,523**	21,971	21,971
Foreign currency loans	**2,230,068**	**2,299,486**	1,952,800	2,001,390
	2,485,592	**2,555,009**	1,974,771	2,023,361

21. Financial instruments (Continued)

21.1. Financial instruments by category (Continued)

The local currency debt is not traded and the interest rates are consistent with current market conditions, therefore the market values informed approximate their carrying values. The fair value of the foreign currency debt was calculated based on the secondary market with a market face value of 102.06% for the Perpetual Notes, 104.93% for the US$200 million NC5 Senior Notes and 103.19% for the US$300 million Senior Notes.

The following is a summary of Globo's risk management strategies and their effect on its consolidated financial statements.

21.1.1. Financial risk factors

Globo's activities expose it to a variety of financial risks, such as: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. Globo's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. Globo uses derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out by a corporate treasury department (Company Treasury) under policies approved by the Board. Company Treasury identifies, evaluates and hedges financial risks in close co-operation with the operating units. Globo provides principles for overall financial risk management, covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(In thousands of Brazilian reais, except when otherwise indicated)

21. Financial instruments (Continued)

21.1. Financial instruments by category (Continued)

21.1.2. Market risk

21.1.2.1. *Foreign currency risk*

Globo is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. dollar. The foreign exchange exposure arises mainly from long-term debt, certain accounts payable, commitments to purchase programming rights denominated in foreign currencies and net investments in foreign operations.

Management has set up a policy to manage their foreign exchange risk against their functional currency, and hedges part of the foreign exchange risk exposure with certain derivative instruments, as described ahead.

The currency exposure arising from investments in foreign operations is insignificant.

Globo is exposed to the effects of exchange rate variations that could adversely impact their cash flows, financial position and operations, regarding the assets and liabilities, as follows:

	Parent Company	
	2014	**2013**
Liabilities		
Debt denominated in US dollars	**2,214,218**	1,952,800
Accounts payable denominated in US dollars	**104,937**	132,069
Currency exposed liabilities	**2,319,155**	2,084,869
Assets		
Cash and cash equivalent denominated in US dollars	**(19,658)**	(8,625)
Other assets denominated in foreign currencies, mostly accounts receivable	**(160,646)**	(103,719)
Currency exposed assets	**(180,304)**	(112,344)
Currency exposure	**2,138,851**	1,972,525

(In thousands of Brazilian reais, except when otherwise indicated)

21. Financial instruments (Continued)

21.1. Financial instruments by category (Continued)

21.1.2. Market risk (Continued)

21.1.2.1. *Foreign currency risk* (Continued)

	Consolidated	
	2014	**2013**
Liabilities		
Debt denominated in US dollars	**2,230,069**	1,952,800
Accounts payable denominated in US dollars	**153,066**	159,611
Currency exposed liabilities	**2,383,135**	2,112,411
Assets		
Cash and cash equivalent denominated in US dollars	**(27,218)**	(31,316)
Other assets denominated in foreign currencies, mostly accounts receivable	**(184,467)**	(203,102)
Currency exposed assets	**(211,685)**	(234,418)
Currency exposure	**2,171,450**	1,877,993

21.1.2.2. *Cash flow, fair value interest rate risk and price risk*

Globo has no significant interest rate risk from debt.

Globo has part of its cash held at fixed rates. However, Globo manages its cash flow interest rate risk by using fixed-to-floating interest rate swaps. These swaps mitigate the risk of losses in fixed interest rate marketable securities.

Globo has part of its cash invested in multimarket investment funds. Therefore, this portion of cash shares many of the same types of price risk as other investment classes, including fixed interest rate, variable income, among others.

21. Financial instruments (Continued)

21.1. Financial instruments by category (Continued)

21.1.3. Concentration of credit risk

Credit risk is managed on group basis. Credit risk arises from cash and cash equivalents, marketable securities, derivative financial instruments and deposits with financial institutions, outstanding receivables and committed transactions.

For banks and financial institutions, only independently rated parties with a minimum rating are accepted. Globo maintains cash and cash equivalents with various financial institutions and as a policy, it limits the exposure to each institution.

Globo's risk control assesses the credit quality of the customers, taking into account its financial position, past experience and other factors. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. Globo does not hold any collateral as security; however, believes that the concentration of credit risk associated with accounts receivable of it is not significant.

21.1.4. Liquidity risk

Cash flow forecasting is performed for all entities of Globo and aggregated by the Company Treasury, which monitors rolling forecasts of liquidity requirements to ensure it has sufficient cash to meet operational.

Surplus cash held by the operating entities over and above balance required for working capital management are managed individually by each company within the guidelines set by Company Treasury function. Surplus cash is invested in marketable securities aforementioned, choosing instruments with appropriate maturities or sufficient liquidity as determined by the forecasts.

(In thousands of Brazilian reais, except when otherwise indicated)

21. Financial instruments (Continued)

21.1. Financial instruments by category (Continued)

21.1.5. Derivative instruments

At December 31, 2014, with the objective to hedge its short term and part of the long term debt as well as some commitments in foreign currency, in addition to protect from interest rate variation, Globo has US dollar future, Forward Rate Agreement Coupon ("FRA Coupon"), Euro future, Swap contracts and Interest rate swap contracts, as summarized as follows:

	2014		2013	
	Balance	Effect in P&L	Balance	Effect in P&L
Dollar options	**-**	**-**	-	(2,107)
Dollar future contracts	**-**	**14,274**	-	136,166
Forward rate agreement coupon	**-**	**20,666**	-	(8,447)
Euro future contracts	**-**	**(4,540)**	-	5,126
Swap contracts	**43,557**	**17,219**	26,337	(948)
Interest rate swap contracts	**(15,479)**	**(15,479)**	-	-
	28,078	**32,140**	26,337	129,790

These derivatives are recorded at fair value, the balances are recorded in the marketable securities amounts, and the gains and losses are recognized in the income statements.

At December 31, 2014, there is no US dollar call option contract and no gain or loss was generated for the year ended December 31, 2014 (loss of R$2,107 for the year ended December 31, 2013).

At December 31, 2014, US dollar future contracts amounted to US$406,000 thousand (US$593,750 thousand at December 31, 2013) maturing on February 2, 2015. These contracts generated a financial gain of R$14,274 for the year ended December 31, 2014 (gain of R$136,166 for the year ended December 31, 2013).

At December 31, 2014, the FRA Coupon contracts amounted to US$340,000 thousand (US$200,000 thousand at December 31, 2013), with maturity dates on January 2, 2015 and January 2, 2016. For these contracts, Globo receives the US dollar variation plus 1.64% p.a. against CDI. These contracts generated a financial gain of R$20,666 for the year ended December 31, 2014 (loss of R$8,447 for the year ended December 31, 2013).

21. Financial instruments (Continued)

21.1. Financial instruments by category (Continued)

21.1.5. Derivative instruments (Continued)

At December 31, 2014, Euro future contracts amounted to EUR$13,750 thousand (EUR$13,750 thousand at December 31, 2013). These contracts generated a financial loss of R$4,540 for the year ended December 31, 2014 (gain of R$5,126 for the year ended December 31, 2013).

At December 31, 2014, Swap contracts amounted to US$52,360 thousand (US$38,177 thousand at December 31, 2013), for which the Globo pays 118.60% of the CDI and receives the US dollar variation against Brazilian reais, plus 10.35% p.a. These contracts generated a financial gain of R$17,219 for the year ended December 31, 2014 (loss of R$948 for the year ended December 31, 2013).

At December 31, 2014, Interest rate swap contracts amounted to US$325,000 thousand, for which Globo pays USD exchange variation plus a fixed rate of 2.3875% p.a. and receives USD exchange variation plus Libor 3M for the next five years starting on July 20th, 2015. These contracts generated a financial loss of R$15,479 for the year ended December 31, 2014.

21. Financial instruments (Continued)

21.1. Financial instruments by category (Continued)

21.1.6. Sensitivity analysis

The management prepared a sensitivity analyses for December 31, 2014, considering exchange rate variations and interest rate exposure, as follows:

Sensitivity analysis	Estimated effect on 2014 pretax income In thousands of Brazilian reais
U.S. dollar sensitivity (a)	
15% increase in U.S. dollar in relation to Brazilian real	**(971)**
40% increase in U.S. dollar in relation to Brazilian real	**(2,590)**
Interest rate sensitivity (b)	
15% increase in interest basic rate	**145,007**
40% increase in interest basic rate	**386,686**

(a) As mentioned above, Globo has a policy of hedging its short-term debt, part of its long-term debt and some commitments denominated U.S. dollar. Therefore, the exposure effect demonstrated above was calculated based on the portion regarding the assets and liabilities currency exposure, and the derivatives contracts amount. The liabilities aforementioned include the principal amount of the perpetual notes which will not necessarily result in a cash effect, since it has no maturity.

(b) This analysis was based on the average cash balance at December 31, 2014, excluding the portion of cash that it is hedging the exposure of the liabilities and commitments denominated in U.S. dollar, described in the item (a).

22. Insurance

The Company seeks coverage in the domestic and international insurance markets at levels commensurate with the Company’s size and activities.

The Company has an “All Risks” insurance policy that provides protection for all significant assets owned or for those assets that are the Company’s responsibility or are assigned to third parties, as well as against possible losses from advertising exhibition interruptions. The Company also has insurance against third-party liabilities arising from damages in the course of its activities and coverage for national and international transportation.

(In thousands of Brazilian reais, except when otherwise indicated)

23. Additional information (unaudited)

Consolidated statements of income for the three months ended December 31, 2014 and 2013:

	Consolidated	
	Three-month period ended December 31	
	2014	**2013**
Net sales, advertising and services		
Third parties	**3,998,788**	4,208,624
Related parties	**45,867**	38,851
Cost of sales, advertising and services	**(2,152,831)**	(2,285,894)
Gross profit	**1,891,824**	1,961,581
Operating expenses		
Selling	**(461,929)**	(460,349)
General and administrative	**(520,915)**	(574,017)
Loss on sale of property, plant and equipment and intangible	**499**	(4,089)
Other operating expenses	**(26,824)**	(13,893)
Operating income before financial and investments results	**882,655**	909,233
Financial income	**321,320**	264,004
Financial expense	**(285,865)**	(192,798)
Equity pick-up	**48,083**	38,186
Other investment results	**(5,579)**	(130,242)
Income before income tax and social contribution	**960,614**	888,383
Income tax and social contribution	**(228,452)**	(341,318)
Net income for the year	**732,162**	547,065
Net income attributable to		
Equity holders of the parent	**731,552**	605,675
Non-controlling interests	**610**	(58,610)
	732,162	547,065

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Independent auditors' report on financial statements

The Board of Directors and Shareholders of
Globo Comunicação e Participações S.A.
Rio de Janeiro - RJ

We have audited the accompanying individual and consolidated financial statements of Globo Comunicação e Participações S.A. ("Company"), identified as Parent Company and Consolidated, respectively, which comprise the balance sheets as at December 31, 2013, and the related statements of income, of comprehensive income, of changes in equity and cash flows for the year then ended, and a summary of significant accounting practices and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with the accounting practices adopted in Brazil, and of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and in conformity with the accounting practices adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Company's financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting practices used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on the individual financial statements

In our opinion, the individual financial statements referred to above present fairly, in all material respects, the financial position of Globo Comunicação e Participações S.A. as at December 31, 2013, its financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Globo Comunicação e Participações S.A. as at December 31, 2013, its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Emphasis of a matter

As mentioned in Note 2, the individual financial statements were prepared in accordance with the accounting practices adopted in Brazil. In the case of Globo Comunicação e Participações S.A., these practices differ from IFRS - applicable to the separate financial statements - solely with respect to the measurement of investments in subsidiaries, under the equity method, while such investments would be measured at cost or fair value for IFRS purposes. Our opinion is not qualified in this respect.

Rio de Janeiro, March 10, 2014.

ERNST & YOUNG
Auditores Independentes S.S.
CRC - 2SP 015.199/O-6 - F - RJ

Wilson J. O. Moraes
Accountant CRC - 1RJ 107.211/O-1

Mauro Moreira
Accountant CRC - 1RJ 072.056/O-2

Globo Comunicação e Participações S.A.

Statements of financial position
December 31, 2013 and 2012
(In thousands of Brazilian reais)

		Parent Company (BR GAAP)		Consolidated (BR GAAP and IFRS)	
	Note	**2013**	**2012**	**2013**	**2012**
Assets					
Current assets					
Cash and cash equivalents	**4**	**2,202,031**	846,107	**2,622,652**	1,027,722
Marketable securities	**4**	**5,726,650**	5,662,751	**6,000,255**	5,755,171
Trade receivables	**5**	**1,169,665**	961,208	**1,536,654**	1,260,450
Transmission and exhibition rights	**6**	**1,007,326**	611,773	**1,152,830**	719,112
Other		**435,320**	341,189	**605,071**	509,558
Total current assets		**10,540,992**	8,423,028	**11,917,462**	9,272,013
Non-current assets					
Marketable securities	**4**	**323,939**	275,389	**422,149**	294,898
Accounts receivable from related parties	**7**	**68,517**	45,181	**206**	1,154
Transmission and exhibition rights	**6**	**929,530**	1,022,992	**1,289,506**	1,318,017
Legal deposits	**8**	**211,247**	395,849	**241,547**	426,437
Deferred income tax and social contribution	**9**	**550,030**	658,938	**649,694**	798,865
Investments at fair value	**10**	**970,630**	1,233,862	**970,630**	1,233,862
Investments at equity method	**11**	**1,784,966**	1,322,801	**234,613**	193,900
Property, plant and equipment	**12**	**2,217,783**	2,037,612	**2,526,019**	2,308,577
Intangibles	**13**	**952,826**	945,123	**1,083,639**	1,104,282
Other		**94,124**	79,892	**102,216**	91,296
Total non-current assets		**8,103,592**	8,017,639	**7,520,219**	7,771,288
Total assets		**18,644,584**	16,440,667	**19,437,681**	17,043,301

	Note	Parent Company (BR GAAP) 2013	Parent Company (BR GAAP) 2012	Consolidated (BR GAAP and IFRS) 2013	Consolidated (BR GAAP and IFRS) 2012
Liabilities and equity					
Current liabilities					
Debt	14	**20,155**	17,582	**42,126**	19,044
Accounts payable		**826,965**	620,541	**1,201,107**	959,970
Dividends payable	17	**1,526,718**	1,191,266	**1,526,718**	1,191,266
Advances from customers		**2,365,586**	1,712,143	**2,476,320**	1,798,547
Salaries and social benefits		**569,313**	517,079	**668,778**	567,282
Other		**86,379**	121,320	**279,937**	236,740
Total current liabilities		**5,395,116**	4,179,931	**6,194,986**	4,772,849
Non-current liabilities					
Debt	14	**1,932,645**	1,685,888	**1,932,645**	1,685,888
Accounts payable		**99,578**	220,693	**100,557**	222,187
Dividends payable	17	**997,654**	2,047,633	**997,654**	2,047,633
Provision for losses on subsidiaries and associates	11	**84,319**	56,075	**-**	178
Provision for contingencies	15	**197,931**	317,197	**230,265**	353,288
Other		**87,930**	65,962	**85,740**	78,529
Total non-current liabilities		**3,400,057**	4,393,448	**3,346,861**	4,387,703
Equity	17				
Capital		**6,408,936**	6,408,936	**6,408,936**	6,408,936
Earnings reserves		**3,431,955**	1,462,547	**3,431,955**	1,462,547
Effects from capital transaction		**(3,466)**	(4,106)	**(3,466)**	(4,106)
Other comprehensive income		**11,986**	(89)	**11,986**	(89)
		9,849,411	7,867,288	**9,849,411**	7,867,288
Non-controlling interests		**-**	-	**46,423**	15,461
Total equity		**9,849,411**	7,867,288	**9,895,834**	7,882,749
Total liabilities and equity		**18,644,584**	16,440,667	**19,437,681**	17,043,301

See explanatory notes.

Globo Comunicação e Participações S.A.

Statements of income
Years ended December 31, 2013 and 2012
(In thousands of Brazilian reais)

	Note	Parent Company (BR GAAP)		Consolidated (BR GAAP and IFRS)	
		2013	**2012**	**2013**	**2012**
Net sales, advertising and services					
Third parties	**18**	**10,305,135**	9,135,222	**14,496,910**	12,596,127
Related parties	**7/18**	**388,225**	289,893	**138,833**	114,091
Cost of sales, advertising and services		**(6,244,080)**	(5,598,234)	**(7,757,669)**	(6,932,674)
Gross profit		**4,449,280**	3,826,881	**6,878,074**	5,777,544
Operating (expenses) income					
Selling		**(1,276,900)**	(1,120,633)	**(1,557,084)**	(1,372,138)
General and administrative		**(1,081,765)**	(991,700)	**(1,748,258)**	(1,553,873)
Gain (loss) on sale of property, plant and equipment and intangible		**471**	1,729	**(4,279)**	200
Other operating expenses		**-**	-	**(45,460)**	(35,886)
Operating income before financial and investments results		**2,091,086**	1,716,277	**3,522,993**	2,815,847
Financial income	**19**	**706,830**	1,225,533	**749,845**	1,254,542
Financial expense	**19**	**(489,111)**	(279,497)	**(530,048)**	(344,493)
Equity pick-up	**11**	**1,000,506**	977,855	**152,077**	197,854
Other investment results	**20**	**(5,311)**	(10,352)	**(132,760)**	(38,056)
Income before income tax and social contribution		**3,304,000**	3,629,816	**3,762,107**	3,885,694
Income tax and social contribution	**9**	**(721,170)**	(663,084)	**(1,258,840)**	(937,613)
Net income for the year		**2,582,830**	2,966,732	**2,503,267**	2,948,081
Net income attributable to					
Equity holders of the parent				**2,582,830**	2,966,732
Non-controlling interests				**(79,563)**	(18,651)
				2,503,267	2,948,081

See explanatory notes.

Globo Comunicação e Participações S.A.

Statements of comprehensive income
Years ended December 31, 2013 and 2012
(In thousands of Brazilian reais)

	Parent Company (BR GAAP)		Consolidated (BR GAAP and IFRS)	
	2013	2012	2013	2012
Net income for the year	**2,582,830**	2,966,732	**2,503,267**	2,948,081
Other comprehensive income to be reclassified to income in subsequent periods				
Fair value adjustment of available for sale investments	**18,062**	-	**18,062**	-
Actuarial losses on post-employment defined benefit plans	**(5,122)**	-	**(5,122)**	-
Exchange differences on translation of foreign operations	**3,533**	1,977	**3,533**	1,977
Income tax and social contribution effect	**(4,398)**	-	**(4,398)**	-
Total comprehensive income for the year	**2,594,905**	2,968,709	**2,515,342**	2,950,058
Total comprehensive income attributable to				
Equity holders of the parent			**2,594,905**	2,968,709
Non-controlling interests			**(79,563)**	(18,651)
			2,515,342	2,950,058

See explanatory notes.

Globo Comunicação e Participações S.A.

Statements of changes in equity
Years ended December 31, 2013 and 2012
(In thousands of Brazilian reais)

	Equity attributable to equity holders of the parent							
		Earnings reserves			Total comprehensive income			
	Capital	Legal reserve	Retained earnings reserves	Effects from capital transactions	Other comprehensive income	Retained earnings	Total	Non i
Balances at December 31, 2011	4,721,001	109,406	1,559,032	(2,747)	993	-	6,387,685	
Capital increase with merger of Globo S.A. (Note 17)	6,408,936	-	-	-	-	-	6,408,936	
Elimination of Globo S.A.'s investment balance arising from the merger (Note 17)	(4,721,001)	(109,406)	-	5,626	(3,059)	(799,586)	(5,627,426)	
Translation adjustment of foreign operations	-	-	-	-	1,977	-	1,977	
Net income for the year	-	-	-	-	-	2,966,732	2,966,732	
Dividends (Note 17)	-	-	(1,559,032)	-	-	(704,599)	(2,263,631)	
Transfer to reserves	-	148,336	1,314,211	-	-	(1,462,547)	-	
Other	-	-	-	(6,985)	-	-	(6,985)	
Balances at December 31, 2012	6,408,936	148,336	1,314,211	(4,106)	(89)	-	7,867,288	
Capital increase in subsidiary (Note 3)	-	-	-	-	-	-	-	
Translation adjustment of foreign operations	-	-	-	-	3,533	-	3,533	
Fair value adjustment of available for sale investments, net of taxes	-	-	-	-	11,921	-	11,921	
Actuarial losses on post-employment defined benefit plans, net of taxes	-	-	-	-	(3,379)	-	(3,379)	
Net income for the year	-	-	-	-	-	2,582,830	2,582,830	
Dividends (Note 17)	-	-	-	-	-	(613,422)	(613,422)	
Transfer to reserves	-	129,141	1,840,267	-	-	(1,969,408)	-	
Other	-	-	-	640	-	-	640	
Balances at December 31, 2013	6,408,936	277,477	3,154,478	(3,466)	11,986	-	9,849,411	

See explanatory notes.

Globo Comunicação e Participações S.A.

Statements of cash flows
Years ended December 31, 2013 and 2012
(In thousands of Brazilian reais)

	Parent Company (BR GAAP)		Consolidated (BR GAAP and IFRS)	
	2013	2012	2013	2012
Cash flows from operating activities				
Income before income tax and social contribution	**3,304,000**	3,629,816	**3,762,107**	3,885,694
Adjustments to reconcile income before income tax and social contribution for the year and net cash provided by operating activities				
Depreciation and amortization	**186,187**	179,885	**250,948**	234,392
Equity pick-up	**(1,000,506)**	(977,855)	**(152,077)**	(197,854)
Interest expense and monetary variation of assets and liabilities, net	**379,192**	243,004	**339,150**	277,954
Gain from fair value of equity investments	**(20,017)**	(691,852)	**(20,017)**	(691,852)
Expenses from provision for contingencies	**21,044**	6,882	**22,104**	12,304
Impairment of assets	**12,531**	7,894	**146,152**	15,287
Loss on sale of property, plant and equipment and investment	**5,261**	8,625	**13,553**	36,562
	2,887,692	2,406,399	**4,361,920**	3,572,487
(Increase) decrease of assets and increase (decrease) of liabilities				
Trade receivables	**(233,615)**	(50,864)	**(295,799)**	(76,430)
Transmission and exhibition rights	**(308,695)**	(387,466)	**(410,974)**	(499,178)
Advances from customers	**666,097**	246,488	**662,419**	198,111
Accounts payable	**(69,482)**	49,384	**10,992**	23,912
Dividends received	**676,082**	623,723	**111,254**	81,980
Other assets and liabilities	**55,211**	14,458	**131,700**	46,869
Cash provided by operating activities	**3,673,290**	2,902,122	**4,571,512**	3,347,751
Payments of debt interests	**(96,210)**	(85,219)	**(96,210)**	(85,537)
Payments of income tax and social contribution	**(591,472)**	(468,109)	**(1,017,540)**	(896,687)
Net cash provided by operating activities	**2,985,608**	2,348,794	**3,457,762**	2,365,527
Cash flows from investing activities				
Acquisition of marketable securities	**(112,449)**	(1,478,413)	**(372,335)**	(1,417,325)
Acquisition of property, plant, equipment and software	**(375,877)**	(366,731)	**(488,355)**	(427,465)
Advance for future capital increase	**(126,725)**	-	**-**	-
Cash outflow on acquisition of investments	**-**	(111,464)	**-**	(2,478)
Proceeds from disposal of property, plant and equipment	**2,360**	3,491	**2,360**	4,425
Acquisition of other intangibles	**-**	-	**-**	(9,037)
Proceeds from sale of investments	**303,523**	6,439	**303,523**	6,439
Other	**7,431**	788	**-**	479
Net cash used in investing activities	**(301,737)**	(1,945,890)	**(554,807)**	(1,844,962)
Cash flows from financing activities				
Proceeds from new debt	**-**	549,515	**114,896**	549,540
Debt amortization	**-**	(99,943)	**(94,974)**	(103,042)
Acquisition of non-controlling shareholders	**-**	-	**-**	(4,773)
Dividends paid	**(1,327,947)**	(525,308)	**(1,327,947)**	(525,308)
Net cash used in financing activities	**(1,327,947)**	(75,736)	**(1,308,025)**	(83,583)
Increase in cash and cash equivalents	**1,355,924**	327,168	**1,594,930**	436,982
Cash and cash equivalents at the beginning of the year	**846,107**	518,939	**1,027,722**	590,740
Cash and cash equivalents at the end of the year	**2,202,031**	846,107	**2,622,652**	1,027,722

See explanatory notes.

Globo Comunicação e Participações S.A.

Notes to the financial statements
December 31, 2013 and 2012
(In thousands of Brazilian reais, except when otherwise indicated)

1. General information

Globo Comunicação e Participações S.A. ("Company") and its subsidiaries (collectively referred hereinafter as "Globo Group") comprise a group of television broadcast stations and internet businesses engaged through its subsidiaries and jointly controlled companies in Pay TV's programming and publishing businesses, being the largest media group in Brazil.

The Company is a privately held company incorporated in Brazil, not listed on any stock exchange. Its registered office is headquartered in Rio de Janeiro, Brazil, located at Rua Lopes Quintas, 303. The Company's Investor Relations department main telephone number is (55 21) 2540-4444.

2. Basis of preparation and presentation of the financial statements

These financial statements (Parent Company and Consolidated) are the responsibility of the Company's management. The individual financial statements were prepared in accordance with the accounting practices adopted in Brazil ("Brazilian GAAP"), which includes the provisions of Brazilian Corporate Law and the accounting pronouncements, orientation and interpretations issued by the Accounting Pronouncements Committee (CPC). These accounting practices differ from the International Financial Reporting Standards (IFRS) applicable to the separate financial statements, solely with respect to the measurement of investments in subsidiaries under the equity method, as required by ICPC 09, while for IFRS purposes such investments would be measured at cost or fair value.

The consolidated financial statements were prepared in accordance with IFRS, as issued by the International Accounting Standards Board (IASB), and in accordance with accounting practices adopted in Brazil.

These financial statements were authorized for issuance by the Company's directors on March 10, 2014.

The financial statements have been prepared under the historical cost basis, except for certain financial instruments (including derivative instruments) that have been measured at fair value, as detailed in the following accounting practices and Note 21.

2. Basis of preparation and presentation of the financial statements (Continued)

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented and uniformly applied by all Globo Group companies.

These financial statements of Globo Group are prepared using accounting policies that comply with the pronouncements effective for the fiscal years beginning on or after January 01, 2013.

The main accounting policies adopted by Globo Group are described below:

2.1. Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which Globo Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether Globo Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to Globo Group, and, deconsolidated from the date that control ceases.

Changes in a Globo Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions in equity as "Effects from capital transactions ".

The subsidiaries financial statements are prepared based on accounting policies consistent with those adopted by the Company.

Non-controlling interests on subsidiaries

The non-controlling interests are accounted for based on the proportionate participation on the subsidiaries’ book values or at fair value, when applicable, as of business combination.

Disposals of non-controlling interests resulted in gains and losses for Globo Group and are recorded in the income statement.

2. Basis of preparation and presentation of the financial statements (Continued)

2.1. Basis of consolidation (Continued)

Consolidation

Globo Group consolidates all of its subsidiaries. The consolidation consists of an aggregation of assets, liabilities, and income and expenses account balances, as per their nature, complemented by the following adjustments and eliminations:

- The effects of significant transactions carried out among the consolidated companies.
- The Globo Group's interest in the capital, reserves, and retained earnings or deficits of subsidiaries and comprehensive income items.
- The balances of loans, current accounts and other asset and liability accounts held among the consolidated companies.
- The non-controlling interest in the equity and results of operations of the consolidated companies, recorded as "non-controlling interests".

2.2. Investments in jointly controlled entities

Globo Group has interests in jointly controlled entities, whereby the ventures have an agreement that establishes joint control over the economic activities of those entities. Investments in jointly controlled entities are accounted for using the equity method.

The financial statements of the jointly controlled entities are prepared for the same reporting period as Globo Group's. Adjustments are made where necessary to make the accounting policies consistent with those of Globo Group.

Upon loss of joint control the retaining interest, if any, is remeasured at fair value through profit or loss.

2. Basis of preparation and presentation of the financial statements (Continued)

2.3. Investments in associates

Associates are entities over which Globo Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights. The investment in associates is accounted for using the equity method of accounting. Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in Globo Group's share of the net assets of the associate.

Globo Group's share of its associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in other comprehensive income and reserves is recognized in other comprehensive income and reserves.

The cumulative post-acquisition movements are recorded against the carrying amount of the investment.

In the event of losses, after Globo Group's interest is reduced to zero, no additional losses are provided for, and no liability is recognized, unless there are legal or constructive obligations to make payments on behalf of the associate.

Unrealized gains on transactions between Globo Group and its associate are eliminated to the extent of its interest in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of associates are prepared for the same reporting period as Globo Group. Where necessary, adjustments are made to make the accounting policies consistent with those of Globo Group.

Upon loss of significant influence over the associate, Globo Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

2. Basis of preparation and presentation of the financial statements (Continued)

2.4. Functional currency and presentation of foreign subsidiaries

Items included in the financial statements of each of Globo Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Brazilian Reais, which is its functional and presentation currency.

The foreign subsidiaries Worldwide Financial Trading Limited and Power Company S.A. were considered an extension of the Company's operations and, therefore, the Brazilian Reais was elected to be their functional currency. Non-monetary assets and capital accounts have been translated into Brazilian Reais based on the exchange rate prevailing at the time the transactions occurred. Monetary assets and liabilities denominated in foreign currency were translated at the official exchange rates at each balance sheet date.

The foreign subsidiary Globo International Ltd. and its subsidiaries have the majority of their transactions denominated in US dollars; therefore, Management elected the US dollar as their functional currency.

Accordingly, its balance sheet accounts were translated at the closing rates of each balance sheet date and the income statement accounts were translated using a monthly average rate. Capital accounts were translated based on the exchange rate prevailing at the time the transactions occurred.

The effect from the translation of the foreign subsidiary's financial statements is presented in equity as "Other comprehensive income - cumulative translation adjustments".

2. Basis of preparation and presentation of the financial statements (Continued)

2.5. Revenue recognition

Revenue is recognized to the extent that it is both probable that the economic benefits will flow to Globo Group and can be reliably measured. Revenue is measured at the fair value of the consideration received, net of sales deductions such as estimated rebates, credit notes, refunds, rate adjustments, discounts and sales taxes or duties.

All revenue, as well as costs and expenses, are recorded on an accrual basis. Key classes of revenue are recognized on the following basis:

Type of revenue	Recognition
Broadcast and print advertising	On transmission, or as published
Internet advertising	As displayed
Programming and content	Monthly on accrual basis
Publishing	Upon the effective delivery
Internet subscription and e-commerce.	As the service is rendered, or the products are shipped
Events	On the date of event

A summary of revenue recognition policies by significant activity is as follows:

Advertising revenues

The main advertising revenues are from broadcasting on its free to air television channel and pay-tv channels, merchandising in in-house production programming, published in magazines and displaying on websites.

Advertising and merchandising revenues from free to air television channel, pay-tv channels and publishing products are recognized as they are aired or published over the period of the advertising contract. Publication is regarded to be when the product has been delivered to the retailer and is available to be purchased by the general public, net of estimated returns. Online advertising revenues are recognized over the period in which the advertisements are displayed, according to the contracts.

A significant portion of revenues are collected in advance from customers, primarily in connection with sponsorships of sports events to be broadcasted in future periods. Accordingly, these advances are recorded as liabilities (Advances from customers) and the revenue is recognized when the advertising is aired.

2. Basis of preparation and presentation of the financial statements (Continued)

2.5. Revenue recognition (Continued)

Programming and content

Pay television programming revenues are recognized monthly on an accrual basis, in accordance with the subscribers' base and prices established in the contracts. Revenues from licensed television programs, co-produced films and live events are recognized when the programs are sold and become available for broadcast. Revenue derived from phonographic licenses is recognized on an accrual basis.

Publishing

Publishing revenues consist of newsstands and bookstore sales of magazines and books to retail consumers and subscribers. Circulation revenue is recognized in the month in which the magazine is sold. Subscription revenue is recognized upon the effective delivery of the units to the subscribers. Book publishing and sale are recognized upon delivery of products to customers. Revenue relating to any particular publication is brought into account in the month it is published.

Advances from subscribers of magazines are recorded as advances from customers and the revenues are recognized upon delivery of the product.

2.6. Current and non-current assets and liabilities

Assets and liabilities are classified as current when realizable or settled within the following 12 months. Current and non-current liabilities are stated at the amounts for which they would be settled at each balance sheet date, including interest accrued in accordance with contractual conditions.

2. Basis of preparation and presentation of the financial statements (Continued)

2.7. Cash and cash equivalents and marketable securities

Cash equivalents are held for the purpose of meeting short term cash commitments and are readily convertible to a known amount of cash and subject to insignificant risks of changes in value. Therefore, the amount classified as cash equivalent comprises short maturity investments of three months or less from the date of acquisition.

The marketable securities are investments held in part with the objective to be actively traded and in part with the positive intention and ability to be held to maturity. Such investments are measured, respectively, at fair value through profit and loss, whereas the gains and losses from the fair value fluctuations are recognized in the income statement and at amortized cost using the effective interest method, less impairment, whereas the fluctuations are included as financial income in the income statement.

2.8. Trade receivables

Trade receivables are amounts due from customers for sales or services in the ordinary course of business, and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for losses, if applicable.

2.9. Transmission and exhibition rights

Transmission and exhibition rights are comprised of films, live events and other exhibition rights, and are recorded at the acquisition cost when such rights become available or when advances are made, whichever occurs first.

Film costs include the unamortized cost of film and television series rights acquired from third parties pursuant to acquisition agreements. The films amortization is determined based upon the generated benefit for each exhibition throughout its contractual life cycle.

Live events comprise mainly sports rights, including soccer championships transmission rights, and are amortized as aired.

2. Basis of preparation and presentation of the financial statements (Continued)

2.9. Transmission and exhibition rights (Continued)

The recovery of live events and film rights are revised on a title-by-title basis, and, if necessary, are written off when it becomes known that a film or event will not be aired until the end of the contract term.

Casting rights are represented by the total amount of the contracts with artists and are allocated to programming production costs using the straight-line method over the contract term.

The production costs of completed and in process "telenovelas", mini-series, series and other television programming are also recorded as exhibition rights. These rights are expensed as the programs are aired. Programs are written-off when it is determined they will not be aired.

2.10. Business combination and goodwill

The purchase method of accounting is used to account for the business combinations. The cost of an acquisition is measured as the aggregate of the consideration transferred, including assets given and any equity or debt instruments issued, at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, Globo Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Any contingent payment to be transferred by the acquirer is recognized at fair value at the acquisition date. Subsequent changes to the fair value of contingent consideration which is deemed to be an asset or liability, will be recorded in accordance with CPC 38 - Financial Instruments: Recognition and Measurements in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

2. Basis of preparation and presentation of the financial statements (Continued)

2.10. Business combination and goodwill (Continued)

Goodwill is initially measured as the difference between the transferred consideration exceeding the acquired net assets (identifiable net assets acquired and liabilities assumed). If the consideration is lower than the fair value of the acquired net assets, the difference must be recognized as gain in profit or loss. After initial recognition, goodwill is measured at cost, net of any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of cash generating unit that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

There have been no significant business combinations in 2013 and 2012.

2.11. Other intangibles

Other intangible assets comprise mainly software acquired separately and measured on initial recognition at cost. The useful lives of these intangible assets are assessed as finite and they are amortized over the useful economic lives. Globo Group assesses for impairment whenever there is an indication that the intangible asset may be impaired.

2.12. Property, plant and equipment

Land and buildings comprise mainly studios, production facilities and offices. All property, plant and equipment are stated at acquisition or construction cost, less accumulated depreciation and/or accumulated impairment losses, if any.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Globo Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

2. Basis of preparation and presentation of the financial statements (Continued)

2.12. Property, plant and equipment (Continued)

When significant parts of property, plant and equipment are required to be replaced in intervals, Globo Group recognizes such parts as individual assets with specific useful lives and depreciation, respectively.

Depreciation is provided using the straight-line method based upon the estimated economic useful lives of the asset. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within gain on sale of property, plant and equipment in the income statement.

2.13. Impairment of non-financial assets

Assets that have an indefinite useful life (e.g. goodwill) are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.14. Income tax and social contribution

The current income tax and social contribution are calculated based on income, adjusted by additions and deductions as determined by the current tax legislation. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. Basis of preparation and presentation of the financial statements (Continued)

2.14. Income tax and social contribution (Continued)

Deferred income tax and social contribution are recognized, using the liability method, on tax loss carryforwards, negative basis of social contribution and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax and social contribution assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Globo Group evaluates annually the carrying amount of deferred income tax and social contribution assets in relation to its operating performance and projected future taxable income and, when necessary, reduces its amount to the expected realization value.

Deferred income tax and social contribution assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

2.15. Assets and liabilities denominated in foreign currency or subject to indexation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, within ‘financial income or expenses’.

Assets and liabilities denominated in Brazilian Reais and subject to indexation are adjusted based on applicable indices and are recorded in the income statement as financial income or expenses.

2.16. Debt

Debt is adjusted for monetary and exchange rate variations and includes interest incurred up to the balance sheet date, based on effective interest rates and contractual terms.

2. Basis of preparation and presentation of the financial statements (Continued)

2.17. Incentive plan commission on sales

Additional commission on sales is paid to the advertising agencies in accordance with the agreements between Globo Group and the agencies,
according to each agency's sales performance. The expenses are recorded as selling expenses on an accrual basis based on management estimates.

2.18. Provision for contingencies and other liabilities

Provisions for contingencies are recognized when: Globo Group has a present legal obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, and the increase in the provision due to passage of time is recognized as interest expense.

2.19. Financial instruments

Financial assets - initial recognition and measurement

The classification depends on the purpose for which the financial assets were acquired and is determined at initial recognition.

Purchases and sales of financial assets are recognized on the trade-date - the date on which Globo Group commits to purchase or sell the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and Globo Group has transferred substantially all risks and rewards of ownership.

Globo Group classifies and measures its financial assets as follows:

(i) *Financial assets at fair value through profit or loss*

These are held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term and, accordingly, are classified as current assets. Derivatives are also categorized as held for trading unless they are designated as hedges.

2. Basis of preparation and presentation of the financial statements (Continued)

2.19. Financial instruments (Continued)

Financial assets - initial recognition and measurement (Continued)

(i) *Financial assets at fair value through profit or loss* (Continued)

These financial assets are initially recognized at fair value, and transaction costs are expensed in the income statement. The subsequent measurement is at fair value and gains or losses arising from changes in the fair value are presented in the income statement in the period in which they arise. Dividend income from these financial assets is recognized in the income statement when the right to receive payments is established.

(ii) *Financial assets available-for-sale*

Include equity investments neither classified as held for trading nor designated at fair value through profit or loss. After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealized gains or losses recognized as other comprehensive income in the available-for-sale reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized in financial income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for sale reserve to the income statement.

(iii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when Globo Group has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest method. The effective interest method amortization is included as financial income in the income statement.

2. Basis of preparation and presentation of the financial statements (Continued)

2.19. Financial instruments (Continued)

Financial assets - initial recognition and measurement (Continued)

(iv) *Receivables*

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period.

They are initially recognized at fair value plus transaction costs, and are subsequently carried at amortized cost using the effective interest method, on which the interest income is recognized in the income statement on an accrual basis.

Impairment of financial assets carried at amortized cost

Globo Group assesses at the end of each reporting period whether there is objective evidence that financial assets is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated income statement. The impairment loss can be reversed when objectively related to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating) and the reversal is recognized in the consolidated income statement.

2. Basis of preparation and presentation of the financial statements (Continued)

2.19. Financial instruments (Continued)

Financial liabilities - initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings (debt), or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Globo Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings (debt), plus directly attributable transaction costs. Globo Group's financial liabilities include trade and other payables, loans and borrowings (debt), and derivative financial instruments. Globo Group has no effective hedge.

The measurement of financial liabilities depends on their classification as follows:

(i) Loans and borrowings (debt) - after initial recognition, interest bearing loans and borrowings (debt) are subsequently measured at amortized cost using the effective interest rate method, and the gains and losses are recognized in the income statement.

Globo Group has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Gains or losses are recognized in the income statement.

2. Basis of preparation and presentation of the financial statements (Continued)

2.19. Financial instruments (Continued)

Offsetting financial instruments

Financial assets and liabilities are offset when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Fair value of financial instruments

Globo Group determines the fair market value of financial instruments at the balance sheet date, including hedge and swap instruments, based on significant market values resulting from trading at securities markets. In cases where quoted market prices are not available, the fair value is based on estimates using present value and other valuation techniques.

2.20. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Chief Executive Officer ("CEO") that makes strategic decisions.

2.21. Dividends

Minimum dividends as defined by Brazilian corporate law are recognized as liability at year-end, unless all shareholders decline their rights on the minimum dividends. Additional dividends are recognized in period in which the dividends are declared and approved by the shareholders, otherwise they are presented in equity as "Additional Dividends".

2.22. Cost and expenses

Costs and expenses are recorded on an accrual basis. Costs include manufacturing and distribution costs, royalty and copyright expenses, artists' rights costs, exhibition and transmission rights, recording costs and direct overheads. Selling, general and administrative expenses substantially include marketing and advertising expenses, selling costs, impairment and indirect overheads.

2. Basis of preparation and presentation of the financial statements (Continued)

2.23. Use of estimates and judgments

The preparation of the financial statements requires management to make estimates and assumptions that affect reported amounts of revenues, expenses, assets and liabilities, and accompanying notes. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The main estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities include: impairment of assets, determination of current and deferred income taxes, fair value of financial instruments, useful lives and residual value of property plant and equipment and intangible assets, pension post-employment benefit plans, provision for contingencies and revenue recognition. The estimations and judgments are complex and consider several assumptions and projections of the future and, therefore, by definition, actual results may differ from these estimates. Globo Group reviews the main estimates and assumptions quarterly or annually.

2.24. Statement of cash flows

The statement of cash flows is prepared under the indirect method.

2.25. New accounting pronouncements and interpretations

Globo Group adopted all pronouncements, revised pronouncements and interpretations issued by CPC that were in force at December 31, 2013. The following new standards were issued by IASB and CPC, but are not in force for the 2013 fiscal year. Below is a summary of the standards and the expected effects on the Company's financial statements, if any:

- IFRS 9 (CPC 38) - Financial Instruments - Covers the classification, measurement and disclosure of financial assets and liabilities. IFRS 9 was issued in November 2009 and October 2010 and replaces the wording of IAS 39 relating to the classification and measurement of financial instruments. IFRS 9 requires the classification of financial instruments in two categories: measured at fair value and measured at amortized cost. The determination is made on initial recognition and classification depends on the entity’s business model and on the contractual characteristics of the financial instruments’ cash flow. In relation to financial liability, the standard maintains the majority of requirements set forth by IAS 39. The standard, originally applicable as of January 1, 2013, was postponed to January 1, 2015. The impact of these changes in the Company’s financial statements, if any, will not be significant.

2. Basis of preparation and presentation of the financial statements (Continued)

2.25. New accounting pronouncements and interpretations (Continued)

- IFRS 10, IFRS 12 and IAS 27 (CPC 36 (R3) and CPC 45) - Investment Entities - The amendments to IFRS 10 introduce an exception from the requirement to consolidate subsidiaries for an investment entity. This exception requires that an investment entity measure its interests in subsidiaries at fair value through profit or loss. The exception does not apply to subsidiaries of investment entities that provide services that relate to the investment entity's investment activities. Amendments to IFRS 12 and IAS 27 have been made to introduce new disclosure requirements for investment entities. These amendments become effective on January 01, 2014. The Company's Management understands that these amendments will not significantly impact its financial statements.

- IAS 32 (CPC 39) - Offsetting Financial Assets and Financial Liabilities - The amendments to IAS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realization and settlement". The amendments to IAS 32 becomes effective on January 01, 2014. The Company's Management understands that these amendments will not significantly impact its financial statements.

- IFRIC 21 - Levies - Provides guidance on when to recognize a liability for a levy imposed by a government. The liability is recognized progressively if the obligating event occurs over a period of time and if an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached. This interpretation becomes effective on January 01, 2014. The Company's Management understands that this interpretation will not significantly impact its financial statements.

There are no other standards or interpretations not yet in force that could impact the Company's financial statements.

Globo Comunicação e Participações S.A.

Notes to the financial statements (Continued)
December 31, 2013 and 2012
(In thousands of Brazilian reais, except when otherwise indicated)

3. Segment information

At December 31, 2013 and 2012, Company had the following interests and related segments:

	Ownership %				
	December 31, 2013			December 31, 2012	
	Direct	Indirect	Total	Total	Segment
Fully consolidated entities					
Globosat Programadora Ltda.	**100.00**	**-**	**100.00**	100.00	Television
Globo International Ltd.	**100.00**	**-**	**100.00**	100.00	Television
Globo Portugal Unipessoal, Lda.	**100.00**	**-**	**100.00**	100.00	Television
Brazilian TV Network Ltd.	**100.00**	**-**	**100.00**	100.00	Television
Horizonte Conteúdos Ltda.	**100.00**	**-**	**100.00**	100.00	Television
Interpro - International Promotions Ltda.	**100.00**	**-**	**100.00**	100.00	Television
G2C Globosat Comercialização de Conteúdos S.A.	**100.00**	**-**	**100.00**	100.00	Television
Editora Globo S.A.	**99.99**	**-**	**99.99**	99.99	Editorial
Edições Globo Condé Nast S.A.	**-**	**70.00**	**70.00**	70.00	Editorial
Editora Globo Livros Ltda.	**1.00**	**99.00**	**100.00**	100.00	Editorial
Editora Távola Infanto Juvenil Ltda.	**1.00**	**99.00**	**100.00**	100.00	Editorial
UGB Participações S.A.("UGB")	**59.28**	**-**	**59.28**	100.00	Internet service
Zap S.A. Internet	**-**	**59.28**	**59.28**	-	Internet service
Mosaico Negócios de Internet S.A. ("Mosaico" - investment sold in January 2014)	**-**	**-**	**-**	82.01	Internet service
Gazeus Negócios de Internet S.A. ("Gazeus" - investment sold in January 2014)	**-**	**-**	**-**	45.52	Internet service
Gazzag Serviços de Internet Ltda. ("Gazzag" - investment sold in January 2014)	**-**	**-**	**-**	45.52	Internet service
Mundi Negócios de Internet Ltda. ("Mundi" - investment sold in January 2014)	**-**	**-**	**-**	82.00	Internet Service
Valônia Serviços de Intermediação e Participações S.A. ("Valônia" - investment sold in November 2013)	**-**	**-**	**-**	59.53	Internet service
Zende - Serviços de Apoio e Logística Ltda.	**99.99**	**-**	**99.99**	99.99	Sound recording
Sigem - Sistema Globo de Edições Musicais Ltda.	**99.99**	**-**	**99.99**	99.99	Sound recording
Sigla - Sistema Globo de Gravações Audiovisuais da Amazônia Ltda.	**99.99**	**-**	**99.99**	99.99	Sound recording
Comercial Fonográfica RGE Ltda.	**99.99**	**-**	**99.99**	99.99	Sound recording
Pluris Participações Ltda.	**100.00**	**-**	**100.00**	100.00	Promotions and events
Geo Eventos S.A. (operations ceased)	**-**	**-**	**-**	100.00	Promotions and events
Trade Network Participações Ltda. (operations ceased)	**-**	**-**	**-**	100.00	Promotions and events
Outplan Sistemas S.A. (operations ceased)	**-**	**-**	**-**	80.00	Promotions and events
Power Company S.A.	**100.00**	**-**	**100.00**	100.00	Off-shore
Worldwide Financial Trading Limited	**100.00**	**-**	**100.00**	100.00	Off-shore
Globo Investments Ltd.	**100.00**	**-**	**100.00**	100.00	Off-shore
Get Empreendimentos Temáticos Ltda.	**100.00**	**-**	**100.00**	100.00	Other
Globo Cabo Participações S.A.	**100.00**	**-**	**100.00**	100.00	Other

Management has determined the operating segments based on the reports reviewed by the Group Chief Executive Officer ("CEO") that are used to make strategic decisions. The CEO considers the business from a product perspective and analyzes separately the performance of Television (Media Network), Editorial, Internet services, Sound recording, Off-shores Promotions and events, and Other businesses.

3. Segment information (Continued)

The reportable segments are presented below:

Television segment

The Television Segment comprises a group of Free to Air TV and Pay TV entities.

The business unit of free to air television, together with its own five broadcast television stations (Rio de Janeiro, São Paulo, Recife, Brasília and Belo Horizonte), its affiliated network of 117 stations, is also known as “Rede Globo” (“Globo Network”). The affiliated network stations are performed by independent Brazilian companies owned by non-related parties, regulated by a convention which establishes specific rules according to market conditions.

The bulk of the free to air television production activities takes place in studios and production facilities in and around Rio de Janeiro and São Paulo. The Projac production complex located in the outskirts of Rio de Janeiro serves as a comprehensive television production site tailored to the particular needs of the Company. Projac’s facilities are among the most technologically advanced television production studios in the world, leading to continuously increasing quality in the Company’s programming.

Globo Group is the leading producer of Pay TV programming in Brazil, including pay-per-view content and subscription channels that are sold to multiple system operators (“MSOs”).

Besides parent company, the main activities and operations carried out by the subsidiaries included in this segment are summarized as follows:

(a) Globosat Programadora Ltda. (“Globosat”) - Globosat is the leading producer of Pay TV programming in Brazil, including subscription channels that are sold to multiple system operators (“MSOs”). Globosat’s content is available to cable, MMDS (Multichannel Multipoint Distribution Service) and DTH (Direct to Home) subscribers, and its channels are present in Net Serviços de Comunicação Ltda. (“Net Serviços”), Sky Brasil Serviços Ltda. (“Sky Brasil”), Embratel TV Sat Telecom Ltda., Telefônica Sistemas de TV S.A., TVA S.A., TNL PCS S.A. (“OI TV”) and GVT-Global Village Telecom Ltda. (“GVT”) and other smaller operators subscriber bases.

3. Segment information (Continued)

Television segment (Continued)

(b) Horizonte Conteúdos Ltda. (“Horizonte”) is a producer of pay-per-view, *a la carte* content and on demand content to several media platforms, including multiple system operators (“MSOs”) and internet. Horizonte provides content for new digital platforms in the pay-tv market which enables views to watch TV on multiple platforms and devices. Horizonte’s content is available to cable, MMDS (Multichannel Multipoint Distribution Service) and DTH (Direct to Home) subscribers, and are present in Net Serviços, Sky Brasil, Embratel TV Sat Telecom Ltda., Telefônica Sistemas de TV S.A., TVA S.A., OI TV and GVT.

(c) G2C Globosat Comercialização de Conteúdos S.A. (“G2C”) - G2C acts (i) as a purchasing agent of Brazilian content, including Globosat, Horizonte and Telecine Programação de Filmes Ltda. (“Telecine”) programming, distributed to MSOs, such as Sky Brasil and Net Serviços and (ii) as programmers’s representant with other operators, such as Embratel TV Sat Telecom Ltda., Telefônica Sistemas de TV S.A., TVA S.A., OI TV and GVT. G2C´s activities include negotiating terms and conditions for distribution of programming by cable, MMDS and DTH television operators and developing new services and products for such operators.

(d) Interpro - International Promotions Ltda. (“Interpro”) exploits and produces the F1 car racing events in Brazil.

Editorial Segment

The Editorial Segment, represented mainly by Editora Globo S.A. (“Editora Globo”), operates in the publishing and advertising for magazines and books.

The activities and operations carried out by the companies included in this segment are summarized as follows:

(a) Editora Globo S.A. publishes magazines and books, which are sold at newsstands, bookstores and other retailers, as well as through subscriptions and sales people. It is one of the largest publishing companies in the Brazilian market with 12 different magazine titles, which are published weekly or monthly, as well as various books and collections that are sold throughout Brazil.

(b) Edições Globo Condé Nast S.A. (“Edições Globo CN”) publishes Vogue and three other Condé Nast magazine titles in Brazil.

3. Segment information (Continued)

Other businesses

The smaller segments have been combined as "other business" for reporting purposes. Other business segments include internet services, music content, promotion and events, and other minor businesses.

Globo Group has a strong position in Brazilian internet audience mainly in the entertainment, journalism and sports segments.

The Company has a music content business unit focused on producing, promoting and selling CD's and DVD's of national and international artists, as well as soundtracks connected to its "telenovelas", series and shows.

In January 2013, Organizações Globo Participações S.A. ("OGP"), the controlling shareholder of the Company, completed the acquisition of the remaining 50% ownership in Zap S.A. - Internet ("Zap"). Zap is an internet service company which operates a classified advertisement site of real estate sector mainly. After the acquisition of 100% of Zap, on June 6, 2013, OGP made a capital contribution in UGB, a whole owned subsidiary of the Company, with its investment in Zap, in the amount of approximately R$ 102,000 and, thus, diluted Company's participation in UGB from 100% to 56.25%. The OGP's interest in UGB is presented as "non-controlling interests".

In November 2013 and January, 2014, Globo Group sold its subsidiaries Valônia, Mosaico, Gazeus, Gazzag and Mundi and recognized a loss of approximately R$ 110,000, recorded under "other investment results" in the income statement.

At the end of 2013, Globo Group also ceased the promotion and events activities and recognized an impairment loss of the related assets, including goodwill, of approximately R$ 18,000, recorded under "other investments results" in the income statement.

(In thousands of Brazilian reais, except when otherwise indicated)

3. Segment information (Continued)

The segment information provided to the CEO for the reportable segments for the years ended December 31, 2013 and 2012 is as follows:

	December 31, 2013				
	Television	Editorial	Other	Adjustments and eliminations	Consolidated
Net sales, advertising and services	13,753,528	494,289	417,461	(29,535)	14,635,743
Cost of sales and services (a)	(7,230,551)	(216,000)	(179,941)	10,785	(7,615,707)
Gross profit	6,522,977	278,289	237,520	(18,750)	7,020,036
Operating (expenses) income					
Selling (a)	(1,300,542)	(156,588)	(118,072)	18,814	(1,556,388)
General and administrative (a)	(1,352,856)	(114,778)	(173,793)	1,459	(1,639,968)
Other operating (expense) income	(42,417)	(396)	(1,124)	(1,523)	(45,460)
Dividends received	122,971	-	-	(11,717)	111,254
Adjusted EBITDA	3,950,133	6,527	(55,469)	(11,717)	3,889,474
Items excluded from income statement to reach the Adjusted EBITDA					
Loss on sale of property, plant and equipment and intangible					(4,279)
Depreciation and amortization					(250,948)
Equity pick-up					152,077
Other investments results					(132,760)
Financial income					749,845
Financial expense					(530,048)
Income tax and social contribution					(1,258,840)
Dividends received					(111,254)
Net income for the period					2,503,267
CAPEX (b)	474,072	2,549	11,734	-	488,355

	December 31, 2012				
	Television	Editorial	Other	Adjustments and eliminations	Consolidated
Net sales, advertising and services	11,884,212	516,164	332,061	(22,219)	12,710,218
Cost of sales and services (a)	(6,422,499)	(217,398)	(174,022)	20,701	(6,793,218)
Gross profit	5,461,713	298,766	158,039	(1,518)	5,917,000
Operating (expenses) income					
Selling (a)	(1,141,852)	(154,064)	(77,497)	1,981	(1,371,432)
General and administrative (a)	(1,218,304)	(121,173)	(121,517)	1,351	(1,459,643)
Other operating (expense) income	(31,355)	622	(3,339)	(1,814)	(35,886)
Dividends received	81,980	-	-	-	81,980
Adjusted EBITDA	3,152,182	24,151	(44,314)	-	3,132,019
Items excluded from income statement to reach the Adjusted EBITDA					
Gain on sale of property, plant and equipment and intangible	-	-	-	-	200
Depreciation and amortization	-	-	-	-	(234,392)
Equity pick-up	-	-	-	-	197,854
Other investments results	-	-	-	-	(38,056)
Financial income	-	-	-	-	1,254,542
Financial expense	-	-	-	-	(344,493)
Income tax and social contribution	-	-	-	-	(937,613)
Dividends received	-	-	-	-	(81,980)
Net income for the period	-	-	-	-	2,948,081
CAPEX (b)	392,974	3,243	31,248	-	427,465

(a) Excludes depreciation and amortization expenses.
(b) Refers to acquisitions of properties, plant and equipment and software.

(In thousands of Brazilian reais, except when otherwise indicated)

3. Segment information (Continued)

Adjusted EBITDA refers to earnings before financial results, income tax and social contribution, depreciation and amortization, gain (loss) on sale of property, plant and equipment, equity pick-up and intangibles and investment results, and includes dividends received from non-consolidated investees.

Adjusted EBITDA is not defined under Brazilian GAAP, and because not all companies use identical calculations, Globo Group's adjusted EBITDA may not be comparable to other similarly titled measures provided by other companies. Also, adjusted EBITDA should not be considered in isolation or as an alternative to operating income or net income, as a measure of operating performance, or to cash flows from operating activities.

The amounts provided to the CEO with respect to total assets and liabilities are measured in a manner consistent with these consolidated financial statements. There is no allocation of assets or liabilities per segments.

The total assets located in countries other than Brazil is insignificant.

4. Cash, cash equivalents and marketable securities

	Parent Company		Consolidated	
	2013	**2012**	**2013**	**2012**
Cash	**43,290**	116,165	**80,776**	148,385
Cash equivalents				
Repurchase agreements	**2,145,188**	724,024	**2,375,146**	724,024
CDB (Certificates of bank deposits)	**-**	5,781	**147,344**	132,010
Other	**13,553**	137	**19,386**	23,303
Total cash and cash equivalent	**2,202,031**	846,107	**2,622,652**	1,027,722
Marketable securities				
Government bonds	**1,432,853**	1,878,891	**1,497,662**	1,888,489
CDB	**1,770,827**	1,463,832	**1,891,760**	1,520,290
Banking financial notes	**1,253,161**	1,268,096	**1,331,215**	1,294,319
Investment fund	**1,110,110**	793,778	**1,110,110**	793,778
Other	**159,699**	258,154	**169,508**	258,295
Current marketable securities	**5,726,650**	5,662,751	**6,000,255**	5,755,171
Non-current marketable securities (*)	**323,939**	275,389	**422,149**	294,898
Total marketable securities	**6,050,589**	5,938,140	**6,422,404**	6,050,069

(*) Refers to the held-to-maturity investment portion in banking financial note and is due over one year. Balances at December 31, 2012 were reclassified to comparison purposes.

4. Cash, cash equivalents and marketable securities (Continued)

The cash and cash equivalents are classified as financial assets at fair value through profit and loss and the marketable securities are classified as held-to-maturity, and financial assets at fair value through profit and loss (see Note 21).

The government bonds are comprised of LFTs and LTNs and are fixed-income investments, mainly made through exclusive investment funds. LFTs are subject to floating remuneration at Selic rate (Brazilian standard interest rate) and LTNs are remunerated via a fixed rate. Usually, Globo Group has swap contracts to exchange the remuneration of its fixed-rate financial investments into floating remuneration.

The CDBs are remunerated at an average rate of 102.5% of the CDI (interbank deposit rate) fluctuation, are issued by first-line banks and most of them feature daily liquidity. The CDB's have floating remuneration, are valued on a daily basis, are registered with the CETIP (clearinghouse), and have high liquidity.

The repurchase agreements are agreements with a commitment by a seller, usually a first-line bank, to buy a security back from Globo Group at a specified price at a designated future date. Most of the balance refers to contracts issued with floating rates (CDI). The repurchase agreements are remunerated at an average rate of 103.4% of the CDI fluctuation for December 31, 2013, and the ones with maturities over 90 days are classified as marketable securities.

Investment funds comprise mainly multimarkets investment funds which have investment policies that involve multiple risk factors, as they combine investments in fixed income markets, foreign exchange, stocks, among others. These funds use derivative instruments to leverage their positions or as a protection of their portfolios (hedge).

Banking Financial Notes (*Letra Financeira - "LF"*) are issued by financial institutions and are fixed-income investments, combined or not with floating rate or price indexes. They must be registered at CETIP or other custody and settlement system authorized after booking the operation. LF has a due date of, at least, 24 months. They are traded in a primary and secondary market and are remunerated at an average rate of 105.2% of the CDI fluctuation for December 31, 2013.

(In thousands of Brazilian reais, except when otherwise indicated)

5. Trade receivables

	Parent Company		Consolidated	
	2013	**2012**	**2013**	**2012**
Trade receivables	**1,077,943**	902,656	**1,559,584**	1,277,635
Provision for impairment of trade receivables	**(16,466)**	(15,263)	**(25,444)**	(25,865)
Trade receivables from related parties (Note 7)	**108,188**	73,815	**2,514**	8,680
Trade receivables, net	**1,169,665**	961,208	**1,536,654**	1,260,450

The maturities of trade receivables (net of its provision for impairment) are as follows:

	Parent Company		Consolidated	
	2013	**2012**	**2013**	**2012**
Less than 1 month	**1,064,007**	761,715	**1,392,319**	1,009,097
Between 1 and 3 months	**19,061**	103,895	**20,924**	113,058
Between 3 and 6 months	**1,548**	259	**1,870**	7,223
Between 6 and 12 months	**6,778**	10,814	**8,791**	15,719
Past due	**78,271**	84,525	**112,750**	115,353
	1,169,665	961,208	**1,536,654**	1,260,450

Movements on provision for impairment of trade receivables are as follows:

	Parent Company		Consolidated	
	2013	**2012**	**2013**	**2012**
At the beginning of the period	**(15,263)**	(14,383)	**(25,865)**	(22,326)
Provision for impairment, net of reversals	**(12,929)**	(17,492)	**(18,248)**	(27,816)
Receivables written off as uncollectible	**4,724**	4,152	**7,854**	4,277
Collections of impaired receivables	**7,002**	12,460	**10,815**	20,000
At the end of the period	**(16,466)**	(15,263)	**(25,444)**	(25,865)

The changes in the provision for impairment of trade receivables have been included in “selling expenses” in the statements of income. Trade receivables are written off when there is no expectation of recovering additional cash.

The carrying amounts of the trade and other receivables (net of its provision for impairment) are denominated in the following currencies:

	Parent Company		Consolidated	
	2013	**2012**	**2013**	**2012**
Local currency	**1,134,321**	935,846	**1,489,456**	1,227,646
U.S. Dollars	**35,344**	25,359	**43,269**	29,894
Euro	**-**	3	**3,895**	2,192
Other currencies	**-**	-	**34**	718
	1,169,665	961,208	**1,536,654**	1,260,450

Globo Comunicação e Participações S.A.

Notes to the financial statements (Continued)
December 31, 2013 and 2012
(In thousands of Brazilian reais, except when otherwise indicated)

6. Transmission and exhibition rights

Changes in the transmission and exhibition rights for the years ended December 31, 2013 and 2012 are

2013

	Parent Company				
	December 31, 2012	Acquisition	Internal development	Impairment losses (recognized) reversed	Amortization
Current					
Live events	202,657	1,272,986	-	-	(1,228,647)
Films	159,934	79,525	-	(5,876)	(173,735)
In-house productions programming	149,905	-	432,062	-	(333,979)
Casting rights	84,414	44,634	-	(728)	(101,191)
Other	14,863	6,899	-	-	(5,635)
	611,773	1,404,044	432,062	(6,604)	(1,843,187)
Non-current					
Live events	824,858	109,844	-	-	-
Films	48,094	139,939	-	-	-
Casting rights	150,040	65,178	-	-	-
Other	-	815	-	-	-
	1,022,992	315,776	-	-	-

(In thousands of Brazilian reais, except when otherwise indicated)

6. Transmission and exhibition rights (Continued)

2012

	Parent Company				
	December 31, 2011	Acquisition	Internal development	Impairment losses (recognized) reversed	Amortization
Current					
Live events	180,673	976,077	-	-	(1,090,744)
Films	125,569	33,176	-	(2,922)	(153,152)
In-house productions programming	159,269	-	361,231	-	(370,595)
Casting rights	61,496	32,297	-	-	(74,411)
Other	8,672	9,487	-	60	(4,897)
	535,679	1,051,037	361,231	(2,862)	(1,693,799)
Non-current					
Live events	509,782	451,727	-	-	-
Films	59,037	146,320	-	-	-
Casting rights	145,663	69,409	-	-	-
Other	-	1,541	-	-	-
	714,482	668,997	-	-	-

(In thousands of Brazilian reais, except when otherwise indicated)

6. Transmission and exhibition rights (Continued)

2013

	Consolidated				
	December 31, 2012	Acquisition	Internal development	Impairment losses (recognized) reversed	Amortizatio
Current					
Live events	291,306	**1,922,806**	**-**	**-**	**(1,899,252)**
Films	159,934	**79,525**	**-**	**(5,876)**	**(173,735)**
In-house productions programming	149,905	**-**	**432,062**	**-**	**(333,979)**
Casting rights	85,154	**56,265**	**-**	**(728)**	**(102,337)**
Other	32,813	**280,109**	**-**	**-**	**(247,322)**
	719,112	**2,338,705**	**432,062**	**(6,604)**	**(2,756,625)**
Non-current					
Live events	1,119,883	**182,855**	**-**	**-**	**-**
Films	48,094	**139,939**	**-**	**-**	**-**
Casting rights	150,040	**65,178**	**-**	**-**	**-**
Other	-	**10,468**	**-**	**-**	**(771)**
	1,318,017	**398,440**	**-**	**-**	**(771)**

(In thousands of Brazilian reais, except when otherwise indicated)

6. Transmission and exhibition rights (Continued)

2012

	Consolidated				
	December 31, 2011	Acquisition	Internal development	Impairment losses (recognized) reversed	Amortizatio
Current					
Live events	309,896	1,499,724	-	-	(1,654,965)
Films	125,569	33,176	-	(2,922)	(153,152)
In-house productions programming	159,269	-	361,231	-	(370,595)
Casting rights	62,567	32,676	-	-	(75,121)
Other	19,277	156,909	-	60	(144,975)
	676,578	1,722,485	361,231	(2,862)	(2,398,808)
Non-current					
Live events	659,849	596,685	-	-	-
Films	59,037	146,320	-	-	-
Casting rights	145,663	69,409	-	-	-
Other	-	1,542	-	-	-
	864,549	813,956	-	-	-

7. Related party transactions

The Marinho family is the ultimate controlling party of Globo Group, and holds indirectly 100% of the Company's shares.

The Company is the ultimate controlling party that produces consolidated financial statement.

The nature of the main intercompany transactions carried out among related parties is summarized as follows:

a) The Company enters into transactions with consolidated investees and with unconsolidated related parties generally with respect to the use of advertising space in the ordinary course of business. Accordingly, the Company sells advertising time to related companies, such as Infoglobo Comunicação e Participações S.A. ("Infoglobo") and others. Certain sales are made through barter transactions.

b) The Company produces the content for the "Globonews" channel, a Pay TV channel whose distribution of exhibition rights is intermediated by G2C. Globosat is responsible for the advertising commercialization for the Globonews channel. Each month, the Company pays to Globosat an amount equivalent to 27% of net revenues based on the advertising time inserted on the Globonews channel as a commission.

c) The Company produces and licenses content for "SPORTV", a Pay TV channel offered by Globosat. Each month Globosat pays to Company an amount agreed between the parties, and pays annually an additional amount based on advertising net revenue growth.

d) The Company licenses in-house productions programming for "Canal Viva", a Pay TV channel offered by Globosat, released in 2010. The agreement, which was signed in September 2012, determines monthly payments, according to the Channel's advertising net revenues.

e) The Company and Globosat exchange certain programming, so that the Company is able to insert certain Globosat programs on its international channel and Globosat is able to insert certain Company's programs on its channels.

7. Related party transactions (Continued)

f) The Company licenses some in-house production content to be used by some related parties, including the right to use the “Globo” trademark.

g) Editora Globo has joint sales agreement with Infoglobo’s labels. In addition, Infoglobo provides magazine distribution services to Editora Globo subscribers in the state of Rio de Janeiro.

h) Globosat provides management and technical services to Canal Brazil S.A., NBCU Universal Networks International Brasil Programadora S.A., G2C Globosat Comercialização de Conteúdos S.A., Telecine, Horizonte and PB Brasil Entretenimento S.A. in exchange for a monthly fee determined under a service agreement. Globosat purchases and sells advertising time to affiliates such as Infoglobo, Editora Globo, NBCU Universal Networks International Brasil Programadora S.A., Telecine, Canal Brazil S.A., and others. Certain sales are made through barter transactions. In addition, Horizonte also provides technical services to Globosat, Canal Brazil S.A., NBCU Universal Networks International Brasil Programadora S.A., Telecine and PB Brasil Entretenimento S.A. in exchange for a monthly fee determined under a service agreement.

i) The Company, through its internet business unit, Globo.com, provides internet and related technology services to related parties, such as Infoglobo and most of its joint controlled entities. Such services are provided under a service agreement, in exchange for a monthly fee corresponding to the amount of service used.

As of December 31, 2013, the amounts due to and from related companies, arising from commercial transactions in the ordinary course of business, and classified as current accounts receivable and accounts payable, totaled R$108,188 and R$8,585 (R$73,815 and R$9,838 at December 31, 2012), respectively, in the Parent Company´s financial statements, and R$2,514 and R$84,504 (R$8,680 and R$76,780 at December 31, 2012), respectively, in the consolidated financial statements.

(In thousands of Brazilian reais, except when otherwise indicated)

7. Related party transactions (Continued)

The amounts due to and from related companies classified as non-current assets at December 31, 2013 and 2012, are as follows:

	Parent Company					
	Accounts receivable		Advances for future capital increase		Total	
	2013	2012	2013	2012	2013	2012
Power Company S.A.	**52,867**	44,826	**-**	-	**52,867**	44,826
Interpro - International Promotions Ltda.	**-**	-	**10,500**	-	**10,500**	-
Pluris Participações Ltda.	**-**	-	**4,704**	-	**4,704**	-
Globosat Programadora Ltda.	**32**	32	**-**	-	**32**	32
Other	**164**	295	**250**	28	**414**	323
Total	**53,063**	45,153	**15,454**	28	**68,517**	45,181

	Consolidated					
	Accounts receivable		Advances for future capital increase		Total	
	2013	2012	2013	2012	2013	2012
Endemol Globo S.A.	**18**	19	**-**	-	**18**	19
Other	**188**	917	**-**	218	**188**	1,135
Total	**206**	936	**-**	218	**206**	1,154

The operating revenues and net financial income (expense) with related companies for the years ended December 31, 2013 and 2012 are as follows:

	Parent Company			
	Operating revenues		Net financial income (expenses)	
	2013	2012	2013	2012
Globosat Programadora Ltda.	**313,263**	262,011	**(765)**	(462)
Horizonte Conteúdos Ltda.	**34,895**	3,074	**(638)**	-
Zap S.A. - Internet	**12,637**	39	**-**	-
Mosaico Negócios de Internet S.A.	**9,360**	5,446	**(1)**	-
Infoglobo Comunicação e Participações S.A.	**5,046**	5,819	**(143)**	(33)
Globo International Ltd.	**5,628**	6,326	**2,207**	(588)
Editora Globo S.A.	**3,106**	3,200	**(82)**	(24)
Worldwide Financial Trading Limited	**-**	-	**-**	32,759
Power Company S.A.	**-**	-	**8,040**	4,947
Other	**4,290**	3,978	**(110)**	(60)
	388,225	289,893	**8,508**	36,539

(In thousands of Brazilian reais, except when otherwise indicated)

7. Related party transactions (Continued)

	Consolidated			
	Operating revenues		Net financial expenses	
	2013	2012	2013	2012
Telecine Programação de Filmes Ltda.	**94,988**	74,755	**(30)**	(4)
NBCUniversal Networks International Brasil Programadora S.A.	**20,493**	17,513	**437**	(4)
Canal Brazil S.A.	**7,400**	6,722	**-**	-
Infoglobo Comunicação e Participações S.A.	**6,774**	7,630	**(2,168)**	(2,793)
Other	**9,178**	7,471	**356**	(1,211)
	138,833	114,091	**(1,405)**	(4,012)

8. Legal deposits

Globo Group is a defendant in several judicial tax, civil and labor claims for which certain legal deposits have been made, as follows:

	Parent Company		Consolidated	
	2013	2012	2013	2012
Tax proceedings and other (a)	**169,626**	283,665	**180,466**	295,690
Civil proceedings	**8,543**	79,728	**20,644**	91,184
Labor claims	**33,078**	32,456	**40,437**	39,563
Total	**211,247**	395,849	**241,547**	426,437

(a) According to Note 15, the reduction of approximately R$113,000 refers to the lawsuit for the applicable rate of labor insurance, as the related deposits were converted to income during the second and third quarter of 2013.

The legal deposits made in connection with certain proceedings will be released only in the event of a favorable outcome for Globo Group.

Globo Comunicação e Participações S.A.

Notes to the financial statements (Continued)
December 31, 2013 and 2012
(In thousands of Brazilian reais, except when otherwise indicated)

9. Income tax and social contribution

The changes in the deferred assets and liabilities related to income tax and social contribution in 2013 ar

	Parent Company				
	December 31, 2011	Additional benefit (obligation) recorded (offset)	Merger of Globo S.A.	December 31, 2012	Addi (obliga
Assets					
Tax loss carryforwards	14,366	(14,366)	-	-	
Negative basis of social contribution	66,963	(49,153)	-	17,810	
Temporary differences					
Provision for contingencies	110,047	(4,752)	-	105,295	
Provision for credit risk	21,093	(786)	-	20,307	
Provision for losses on assets	24,367	(473)	-	23,894	
Provision for investments losses	12,221	(3,581)	-	8,640	
Provision for benefits to employees	25,785	222	-	26,007	
Amortized goodwill temporarily non-deductible	140,072	56,797	-	196,869	
Other	38,746	34,139	-	72,885	
Tax credits originated from merger with Globo S.A.	-	-	781,509	781,509	
Total deferred taxes assets	453,660	18,047	781,509	1,253,216	
Liabilities					
Temporary differences					
Amortization of goodwill for taxes purposes	(283,724)	(3,799)	-	(287,523)	
Depreciation of property, plant and equipment	(38,708)	(30,664)	-	(69,372)	
Equity investments of fair value	-	(235,230)	-	(235,230)	
Other	(1,789)	(364)	-	(2,153)	
Total deferred taxes liabilities	(324,221)	(270,057)	-	(594,278)	
Net effect	129,439	(252,010)	781,509	658,938	

(In thousands of Brazilian reais, except when otherwise indicated)

9. Income tax and social contribution (Continued)

	Consolidated				
	December 31, 2011	**Additional benefit (obligation) recorded (offset)**	**Merger of Globo S.A.**	**December 31, 2012**	**Adc (oblig**
Assets					
Tax loss carryforwards	18,495	81,585	-	100,080	
Negative basis of social contribution	68,458	(14,774)	-	53,684	
Temporary differences					
Provision for contingencies	113,449	(4,339)	-	109,110	
Provision for credit risk	21,092	(785)	-	20,307	
Provision for losses on assets	24,367	(473)	-	23,894	
Provision for investments losses	12,221	(3,581)	-	8,640	
Provision for benefits to employees	25,975	680	-	26,655	
Amortized goodwill temporarily non-deductible	140,176	56,797	-	196,973	
Other	42,912	32,012	-	74,924	
Tax credits originated from merger with Globo S.A.	-	-	781,509	781,509	
Total deferred taxes assets	467,145	147,122	781,509	1,395,776	
Liabilities					
Temporary differences					
Amortization of goodwill for taxes purposes	(283,723)	(3,800)	-	(287,523)	
Depreciation of property, plant and equipment	(39,892)	(31,482)	-	(71,374)	
Equity investments of fair value	-	(235,230)	-	(235,230)	
Other	(2,421)	(363)	-	(2,784)	
Total deferred taxes liabilities	(326,036)	(270,875)	-	(596,911)	
Net effect	141,109	(123,753)	781,509	798,865	

(In thousands of Brazilian reais, except when otherwise indicated)

9. Income tax and social contribution (Continued)

Globo Group also has approximately R$963,000 of temporary differences related to amortization of goodwill temporarily non-deductible over which no deferred tax assets have been recorded, considering the uncertainty of when it will be realized.

Additionally, at December 31, 2013 certain subsidiaries have tax loss carryforwards and negative basis of social contribution of R$ 818,022 and R$829,031, respectively, over which no deferred taxes were recorded, since currently there is no expectation to recover these tax credits.

Although the tax loss carryforwards and the negative basis of social contribution have no statutory limit, Globo Group can only use an amount up to 30% of taxable income each year.

Management evaluates the carrying value of the deferred income tax and social contribution assets based on the Company's projected future taxable income, to maintain these assets at their expected realization value. Management estimates that the deferred income tax and social contribution assets will be realized within 10 years.

The reconciliation of the reported income tax and social contribution and the amount determined by applying the actual rate for the years ended December 31, 2013 and 2012, are as follows:

	2013			
	Parent Company		Consolidated	
	Income tax	Social contribution	Income tax	Social contribution
Income before income tax and social contribution	3,304,000	3,304,000	3,762,107	3,762,107
Income tax and social contribution at statutory rates (25% and 9% respectively)	(826,000)	(297,360)	(940,527)	(338,590)
Adjustments to derive the effective rates				
Permanent differences				
Equity pick-up	250,127	90,046	38,019	13,687
Tax benefits from political party and election programming	83,635	-	83,635	-
Other non-taxable income (a)	15,170	5,461	15,619	5,623
Other non-deductible expenses	(19,906)	(7,164)	(21,734)	(7,771)
(Derecognition) recognition of deferred income tax and social contribution over temporary differences originated in previous periods	(3,257)	(313)	(3,371)	114
Unrecorded tax loss carryforward and negative basis of social contribution from subsidiaries	-	-	(66,769)	(24,046)
Income tax and social contribution of previous periods (b)	(14,201)	-	(14,404)	-
Other	2,592	-	1,675	-
Income tax and social contribution	(511,840)	(209,330)	(907,857)	(350,983)
Effective rates	15.49%	6.34%	24.13%	9.33%

(a) Refers to the benefits granted by the Refinancing Tax Program. See Note 15.
(b) Refers to the recognition of tax loss carryforwards assessment included in the Refinancing Tax Program. See Note 15.

(In thousands of Brazilian reais, except when otherwise indicated)

9. Income tax and social contribution (Continued)

	2012			
	Parent Company		Consolidated	
	Income tax	Social contribution	Income tax	Social contribution
Income before income tax and social contribution	3,629,816	3,629,816	3,885,694	3,885,694
Income tax and social contribution at statutory rates (25% and 9% respectively)	(907,454)	(326,683)	(971,423)	(349,712)
Adjustments to derive the effective rates				
Permanent differences				
Equity pick-up	244,463	88,007	49,464	17,807
Tax benefits from political party and election programming	130,028	-	130,028	-
Other non-deductible expenses	(3,471)	(1,249)	(22,561)	(8,168)
Recognition of deferred income tax and social contribution over temporary differences originated in previous periods	87,852	21,234	87,535	21,111
Unrecorded benefits of deferred income tax and social contribution over temporary differences	-	-	4,247	1,335
Offset of tax loss carryforward and negative basis of social contribution	-	-	5,778	2,080
Unrecorded tax loss carryforward and negative basis of social contribution from subsidiaries	-	-	(28,132)	(10,142)
Recognition of tax loss carryforward and negative basis of social contribution originated in previous periods	-	-	99,081	35,514
Other	4,091	98	(481)	(974)
Income tax and social contribution	(444,491)	(218,593)	(646,464)	(291,149)
Effective rates	12.25%	6.02%	16.63%	7.49%

Income tax and social contribution computed and paid by Globo Group, as well as the income tax and social contribution returns and accounting records, are subject to review by tax authorities for the last five years only.

On September 17, 2013, the tax authorities issued the Regulatory Instruction No. 1397 (IN 1397) and on November 12, 2013 the Provisional Measure No. 627 (MP 627) that: (i) revokes the Transition Tax Regime (RTT) as from 2015, with introduction of a new tax regime; (ii) amends Decree Law No. 1598/77 in relation to calculation of corporate income tax and social contribution. The companies may choose to adopt the MP 627 provisions in 2014. Among the provisions of MP 627, the main ones relate to the treatment of profit sharing and dividends, basis of interest on equity and the criteria for calculation of equity pick-up during RTT. MP 627 includes a significant number of proposed amendments and the Brazilian tax authority (Secretaria da Receita Federal do Brazil) must regulate several matters. Thus, it is possible that some of the provisions be amended and/or regulated. Based on its current wording, the Company believes that MP 627 will not generate significant effects on its financial statements. The Company is awaiting the definition of the amendments to MP 627 in order to opt or not for its early adoption in 2014.

(In thousands of Brazilian reais, except when otherwise indicated)

9. Income tax and social contribution (Continued)

The current and deferred income tax and social contribution for the years ended December 31, 2013 and 2012 are as follows:

	Parent Company		Consolidated	
	2013	2012	2013	2012
Current income tax	**(429,890)**	(296,386)	**(796,100)**	(592,786)
Current social contribution	**(172,569)**	(114,688)	**(303,564)**	(221,074)
Adjustment related to income tax of previous period (a)	**(14,201)**	-	**(14,404)**	-
Total income tax and social contribution expense	**(616,660)**	(411,074)	**(1,114,068)**	(813,860)
Deferred income tax	**(67,749)**	(148,105)	**(97,354)**	(53,678)
Deferred social contribution	**(36,761)**	(103,905)	**(47,419)**	(70,075)
Total deferred income tax and social contribution expense	**(104,510)**	(252,010)	**(144,772)**	(123,753)
Total expense for the year	**(721,170)**	(663,084)	**(1,258,840)**	(937,613)
Deferred income tax and social contribution related to items recorded directly in equity:				
Fair value adjustment of available for sale investments	**(6,141)**	-	**(6,141)**	-
Actuarial losses on post-employment defined benefit plans	**1,743**	-	**1,743**	-
Total deferred income tax and social contribution related to other comprehensive income	**(4,398)**	-	**(4,398)**	-

(a) Refers to the recognition of tax loss carryforwards assessment included in the Refinancing Tax Program. See Note 15.

10. Investments at fair value

The investments measured at fair value are as follows:

		Parent Company		Consolidated	
		2013	2012	2013	2012
Sky Brasil Serviços Ltda.	(a)	**662,115**	658,311	**662,115**	658,311
Net Serviços de Comunicação S.A.	(b)	**308,515**	575,551	**308,515**	575,551
		970,630	1,233,862	**970,630**	1,233,862

Regarding the Company's Pay-Tv activities, several changes were made in the Company's interests and agreements with its investees, due to the approval of Law 12,485 in 2011 ("New Pay-TV Law'), in which non-Brazilian entities were allowed to own a controlling interest in Brazilian cable companies. In addition, the New Pay-TV Law determines that producers, programmers and broadcasting companies, such as Globo, are forbidden to hold control of telecommunication companies in Brazil. The rules regarding direct or indirect ownership limitations, entered into force in September 2012.

10. Investments at fair value (Continued)

Following the requirements set forth by the New Pay-TV Law, certain changes were made to the Shareholders' Agreements for both Net Serviços and EGPar, as well as, Sky Brasil. Referred Agreements no longer contain any provision that may grant to the Company any control or significant influence over Net Serviços and Sky Brasil. Accordingly, at the end of 2012, these investments were remeasured at fair value and the difference between the fair value and its carrying amount, in the total amount of R$ 691,852, was recorded in the income statement as financial income in 2012. Since then, these investments are classified as available for sale and the fair value fluctuations are recorded in equity. The gain recognized in equity in 2013 totaled R$ 11,921, net of taxes.

a) Sky Brasil Serviços Ltda. ("Sky Brasil") - Sky Brasil operates Pay TV services through satellite (Direct to Home), through the use of mini-parabolic antennas in the Ku band. Sky Brasil operates the Sky System in Brazil with DirectTV Group. At December 31, 2013, the Company has 7% interest in Sky Brasil.

b) Net Serviços de Comunicação S.A. ("Net Serviços") is a public company with significant activities in the distribution of subscription television signals through a network of cable subsidiaries and affiliates located in major Brazilian cities. Net Serviços also offers high-speed internet access services through its cable network, as well as telecommunications services.

   EG Participações S.A. ("EGPar") is a special purpose company which holds a minority interest in Net Serviços, whose controlling shareholder is Embrapar Participações S.A..

   On October 17, 2013, Empresa Brasileira de Telecomunicações S.A. - Embratel, the controlling shareholder of Net Serviços, held a voluntary tender public offering for all the common and preferred shares issued by Net Serviços, at the unit price of R$29.73. In connection with the public offering notice, on November 27, 2013, Globo Group sold 10,211,973 common shares and 1,000 preferred shares for approximately R$303,500, equivalent to its fair value amount. As a result, its ownership interest in Net Serviços decreased from 6.04% to 3.06%, held indirectly through EGPar.

Globo Comunicação e Participações S.A.

Notes to the financial statements (Continued)
December 31, 2013 and 2012
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11. Investments at equity method

The detailed information about joint ventures and associates is as follows:

	Ownership %			
	2013			2012
Companies	Direct	Indirect	Total	Total
Jointly controlled entities				
Canal Brazil S.A.	**-**	**50.00**	**50.00**	50.00
Endemol Globo S.A.	**50.00**	**-**	**50.00**	50.00
PB Brasil Entretenimento S.A.	**-**	**60.00**	**60.00**	60.00
Telecine Programação de Filmes Ltda.	**50.00**	**-**	**50.00**	50.00
Associates				
NBC Universal Networks International Brasil Programadora S.A.	**-**	**47.50**	**47.50**	47.50
TT2 Telecomunicações Ltda.	**-**	**35.57**	**33.75**	60.00

The main activities and operations carried out by the joint controlled entities and the associates are summarized as follows:

i. Telecine Programação de Filmes Ltda. ("Telecine") is a joint venture between Company (50%), Paramount (12.5%), Metro Goldwyn Mayer ("MGM", 12.5%), Universal (12.5%) and Twentieth Century Fox ("Fox", 12.5%) (Paramount, MGM, Universal and Fox together are referred to as the "Studio Partners"). Telecine offers premier and basic movie channels to subscription television operators in Brazil represented by G2C. The thirteen Telecine channels mainly broadcast exclusive films produced and licensed by the Studio Partners and films from selected studios such as Disney (Buena Vista International, Inc.) with which Telecine signed in October, 2011 an exclusive three year contract to exhibit the films produced by this studio.

ii. Canal Brazil S.A. ("Canal Brazil") is a joint venture between Globosat (50%) and GCB Empreendimentos e Participações Ltda. (50%). Canal Brazil offers Brazilian content channel to subscription television operators in Brazil represented by G2C. Canal Brazil mainly broadcast Brazilian films, programs, in-house production content and independent production.

iii. PB Brasil Entretenimento S.A. ("PB Brasil") is a joint venture between Globosat (60%) and Playboy TV Latin America LLC (40%). PB Brasil offers adult content channels to subscription television operators in Brazil represented by G2C. PB Brasil's channels mainly broadcast exclusive films produced and licensed by PTVLA and independent production.

11. Investments at equity method (Continued)

iv. NBCUniversal Networks International Brasil Programadora S.A. ("NBCU Brasil", previously USA Brasil Programadora Ltda.) is a partnership between Globosat (47.5%) and USA Brasil Holdings, L.L.C. (52.5%), a NBC Universal Global Networks Latin America Inc. subsidiary. NBCU Brasil offers series and movies channels to subscription television operators in Brazil represented by G2C.

v. Endemol Globo S.A. ("Endemol Globo") is a joint venture between Company (50%) and Endemol Finance B.V. (50%). Endemol Globo is engaged in developing, distributing and producing audiovisual programs based on formats owned by the shareholders and licensed on a worldwide basis.

Globo Comunicação e Participações S.A.

Notes to the financial statements (Continued)
December 31, 2013 and 2012
(In thousands of Brazilian reais, except when otherwise indicated)

11. Investments at equity method (Continued)

Changes in the Investments and Provision for losses on investments for the years ended December 31, 2
as follows:

	Parent Company				
	December 31, 2012	Capital contribution/ (disposal)	Translation adjustment	Dividends/ interest on capital	Equity gain (loss)
Investments					
Subsidiaries					
Globosat Programadora Ltda.	384,877	-	-	(612,335)	833,823
Globo International Ltd.	23,641	-	3,532	-	5,717
UGB Participações S.A.	80,788	68,659	-	-	(86,109)
Horizonte Conteúdos Ltda.	596,740	-	-	-	250,444
Other	104,639	37,744	-	(11,717)	(59,257)
	1,190,685	106,403	3,532	(624,052)	944,618
Jointly controlled entities					
Endemol Globo S.A.	585	-	-	(2,341)	2,165
Telecine Programação de Filmes Ltda.	130,391	-	-	(53,500)	86,550
	130,976	-	-	(55,841)	88,715
Other investments	1,140	-	-	-	-
Total	1,322,801	106,403	3,532	(679,893)	1,033,333
Provision for losses on investments					
Subsidiaries					
Worldwide Financial Trading Limited.	(50,956)	-	-	-	(9,287)
Sigla - Sistema Globo de Gravações Audiovisuais da Amazônia Ltda.	(2,112)	1,570	-	-	(2)
Other	(3,007)	3,013	-	-	(23,538)
Total	(56,075)	4,583	-	-	(32,827)

(In thousands of Brazilian reais, except when otherwise indicated)

11. Investments at equity method (Continued)

	Parent Company						
	December 31, 2011	Capital contribution/ (disposal)	Translation adjustment	Corporate restructuring	Dividends/ interest on capital	Equity gain (loss)	Other
Investments							
Subsidiaries							
Globosat Programadora Ltda.	584,072	-	-	(411,498)	(574,973)	787,276	-
Globo International Ltd.	17,350	2,228	1,922	-	-	2,141	-
UGB Participações S.A.	100,178	45,303	-	-	-	(60,587)	(4,106)
Horizonte Conteúdos Ltda.	-	2,472	-	411,662	-	182,606	-
Other	93,091	60,375	(2,880)	(164)	(3,500)	(42,283)	-
	794,691	110,378	(958)	-	(578,473)	869,153	(4,106)
Jointly controlled entities							
Endemol Globo S.A.	409	-	-	-	(2,292)	2,468	-
GB Empreend. e Participações S.A.	147,255	(16,790)	-	(137,137)	-	6,672	-
Net Serviços de Comunicação S.A.	191,296	-	-	(21,101)	-	12,263	-
Telecine Programação de Filmes Ltda.	97,997	-	-	-	(40,750)	73,144	-
	436,957	(16,790)	-	(158,238)	(43,042)	94,547	-
Associates							
Sky Brasil Serviços Ltda.	150,240	-	-	-	-	45,695	-
EG Participações S.A.	-	-	-	158,238	(2,632)	8,011	-
	150,240	-	-	158,238	(2,632)	53,706	-
Other investments	1,140	-	-	-	-	-	-
Total	1,383,028	93,588	(958)	-	(624,147)	1,017,406	(4,106)
Provision for losses on investments							
Subsidiaries							
Worldwide Financial Trading Limited.	(367,668)	355,259	-	-	-	(38,547)	-
Sigla - Sistema Globo de Gravações Audiovisuais da Amazônia Ltda.	(2,134)	168	-	-	-	(146)	-
Other	(3,121)	917	55	-	-	(858)	-
Total	(372,923)	356,344	55	-	-	(39,551)	-

(*) As described in Note 10, at the end of 2012, following the requirements set forth by the New Pay-TV Law, certain changes were made to the Shareholders' Agreements for both Net Serviços
Company no longer has any control or significant influence over Net Serviços and Sky Brasil. Accordingly, these investments were remeasured at fair value and are presented as "Investmen

(In thousands of Brazilian reais, except when otherwise indicated)

11. Investments at equity method (Continued)

	Consolidated			
	December 31, 2012	**Acquisitions (disposal)**	**Dividends/ interest on capital**	**Equity gain (loss)**
Investments				
Jointly controlled entities				
Canal Brazil S.A.	19,524	**-**	**(9,015)**	**11,247**
Endemol Globo S.A.	585	**-**	**(2,341)**	**2,165**
PB Brasil Entretenimento S.A.	12,960	**-**	**(21,264)**	**22,294**
Telecine Programação de Filmes Ltda.	130,391	**-**	**(53,500)**	**86,550**
	163,460	**-**	**(86,120)**	**122,256**
Associates				
NBCUniversal Networks International Brasil Programadora S.A.	28,844	**-**	**(25,080)**	**29,670**
	28,844	**-**	**(25,080)**	**29,670**
Other investments	1,596	**(12)**	**-**	**(27)**
Total	193,900	**(12)**	**(111,200)**	**151,899**
Provision for losses on investments				
Associates				
Temparque S.A.	(178)	**-**	**-**	**178**
Total	(178)	**-**	**-**	**178**

Globo Comunicação e Participações S.A.

Notes to the financial statements (Continued)
December 31, 2013 and 2012
(In thousands of Brazilian reais, except when otherwise indicated)

11. Investments at equity method (Continued)

	Consolidated					
	December 31, 2011	Acquisitions (disposal)	Dividends/ interest on capital	Equity gain (loss)	Others	Corporate restructuring
Investments						
Jointly controlled entities						
Canal Brazil S.A.	17,627	-	(6,304)	8,201	-	-
Endemol Globo S.A.	409	-	(2,292)	2,468	-	-
GB Empreendimentos e Participações S.A.	147,253	(16,788)	-	6,672	-	(137,137)
Net Serviços de Comunicação S.A.	191,296	-	-	12,263	-	(21,101)
PB Brasil Entretenimento S.A.	11,584	-	(15,912)	17,288	-	-
Telecine Programação de Filmes Ltda.	97,997	-	(40,750)	73,144	-	-
	466,166	(16,788)	(65,258)	120,036	-	(158,238)
Associates						
Sky Brasil Serviços Ltda.	150,239	-	-	45,696	-	-
EG Participações S.A.	-	-	(2,632)	8,011	-	158,238
Valônia Serviços de Intermediação e Participações S.A.	48,067	1,266	-	(9,843)	(26,950)	(12,540)
NBCUniversal Networks International Brasil Programadora S.A. (previously USA Brasil Programadora Ltda. and jointly controlled entitiy)	10,292	(459)	(14,693)	33,704	-	-
	208,598	807	(17,325)	77,568	(26,950)	145,698
Other investments	1,605	(6)	-	(3)	-	-
Total	676,369	(15,987)	(82,583)	197,601	(26,950)	(12,540)
Provision for losses on investments						
Associates						
Temparque S.A.	(433)	2	-	253	-	-
Total	(433)	2	-	253	-	-

(*) As described in Note 10, at the end of 2012, following the requirements set forth by the New Pay-TV Law, certain changes were made to the Shareholders' Agreements for both Net Ser
Company no longer has any control or significant influence over Net Serviços and Sky Brasil. Accordingly, these investments were remeasured at fair value and are presented as "Inves

(In thousands of Brazilian reais, except when otherwise indicated)

11. Investments at equity method (Continued)

The summary of the financial statements of the jointly controlled entities and associates for December 31
follows:

Joint controlled entities	NBCU BRASIL		Telecine		Endemol Globo		PB Brasil	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**20**
Assets								
Current assets	**103,984**	110,198	**331,252**	246,930	**2,733**	1,431	**34,379**	30,
Non-current assets	**20,649**	14,115	**17,514**	20,451	**275**	298	**3,862**	3,
Total	**124,633**	124,313	**348,766**	267,381	**3,008**	1,729	**38,241**	34,
Liabilities and equity								
Current liabilities	**52,822**	53,377	**83,395**	68,734	**2,169**	534	**14,921**	12,
Non-current liabilities	**1,425**	10,213	**3,635**	3,010	**21**	26	**5**	
Equity	**70,386**	60,723	**261,736**	195,637	**818**	1,169	**23,315**	21,
Total	**124,633**	124,313	**348,766**	267,381	**3,008**	1,729	**38,241**	34,
Net revenues	**179,815**	148,507	**924,589**	747,389	**8,328**	8,692	**85,644**	66,
Cost of sales and services	**(47,492)**	(27,712)	**(555,472)**	(448,535)	**(9)**	-	**(17,905)**	(14,
Operating (expenses) income	**(34,978)**	(30,552)	**(121,504)**	(91,718)	**(3,113)**	(2,842)	**(12,177)**	(10,
Net interest (expense) income	**(1,537)**	976	**13,213**	12,993	**159**	265	**1,438**	1,
Income tax and social contribution	**(32,384)**	(31,088)	**(87,727)**	(73,842)	**(1,036)**	(1,180)	**(19,108)**	(14,
Net income for the year	**63,424**	60,131	**173,099**	146,287	**4,329**	4,935	**37,892**	28,

(In thousands of Brazilian reais, except when otherwise indicated)

12. Property, plant and equipment

	Annual depreciation rate	Parent Company 2013 Cost	Parent Company 2013 Accumulated depreciation	Parent Company 2013 Net	Parent Company 2012 Net
Buildings and improvements	2.5%	2,263,191	(1,189,463)	1,073,728	1,015,820
Studio and transmission equipment	10%	1,365,521	(839,305)	526,216	429,731
Computer equipment and software	20%	247,833	(179,149)	68,684	70,246
Land		239,447	-	239,447	238,533
Construction in progress		196,873	-	196,873	184,291
Other	10% and 20%	379,009	(266,174)	112,835	98,991
Total		4,691,874	(2,474,091)	2,217,783	2,037,612

	Annual depreciation rate	Consolidated 2013 Cost	Consolidated 2013 Accumulated depreciation	Consolidated 2013 Net	Consolidated 2012 Net
Buildings and improvements	2.5%	2,346,892	(1,196,172)	1,150,720	1,051,319
Studio and transmission equipment	10%	1,618,364	(966,637)	651,727	552,834
Computer equipment and software	20%	335,349	(231,639)	103,710	101,808
Land		259,137	-	259,137	258,223
Construction in progress		202,067	-	202,067	193,168
Other	10% and 20%	464,459	(305,801)	158,658	151,225
Total		5,226,268	(2,700,249)	2,526,019	2,308,577

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12. Property, plant and equipment (Continued)

Changes in Property, plant and equipment for the years ended December 31, 2013 and 2012 are as follo

	Parent Company			
2013	**December 31, 2012**	**Acquisitions**	**Depreciation**	**Transfers**
Buildings and improvements	1,015,820	**-**	**(32,386)**	**90,294**
Studio and transmission equipment	429,731	**168,878**	**(74,334)**	**3,056**
Computer equipment and software	70,246	**19,471**	**(26,447)**	**5,929**
Land	238,533	**-**	**-**	**914**
Construction in progress	184,291	**125,607**	**-**	**(113,025)**
Other	98,991	**22,686**	**(21,528)**	**12,832**
Total of property, plant and equipment	2,037,612	**336,642**	**(154,695)**	**-**

	Parent Company			
2012	**December 31, 2011**	**Acquisitions**	**Depreciation**	**Transfers**
Buildings and improvements	1,034,545	-	(30,912)	13,209
Studio and transmission equipment	354,971	175,969	(79,291)	(21,750)
Computer equipment and software	74,589	21,447	(26,760)	1,060
Land	238,895	-	-	-
Construction in progress	74,860	113,965	-	(4,534)
Other	81,101	21,097	(15,102)	12,015
Total of property, plant and equipment	1,858,961	332,478	(152,065)	-

Globo Comunicação e Participações S.A.

Notes to the financial statements (Continued)
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12. Property, plant and equipment (Continued)

				Consolidated
2013	December 31, 2012	Acquisitions	Depreciation	Transfers
Buildings and improvements	1,051,319	**43,381**	**(34,089)**	**90,459**
Studio and transmission equipment	552,834	**182,895**	**(104,880)**	**24,328**
Computer equipment and software	101,808	**32,045**	**(37,800)**	**8,391**
Land	258,223	**-**	**-**	**914**
Construction in progress	193,168	**148,105**	**-**	**(139,253)**
Other	151,225	**29,096**	**(31,128)**	**15,161**
Total of property, plant and equipment	2,308,577	**435,522**	**(207,897)**	**-**

				Consolidated
2012	December 31, 2011	Acquisitions	Depreciation	Transfers
Buildings and improvements	1,071,629	383	(32,566)	12,895
Studio and transmission equipment	458,249	171,953	(106,831)	29,244
Computer equipment and software	99,516	33,824	(35,595)	4,316
Land	258,585	-	-	-
Construction in progress	93,560	144,892	-	(45,284)
Other	142,601	33,457	(23,681)	(1,171)
Total of property, plant and equipment	2,124,140	384,509	(198,673)	-

(In thousands of Brazilian reais, except when otherwise indicated)

13. Intangibles

Changes in the intangible assets for the years ended December 31, 2013 and 2012 are as follows:

	Annual amortization rate	Parent Company				
		December 31, 2012	Acquisitions	Amortization	Other	December 31, 2013
Finite useful lives						
Software	**20%**	83,022	**39,235**	**(31,492)**	**(40)**	**90,725**
Other		1,863	**-**	**-**	**-**	**1,863**
Total		84,885	**39,235**	**(31,492)**	**(40)**	**92,588**
Indefinite useful lives						
Goodwill						
Debt restructuring goodwill		836,343	**-**	**-**	**-**	**836,343**
Globosat Programadora Ltda.		23,895	**-**	**-**	**-**	**23,985**
Total		860,238	**-**	**-**	**-**	**860,238**
		945,123	**39,235**	**(31,492)**	**(40)**	**952,826**

	Annual amortization rate	Parent Company			
		December 31, 2011	Acquisitions	Amortization	December 31, 2012
Finite useful lives					
Software	20%	76,592	34,250	(27,820)	83,022
Other		1,860	3	-	1,863
Total		78,452	34,253	(27,820)	84,885
Indefinite useful lives					
Goodwill					
Debt restructuring goodwill		836,343	-	-	836,343
Globosat Programadora Ltda.		23,895	-	-	23,895
Total		860,238	-	-	860,238
		938,690	34,253	(27,820)	945,123

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December 31, 2013 and 2012
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13. Intangibles (Continued)

	Annual amortization rate	Consolidated			
		December 31, 2012	Acquisitions	Amortization	Disposals/ Impairment
Finite useful lives					
Software	**20%**	106,409	**52,833**	**(39,961)**	**(561)**
Trademarks and patents	**5%**	7,098	**14,072**	**(547)**	**(3,131)**
Other	**20%**	13,741	**12,213**	**(2,543)**	**(4,584)**
Total		127,248	**79,118**	**(43,051)**	**(8,276)**
Indefinite useful lives					
Goodwill					
Debt restructuring goodwill		836,343	**-**	**-**	**-**
Globosat Programadora Ltda.		23,895	**-**	**-**	**-**
Zap S.A. Internet (*)		-	**67,507**	**-**	**-**
Mosaico Negócios de Internet S.A.		3,591	**-**	**-**	**(3,591)**
Mundi Negócios de Internet Ltda.		16,205	**-**	**-**	**(16,205)**
Valônia Serviços de Intermediação e Participações S.A.		52,943	**-**	**-**	**(52,943)**
Gazzag Serviços de Internet Ltda.		30,191	**-**	**-**	**(30,191)**
Trade Network Participações Ltda.		8,843	**-**	**-**	**(8,843)**
Outplan Sistemas S.A.		5,023	**-**	**-**	**(9,423)**
Total		977,034	**67,507**		**(121,196)**
		1,104,282	**146,625**	**(43,051)**	**(129,472)**

(*) Goodwill arised from acquisition of control in Zap, as described Note 3.

(In thousands of Brazilian reais, except when otherwise indicated)

13. Intangibles (Continued)

	Annual amortization rate	Consolidated			
		December 31, 2011	Acquisitions	Amortization	Disposals
Finite useful lives					
Software	**20%**	96,928	42,956	(33,881)	-
Trademarks and patents	**5%**	3,700	2,331	-	(4)
Other	**20%**	11,416	4,687	(1,839)	(1,728)
Total		112,044	49,974	(35,720)	(1,732)
Indefinite useful lives					
Goodwill					
Debt restructuring goodwill		836,343	-	-	-
Globosat Programadora Ltda.		23,895	-	-	-
Mosaico Negócios de Internet S.A.		3,591			
Mundi Negócios de Internet Ltda.		-	-	-	-
Valônia Serviços de Intermediação e Participações S.A.		-	35,595	-	-
Gazzag Serviços de Internet Ltda.		30,191	-	-	-
Trade Network Participações Ltda.		8,843	-	-	-
Outplan Sistemas S.A.		9,423	-	-	-
Total		912,286	35,595	-	-
		1,024,330	85,569	(35,720)	(1,732)

(In thousands of Brazilian reais, except when otherwise indicated)

13. **Intangibles** (Continued)

Globo Group internally generated intangibles assets, such as trademarks which are not recognized as assets.

Impairment tests for goodwill

Goodwill is allocated to the related entity that originated the goodwill, which are considered the lowest levels of cash generating units. Globo Group's cash-generating units are identified according to its operating segment. An operating segment-level summary of the goodwill allocation is presented below.

Segments	2013	2012
Television	**860,238**	860,238
Internet	**67,507**	102,930
Events	**-**	13,866
Total	**927,745**	977,034

The recoverable amount of a CGU is determined based on value-in-use calculations using pre-tax cash flow projections based on financial budgets approved by management covering a five-year period, and considers assumptions consistent with current macroeconomics indexes.

Regarding the revenues projections, the Company considers the expected growth of advertising market and projected market share of each segment.

Concerning the costs and operating expenses, the Company considers the historical figures of its operations and also the growth expected with acquisition of sport and transmission rights, license agreement, and development of content and programming, etc.

Additionally, the projections of capital investments are estimated based on the assumption of maintenance of the current level of operation and also for the updating to the newest standards of technology for production, programming and transmission.

The discount rate used (15.8% in 2013) is pre-tax and reflect specific risks relating to the relevant operating segments.

(In thousands of Brazilian reais, except when otherwise indicated)

14. Debt

The outstanding debt as of December 31, 2013 and 2012 are comprised as follows:

	Parent Company					
	2013			2012	Interest rate	
Description	Short-term	Long-term	Total	Total	per year	Maturities
Foreign currency *						
Perpetual Notes	9,252	761,345	770,597	672,209	6.25%	
US$ 200MM NC5 Senior Notes	3,384	468,520	471,904	411,652	5.307%	May 2022
US$ 300MM Senior Notes	7,519	702,780	710,299	619,609	4.875%	April 2022
Total	20,155	1,932,645	1,952,800	1,703,470		
Total	20,155	1,932,645	1,952,800	1,703,470		

	Consolidated					
	2013			2012	Interest rate	
Description	Short-term	Long-term	Total	Total	per year	Maturities
Local currency						
Other bank loans	21,971	-	21,971	1,462	CDI + 1.5%	
Total	21,971	-	21,971	1,462		
Foreign currency *						
Perpetual Notes	9,252	761,345	770,597	672,209	6.25%	
US$ 200MM NC5 Senior Notes	3,384	468,520	471,904	411,652	5.307%	May 2022
US$ 300MM Senior Notes	7,519	702,780	710,299	619,609	4.875%	April 2022
Total	20,155	1,932,645	1,952,800	1,703,470		
Total	42,126	1,932,645	1,974,771	1,704,932		

(*) The Perpetual Notes and the U$200MM NC5 Senior Notes have quarterly and semiannually call options starting on July 20, 2015 and on May 11, 2017, respectively.

There are no guarantees related to the debt at December 31, 2013.

On April 11, 2012, the Company issued US$ 300,000 thousand aggregate principal amount of 4.875% p.a. Senior Notes (the "US$ 300 million Senior Notes"), which pay semiannually interest commencing on October 11, 2012 and mature on April 2022. The US$ 300 million Senior Notes are unsubordinated and unsecured obligations and may be redeemed or repurchased at any date on or after April 11, 2017.

On April 20, 2012, the Company pre-paid R$ 105,589 of its local currency debt.

(In thousands of Brazilian reais, except when otherwise indicated)

14. Debt (Continued)

On May 11, 2012, the Company refinanced the Senior Notes for the US$ 200,000 thousand 5.307% p.a. Step-up Due 2022 (the “US$ 200MM NC5 Senior Notes”). The US$ 200 million NC5 Senior Notes will bare a rate of 5.307% p.a. until May 11, 2017 and 7.25% p.a. thereafter. The US$ 200 million NC5 Senior Notes are unsecured and unsubordinated and may be called upon any date on or after May 11, 2017. Interest on US$ 200 million NC5 Senior Notes will be payable semi-annually commencing on November 11, 2012.

The indexes associated with outstanding consolidated debt, as of December 31, 2013, are as follows:

	December 31, 2013
CDI (Interbank deposit rate)	**9.77**
Dollar (R$/US$ PTAX Central Bank)	**2.3426**

15. Provision for contingencies

Globo Group is a defendant in several judicial tax, civil and labor. Based on the opinion of Globo Group’s internal and independent legal counsel, Management recognizes provision for contingencies in amount considered sufficient to cover probable losses resulting from such proceedings.

Changes in contingencies are summarized as follows:

	Parent Company				
	2013				2012
	Tax proceedings	Labor claims	Civil proceedings	Total	Total
Balances at the beginning of the year	**199,780**	**85,134**	**32,283**	**317,197**	331,179
Additions net of reversals	**2,737**	**7,901**	**10,406**	**21,044**	6,882
Offset with legal deposit	**(112,943)**	**-**	**-**	**(112,943)**	-
Payments	**(10,207)**	**(8,109)**	**(13,502)**	**(31,818)**	(20,864)
Monetary variation	**-**	**4,451**	**-**	**4,451**	-
Balances at the end of the year	**79,367**	**89,377**	**29,187**	**197,931**	317,197

(In thousands of Brazilian reais, except when otherwise indicated)

15. Provision for contingencies (Continued)

	Consolidated				
	2013				2012
	Tax proceedings	Labor claims	Civil proceedings	Total	Total
Balances at the beginning of the year	**210,121**	**100,990**	**42,177**	**353,288**	370,729
Additions net of reversals	**2,736**	**8,436**	**10,217**	**21,389**	11,795
Offset with legal deposits	**(112,943)**	**-**	**-**	**(112,943)**	-
Payments	**(10,211)**	**(10,437)**	**(15,882)**	**(36,530)**	(29,353)
Monetary variation	**57**	**4,893**	**111**	**5,061**	117
Balances at the end of the year	**89,760**	**103,882**	**36,623**	**230,265**	353,288

In December 2010, the Brazilian tax authorities imposed a tax assessment to the subsidiary Globosat related to the deductibility of goodwill originated in 2004 and amortized for determination of taxable profit from 2004 to 2008. As of December 31, 2013, this contingency amounted to approximately R$363,266 (R$343,791 at December 31, 2012). Globosat has presented its administrative defense and is now waiting the judgment. Based on opinions of its internal and independent legal counsel, Management believes that a favorable outcome is possible and, therefore, no provision has been recorded.

In December 2009, the Brazilian tax authorities imposed a tax assessment and notified the Company to pay income tax and social contribution related mainly to the amount of goodwill recorded in excess upon the acquisition of investments in one of its subsidiaries in 2005, which was amortized and used for determination of taxable profit in the calendar-years from 2005 to 2008. Company has presented its administrative defense and is now waiting the judgment. As of December 31, 2013, the estimated contingency amount in connection with this assessment was R$ 950,472 (R$ 897,063 at December 31, 2012). The Company, based on opinions of internal and independent legal counsel, believes that a favorable outcome is possible and, therefore, no provision has been recorded.

In 2005, Escritório Central de Arrecadação e Distribuição (“ECAD”) filed a lawsuit against Globo claiming that Globo had been using its musical works without paying royalties and without prior approval since the expiration of their last agreement in June 2005. ECAD claimed damages of unpaid royalties based on metrics which are higher than the basis included in the previous agreement. Globo also filed a lawsuit against ECAD on July 25, 2005 challenging the amount claimed by ECAD and requesting the right to continue to use ECAD’s musical works under the terms of the last agreement in place, adjusted by inflation.

In October 2013, Globo and ECAD entered into an agreement which determined an additional payment of performance rights related to the period from July 2005 to October 2013 and renewed the contract for the use of the musical works by Globo, which will pay a monthly amount for the next five years, beginning November 2013.

(In thousands of Brazilian reais, except when otherwise indicated)

15. Provision for contingencies (Continued)

Refinancing Tax Program - Law 11.941/09

On May 27, 2009, Brazilian government enacted the Law 11.941/09, which amended the tax legislation regarding the payment of tax debts due up to November 30, 2008. The law launched a Refinancing Tax Program and granted certain benefits, such as reduction of penalty and interest depending on the payment form.

Additionally, Law 11.941/09 allows the companies to pay the interest through its tax loss carryforward and negative basis of social contribution.

On October 09, 2013, the adherence period was reopened until December 31, 2013 through the Law 12.865/13.

Management evaluated the benefits granted by Law 11.941/09 to adhere to this refinancing tax program and included the following matters in the refinancing program:

					Payment	
Description		Tax debit amount (*)	Reduction of penalty and interest (**)	Total amount to be paid	Offset of negative basis of social contribution	In cash
Social security contributions (INSS)	(a)	122,052	(43,351)	78,701	-	78,701
Income tax	(b)	42,754	(18,681)	24,073	385	23,688
Other		1,254	(445)	809	154	655
Total		166,060	(62,477)	103,583	539	103,044

(*) These amounts were calculated in accordance with the criteria established at the system of the Secretaria da Receita Federal do Brasil (Brazilian Tax Authority).

(**) According to Law 11941/09, since the tax debt was paid in one installment, 100% of penalties are waived, and interest charges were reduced by 45%.

(a) This refers to assessments of social security contributions ("INSS") in connection with payment of services rendered by certain legal entities from December 2002 to December 2005. The Company's internal and independent legal counsel has estimated the probability of loss as possible and, thus, no provision had been recorded before.

(b) This refers to an assessment in connection with offsets of tax loss carryforwards in merger transactions with no limit of 30% of taxable profit as established by current legislation. The Company's internal and independent legal counsel estimated the probability of loss as possible and, thus, no provision had been recorded before.

In the fourth quarter of 2013, upon recognition of this Refinancing Tax Program, the Globo Group recorded a total net expense R$103,583, which was fully paid in December 2013, of which R$50,360 against operating expenses, R$38,819 against financial expenses and R$ 14,404 against income tax.

(In thousands of Brazilian reais, except when otherwise indicated)

16. Commitments

In connection with its operational activities, Globo Group has commitments related to acquisition of transmission and exhibition rights, including live events, films, documentaries, television series and other rights.

The main commitments agreed by Globo Group for the following years, and not registered are summarized below:

	Within one year	After one year and less than five years	After five years	Total
Transmission and exhibition rights	**2,219,680**	**7,492,429**	**2,893,973**	**12,606,082**

These commitments refer mainly to sports events, such as National Brazilian Soccer and Regional championships, FIFA World Cup, F1 car racing, Olympics games, among others.

Additionally, Globo Group rents equipment and properties from third parties in connection with its in-house production television programming of soap-operas, mini-series, series and other television programs. In the year ended December 31, 2013, Globo Group incurred in expenses amounting approximately to R$ 296,000 (approximately R$ 276,000 in 2012).

17. Equity

Capital

Company's capital at December 31, 2013 and 2012, is represented by 1,000,000 shares, of which 333,335 are common shares and 666,665 are preferred shares, all without par value.

Under Company's by-laws, only the holders of common shares are entitled to vote. Specific rights are guaranteed to the non-voting preferred shares, such as priority over the proceeds in the event of Company's liquidation.

On August 9, 2012, the Company's controlling shareholder Globo S.A. was spun-off and part of its net assets, in the amount of R$6,408,936, were contributed to the capital of the Company. The main assets of Globo S.A. were the investment balance in the Company at the date of the merger and R$781,509 of deferred tax assets. Afterwards, the Company's equity was reduced by R$5,627,426, corresponding to the investment balance of Globo S.A. in the Company at the date of the merger.

(In thousands of Brazilian reais, except when otherwise indicated)

17. **Equity** (Continued)

Earnings reserves

In accordance with Brazilian Corporate Law, the legal reserve, which is intended to ensure the integrity of capital and may only be used to offset losses or increase the capital, is set up on an annual basis at 5% of the net income for the year and it cannot exceed 20% of the capital stock.

The Bylaws provide for the distribution of mandatory dividends of 25% of net income for the year, adjusted in compliance with article 202 of Law 6.404/76.

In December 2013 and 2012, Company's Management proposed a distribution of the net income, as follows:

Segments	2013	2012
Net income for the year	**2,582,830**	2,966,732
Legal reserve	**(129,141)**	(148,336)
	2,453,689	2,818,396
Minimum mandatory dividends	**(613,422)**	(704,599)
Elimination of Globo S.A.'s investment balance arising from the merger	**-**	(799,586)
Retained earnings reserves	**1,840,267**	1,314,211

Dividends

On August 8, 2012, the Shareholders' General Meeting approved the distribution of R$2,000,000 of dividends.

At December 31, 2013, dividends payable to shareholders amounted to R$2,524,372 (R$3,238,899 at December 31, 2012), R$1,526,718 were recorded as current liabilities and R$997,654 as non-current liabilities. During the year ended December 31, 2013 the Company paid R$1,327,947 of dividends.

On January 6, 2014, R$1,388,800 of the outstanding dividends at December 31, 2013 were also paid, and the settlement of the remaining balance will be determined in the Shareholders' General Meeting.

(In thousands of Brazilian reais, except when otherwise indicated)

18. Net revenues

	Parent Company		Consolidated	
	2013	**2012**	**2013**	**2012**
Third parties				
Gross revenues	**10,776,055**	9,555,117	**15,450,449**	13,446,430
Taxes	**(441,364)**	(398,027)	**(851,772)**	(732,287)
Other deductions	**(29,556)**	(21,868)	**(101,767)**	(118,016)
	10,305,135	9,135,222	**14,496,910**	12,596,127
Related parties				
Gross revenues	**422,518**	315,439	**160,698**	132,200
Taxes	**(32,122)**	(23,390)	**(20,939)**	(17,274)
Other deductions	**(2,171)**	(2,156)	**(926)**	(835)
	388,225	289,893	**138,833**	114,091
Net revenues	**10,693,360**	9,425,115	**14,635,743**	12,710,218

19. Financial income and financial expense

	Parent Company		Consolidated	
	2013	**2012**	**2013**	**2012**
Financial income	**706,830**	1,225,533	**749,845**	1,254,542
Financial expense	**(489,111)**	(279,497)	**(530,048)**	(344,493)
Financial income, net	**217,719**	946,036	**219,797**	910,049

(In thousands of Brazilian reais, except when otherwise indicated)

19. Financial income and financial expense (Continued)

The financial income (expense), net for the years ended December 31, 2013 and 2012 are comprised as follows:

	Parent Company			
	2013			2012
	Interest	Monetary and exchange variation	Total	Total
Financial income				
Income	**681,371**	**1,161**	**682,532**	528,598
Discounts obtained	**548**	**-**	**548**	524
Fair value of equity investments	**20,017**	**-**	**20,017**	691,852
Other	**72**	**3,661**	**3,733**	4,559
Financial expense				
Expenses from debt	**(99,045)**	**(246,495)**	**(345,540)**	(261,180)
Discounts granted	**(13,166)**	**-**	**(13,166)**	(8,328)
Other	**(89,098)** (*)	**(49,815)**	**(138,913)**	(46,528)
Net financial income - related parties (Note 7)	**(329)**	**8,837**	**8,508**	36,539
	500,370	**(282,651)**	**217,719**	946,036

	Consolidated			
	2013			2012
	Interest	Monetary and exchange variation	Total	Total
Financial income				
Income	**721,765**	**(771)**	**720,994**	548,866
Discounts obtained	**3,606**	**-**	**3,606**	2,893
Fair value of equity investments	**20,017**	**-**	**20,017**	691,852
Other	**853**	**4,375**	**5,228**	10,931
Financial expense				
Expense from debt	**(99,890)**	**(246,495)**	**(346,385)**	(261,797)
Discounts granted	**(23,700)**	**-**	**(23,700)**	(15,493)
Other	**(105,647)** (*)	**(52,911)**	**(158,558)**	(63,191)
Net financial expense - related parties (Note 7)	**(1,389)**	**(16)**	**(1,405)**	(4,012)
	515,615	**(295,818)**	**219,797**	910,049

(*) Refers mainly to Refinancing Tax Program, according to Note 15.

20. Investment results

	Parent Company		Consolidated	
	2013	2012	2013	2012
Losses related to Internet service activity (*)	**-**	-	**(109,664)**	(26,000)
Losses related to Promotions and events activity (*)	**-**	-	**(17,928)**	-
Other	**(5,311)**	(10,352)	**(5,168)**	(12,056)
	(5,311)	(10,352)	**(132,760)**	(38,056)

(*) Losses related to the transactions in 2013, as described in Note 3.

Globo Comunicação e Participações S.A.

Notes to the financial statements (Continued)
December 31, 2013 and 2012
(In thousands of Brazilian reais, except when otherwise indicated)

21. Financial instruments

21.1. Financial instruments by category

The classification and measurement of the main Globo Group's financial assets by category are as

	Parent Company						
	December 31, 2013					Dece	
Financial assets	**Receivables**	**At fair value through the profit and loss**	**Available for sale**	**Held to maturity**	**Total**	**Receivables**	**At fair value through the profit and loss**
Cash and cash equivalents	**-**	**2,202,031**	**-**	**-**	**2,202,031**	-	846,107
Marketable securities	**-**	**5,469,196**	**-**	**581,393**	**6,050,589**	-	5,292,589
Trade receivables	**1,252,312**	**-**	**-**	**-**	**1,252,312**	1,006,389	-
Equity investments at fair value (*)	**-**	**-**	**970,630**	**-**	**970,630**	-	283,921
	1,252,312	**7,671,227**	**970,630**	**581,393**	**10,475,562**	1,006,389	6,422,617

	Consolidated						
	December 31, 2013					Dece	
Financial assets	**Receivables**	**At fair value through the profit and loss**	**Available for sale**	**Held to maturity**	**Total**	**Receivables**	**At fair value through the profit and loss**
Cash and cash equivalents	**-**	**2,622,652**	**-**	**-**	**2,622,652**	-	1,027,722
Marketable securities	**-**	**5,664,748**	**-**	**757,656**	**6,422,404**	-	5,358,787
Trade receivables	**1,553,455**	**-**	**-**	**-**	**1,553,455**	1,264,069	-
Equity investments at fair value (*)	**-**	**-**	**970,630**	**-**	**970,630**	-	283,921
	1,553,455	**8,287,400**	**970,630**	**757,656**	**11,569,141**	1,264,069	6,670,430

(*) Fair value of the investment was determined by reference to published price in the last public offering (Net Serviços) or determined using a discounted
not traded in an active market. Globo evaluates the fair value semiannually, or when there is evidence of significant changes in value.

(In thousands of Brazilian reais, except when otherwise indicated)

21. Financial instruments (Continued)

21.1. Financial instruments by category (Continued)

The fair value of all securities is based on their current bid prices in an active market. There are no guarantees for customers' credits.

The counterparties without external credit rating, in most cases, are the customers. That credits has the management valuation to define the credit risk. This valuation is based on historical information about counterparties, time of payment in arrears, relevance of the account receivable and individually renegotiation.

The financial liabilities are classified and measured at amortized cost, as follows:

	Parent Company		Consolidated	
	Amortized cost		Amortized cost	
Financial liabilities	**2013**	**2012**	**2013**	**2012**
Debt	**1,952,800**	1,703,470	**1,974,771**	1,704,932
Accounts payable	**917,958**	831,366	**1,217,160**	1,105,377
Payables to related parties	**2,556,821**	3,129,582	**2,609,613**	1,268,733
	5,427,579	5,664,418	**5,801,544**	4,079,042

The fair value of the debt at December 31, 2013 and 2012 are as follows:

	Parent Company			
	2013		2012	
Description	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Foreign currency loans	**1,952,800**	**2,001,390**	1,703,470	1,865,225

	Consolidated			
	2013		2012	
Description	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Local currency loans	**21,971**	**21,971**	1,462	1,462
Foreign currency loans	**1,952,800**	**2,001,390**	1,703,470	1,865,225
	1,974,771	**2,023,361**	1,704,932	1,866,687

21. Financial instruments (Continued)

21.1. Financial instruments by category (Continued)

The local currency debt is not actively traded and the interest rates are consistent with current market conditions, therefore the market values informed approximate their carrying values. The fair value of the foreign currency debt was calculated based on the secondary market with a market face value of 104.50% for the Perpetual Notes, 104.59% for the US$200 million NC5 Senior Notes and 98.98% for the US$300 million Senior Notes.

The following is a summary of Globo Group's risk management strategies and their effect on its consolidated financial statements.

21.1.1. Financial risk factors

Globo Group's activities expose it to a variety of financial risks, such as: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. Globo Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. Globo Group uses derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out by a corporate treasury department (Company Treasury) under policies approved by the Board. Company Treasury identifies, evaluates and hedges financial risks in close co-operation with the operating units. Globo Group provides principles for overall financial risk management, covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(In thousands of Brazilian reais, except when otherwise indicated)

21. Financial instruments (Continued)

21.1. Financial instruments by category (Continued)

21.1.2. Market risk

21.1.2.1. *Foreign currency risk*

Globo Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. dollar. The foreign exchange exposure arises mainly from long-term debt, certain accounts payable, commitments to purchase programming rights denominated in foreign currencies and net investments in foreign operations.

Management has set up a policy to manage their foreign exchange risk against their functional currency, and hedges part of the foreign exchange risk exposure with certain derivative instruments, as described ahead.

Globo Group's currency exposure arising from investments in foreign operations is insignificant.

Globo Group is exposed to the effects of exchange rate variations that could adversely impact their cash flows, financial position and operations, regarding the assets and liabilities, as follows:

	Parent Company	
	2013	**2012**
Debt denominated in US dollars	**1,952,800**	1,703,470
Accounts payable denominated in US dollars	**132,069**	115,911
Currency exposed liabilities	**2,084,869**	1,819,381
Assets		
Cash and cash equivalent denominated in US dollars	**(8,625)**	(61,176)
Other assets denominated in foreign currencies, mostly accounts receivable	**(103,719)**	(84,157)
Currency exposed assets	**(112,344)**	(145,333)
Currency exposure	**1,972,525**	1,674,048

(In thousands of Brazilian reais, except when otherwise indicated)

21. Financial instruments (Continued)

21.1. Financial instruments by category (Continued)

21.1.2. Market risk (Continued)

21.1.2.1. *Foreign currency risk (Continued)*

	Consolidated	
	2013	**2012**
Liabilities		
Debt denominated in US dollars	**1,952,800**	1,703,470
Accounts payable denominated in US dollars	**159,611**	135,361
Currency exposed liabilities	**2,112,411**	1,838,831
Assets		
Cash and cash equivalent denominated in US dollars	**(31,316)**	(78,578)
Other assets denominated in foreign currencies, mostly accounts receivable	**(203,102)**	(166,749)
Currency exposed assets	**(234,418)**	(245,327)
Currency exposure	**1,877,993**	1,593,504

21.1.2.2. *Cash flow, fair value interest rate risk and price risk*

Globo Group's has no significant interest rate risk from debt.

Globo Group has part of its cash held at fixed rates. However, Globo Group manages its cash flow interest rate risk by using fixed-to-floating interest rate swaps. These swaps mitigate the risk of losses in fixed interest rate marketable securities.

Globo Group has part of its cash invested in multimarket investment funds. Therefore, this portion of cash shares many of the same types of price risk as other investment classes, including fixed interest rate, variable income, among others.

21. Financial instruments (Continued)

21.1. Financial instruments by category (Continued)

21.1.3. Concentration of credit risk

Credit risk is managed on group basis. Credit risk arises from cash and cash equivalents, marketable securities, derivative financial instruments and deposits with financial institutions, outstanding receivables and committed transactions.

For banks and financial institutions, only independently rated parties with a minimum rating are accepted. Globo Group maintains cash and cash equivalents with various financial institutions and as a policy, it limits the exposure to each institution.

Globo Group's risk control assesses the credit quality of the customers, taking into account its financial position, past experience and other factors. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. Globo Group does not hold any collateral as security; however, believes that the concentration of credit risk associated with accounts receivable of it is not significant.

21.1.4. Liquidity risk

Cash flow forecasting is performed for all entities of Globo Group and aggregated by Company Treasury. Company Treasury monitors rolling forecasts of Globo Group's liquidity requirements to ensure it has sufficient cash to meet operational.

Surplus cash held by the operating entities over and above balance required for working capital management are managed individually by each company within the guidelines set by Company Treasury function. Surplus cash is invested in marketable securities aforementioned, choosing instruments with appropriate maturities or sufficient liquidity as determined by the forecasts.

(In thousands of Brazilian reais, except when otherwise indicated)

21. Financial instruments (Continued)

21.1. Financial instruments by category (Continued)

21.1.5. Derivative instruments

At December 31, 2013, with the objective to hedge its short term and part of the long term debt as well as some commitments in foreign currency, Globo Group had US dollar future, Forward Rate Agreement Coupon (“FRA Coupon”), Euro future and swap contracts, as summarized as follows:

	2013		2012	
	Balance	**Effect in P&L**	**Balance**	**Effect in P&L**
Dollar options	**-**	**(2,107)**	2,111	(7,517)
Dollar future contracts	**-**	**136,166**	-	35,315
Forward rate agreement coupon	**-**	**(8,447)**	-	(4,317)
Euro future contracts	**-**	**5,126**	-	1,122
Swap contracts	**26.337**	**(948)**	26,695	22,534
	26,337	**129,790**	28,806	47,137

These derivatives are recorded at fair value, the balances are recorded in the marketable securities amounts, and the gains and losses are recognized in the income statements.

At December 31, 2013, there is no US dollar call option contract (US$110,000 thousand at December 31, 2012). For the year ended December 31, 2013, the dollar options generated a net financial loss of R$2,107 (loss of R$7,517 for the year ended December 31, 2012).

At December 31, 2013, US dollar future contracts amounted to US$593,750 thousand (US$296,000 thousand at December 31, 2012) with mature on January 2, 2014. These contracts generated a financial gain of R$136,166 for the year ended December 31, 2013 (gain of R$35,315 for the year ended December 31, 2012).

21. Financial instruments (Continued)

21.1. Financial instruments by category (Continued)

21.1.5. Derivative instruments (Continued)

At December 31, 2013, the FRA Coupon contracts amounted to US$200,000 thousand (US$115,000 thousand at December 31, 2012), with maturity date on January 2, 2014. For these contracts, Globo Group receives the US dollar variation plus 1.64% p.a. against CDI. These contracts generated a financial loss of R$8,447 for the year ended December 31, 2013 (loss of R$4,317 for the year ended December 31, 2012).

At December 31, 2013, Euro future contracts amounted to EUR$13,750 thousand (EUR$13,750 thousand at December 31, 2012). These contracts generated a financial gain of R$5,126 for the year ended December 31, 2013 (gain of R$1,122 for the year ended December 31, 2012).

At December 31, 2013, swap contracts amounted to US$38,177 thousand (US$40,775 thousand at December 31, 2012), for which the Globo Group pays 118.60% of the CDI and receives the US dollar variation against Brazilian reais, plus 10.35% p.a. These contracts generated a financial loss of R$948 for the year ended December 31, 2013 (gain of R$22,534 for the year ended December 31, 2012).

21. Financial instruments (Continued)

21.1. Financial instruments by category (Continued)

21.1.6. Sensitivity analysis

The management prepared a sensitivity analyses for December 31, 2013, considering exchange rate variations and interest rate exposure, as follows:

Sensitivity analysis	Estimated effect on 2013 pretax income In thousands of Brazilian reais
U.S. dollar sensitivity (a)	
15% increase in U.S. dollar in relation to Brazilian real	**17,287**
40% increase in U.S. dollar in relation to Brazilian real	**46,097**
Interest rate sensitivity (b)	
15% increase in interest basic rate	**112,500**
40% increase in interest basic rate	**300,000**

(a) As mentioned above, Globo Group has a policy of hedging its short-term debt, part of its long-term debt and some commitments denominated U.S. dollar. Therefore, the exposure effect demonstrated above was calculated based on the portion regarding the assets and liabilities currency exposure, and the derivatives contracts amount. The liabilities aforementioned include the principal amount of the perpetual notes which will not necessarily result in a cash effect, since it has no maturity.

(b) This analysis was based on the average cash balance at December 31, 2013, excluding the portion of cash that it is hedging the exposure of the liabilities and commitments denominated in U.S. dollar, described in the item (a).

22. Insurance

The Company seeks coverage in the domestic and international insurance markets at levels commensurate with the Company’s size and activities.

The Company has an “All Risks” insurance policy that provides protection for all significant assets owned or for those assets that are the Company’s responsibility or are assigned to third parties, as well as against possible losses from advertising exhibition interruptions. The Company also has insurance against third-party liabilities arising from damages in the course of its activities and coverage for national and international transportation.

(In thousands of Brazilian reais, except when otherwise indicated)

23. Additional information (unaudited)

Consolidated statements of income for the three months ended December 31, 2013 and 2012:

	Consolidated	
	Three-month period ended December 31	
	2013	**2012**
Net sales, advertising and services		
Third parties	**4,208,624**	3,546,200
Related parties	**38,851**	32,663
Cost of sales, advertising and services	**(2,285,894)**	(2,118,937)
Gross profit	**1,961,581**	1,459,926
Operating expenses		
Selling	**(460,349)**	(389,710)
General and administrative	**(574,017)**	(470,342)
Loss on sale of property, plant and equipment and intangible	**(4,089)**	(309)
Other operating expenses	**(13,893)**	(13,602)
Operating income before financial and investments results	**909,233**	585,963
Financial income	**264,004**	808,574
Financial expense	**(192,798)**	(55,146)
Equity pick-up	**38,186**	51,980
Other investment results	**(130,242)**	(27,684)
Income before income tax and social contribution	**888,383**	1,363,687
Income tax and social contribution	**(341,318)**	(213,895)
Net income for the year	**547,065**	1,149,792
Net income attributable to		
Equity holders of the parent	**605,675**	1,159,418
Non-controlling interests	**(58,610)**	(9,626)
	547,065	1,149,792

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