

IDEIASNET (IDNT3: R\$ 2.92) – 3Q06's Result

MKT. CAP: R\$ 219.2 million / EV: R\$ 215.0 million

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The **net sales for the 3Q06's combined portfolio (*)** of R\$ 81.2 million **were basically stable in comparison to the 2Q06 and to our expectations** of R\$ 80.5 million due to the strong comparison base in the previous quarter (Officer had a record-breaking revenue growth in the 2Q06, even exceeding the target established by the Company for the whole year of 2006). However the **operating result was good and came in above our projections**. The net income of the combined portfolio (*) in the quarter was R\$ 813 thousand, against R\$ 152 thousand in the 3Q05. In the 9M06 the net income was R\$ 1,784 thousand, against a loss of R\$ 490 thousand in the 9M05.

The **main highlight** of the result has been the improvement in the profitability of IdeiasNet's portfolio. The **EBITDA for the combined portfolio (*) in the 3Q06** of R\$ 3.9 million (4.8% margin) came in **above our expectations** of R\$ 2.5 million (3.1% margin) and R\$ 521 thousand (3.8% margin) in the 3Q05, mainly due to Padtec's greater importance in the Company's portfolio and the gains of scale and efficiency in the operations of the companies controlled by IdeiasNet. Considering IdeiasNet's combined portfolio, the **participation of the general and administrative expenses in the 3Q06's net revenue fell** to 9.1%, against 11.5% in the 2Q06.

(R\$ million)	3Q06	3Q06E	2Q06	3Q06/ 3Q06E	3Q06/ 2Q06
Net Revenue(*)	81.2	80.5	80.9	0.8%	0.3%
EBITDA(*)	3.9	2.5	2.1	56.9%	86.8%
Mg. EBITDA	4.8%	3.1%	2.6%	1.7 p.p.	2.2 p.p.
Net Income (*)	0.8	ND	0.5	-	62.6%

(*) Combined portfolio: consolidation of the shares equal to the participation of IdeiasNet in each company.

We maintain our **OUTPERFORM** recommendation for IdeiasNet's shares.