PROSPER CORRETORA

Research Department
Initiation of Coverage
March 3, 2008

IDEIASNET (IDNT3)

Technology Sector

BUY

An Excellent Idea

Investment Recommendation – BUY

Investment Case

We are initiating our coverage of Ideiasnet with a BUY recommendation. According to our discounted cash flow (DCF) valuation, we have achieved a Fair Price of R$ 11.0 per share, meaning a potential appreciation by 83.8 % over the current market price of R$ 6.0 per share.

We believe that, at the current trading prices, the implicit valuation of Ideiasnet only takes into account the value of Officer and part of Padtec, meaning that the current price of Ideiasnet disregards the value of a significant part of Padtec and all of Softcorp, Spring Wireless, Pini, Ilogística, Automatos as well as all the companies of IdeiasVentures (the most promising of which are iMusica and Bolsa de Mulher), thus representing a clear and sharp undervaluation by the market regarding the potential for cash flow generation by Ideiasnet's portfolio companies.

In our opinion, the bets on iMusica and Bolsa de Mulher should be deemed riskier than those on the seven main companies. For this reason, we do not take them into consideration in this initial valuation and in the Fair Price of R$ 11.0. However, we envision real potential in these companies in the IdeiasVentures portfolio, as initial phase projects, but with attractive premises in both cases. We point out that Bolsa de Mulher already displays positive cash flow even though it is still a start-up.

Summary of the Valuation of Ideiasnet

Valuation Summary	Value of Equity Stake (R$ mm)	Value / Share (R$)
EV E-Commerce and Content	279	3,3
EV Infrastructure and Software	767	9,0
EV Wireless	15	0,2
EV of IdeiasVentures	0	0,0
EV	**1.062**	**12,4**
Ideiasnet and holdings Net debt	-64	-0,7
EV Holding Company	-57	-0,7
Fair Value	**941**	**11,0**

Source: Análise Prosper and Ideiasnet

André Segadilha, CNPI (Manager)
andre.segadilha@bancoprosper.com.br
(55) (21) 2138-8464

Alan Cardoso, CNPI
alan.cardoso@bancoprosper.com.br
(55) (21) 2138-8465

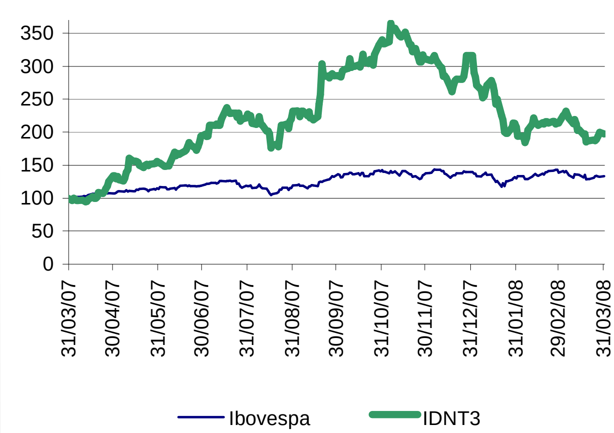
Thaissa Braz (Assistant)
thaissa.braz@bancoprosper.com.br
(55) (21) 2138-8466

Company	**IDEIASNET**
Ticker	**IDNT3**
Quotation – R$	6.0
Fair Price – R$	**11.0**
Potential Appreciation - %	83.8
Recommendation	**BUY**
Market Value - million	512.1
Average Trading Volume (21d) - mm	3.9
Min/Max - 52 Weeks	2.5/10.2

Principal Multiples

	2006A	2007E	2008E	2009E
EV/EBITDA (x)	22.1	34.7	17.7	12.4
EV/Revenue (x)	0.6	0.8	0.7	0.5
Net Rev. Growth (%)	38.4	119.5	21.3	21.7
EBITDA Margin (%)	2.9	2.3	3.7	4.4
EBITDA Growth (%)	87.3	75.4	95.9	42.6

Evolução Ibovespa X IDNT3



Investment Case

We are initiating our coverage of Ideiasnet with a BUY recommendation. According to our discounted cash flow (DCF) valuation, we have achieved a Fair Price of R$ 11.0 per share, meaning a potential appreciation by 83.8 % over the current market price of R$ 6.0 per share. We believe that, at the current trading prices, the implicit valuation of Ideiasnet only takes into account the value of Officer and part of Padtec, meaning that the current price of Ideiasnet disregards the value of a significant part of Padtec and all of Softcorp, Spring Wireless, Pini, Ilogística, Automatos as well as all the companies of IdeiasVentures (the most promising of which are IMusica and Bolsa de Mulher), thus representing a clear and sharp undervaluation by the market regarding the potential for cash flow generation by Ideiasnet's portfolio companies.

In our opinion, the bets on IMusica and Bolsa de Mulher should be deemed riskier than those on the seven main companies. For this reason, we do not take them into consideration in this initial valuation and in the Fair Price of R$ 11.0. However, we envision real potential in these companies in the IdeiasVentures portfolio, as initial phase projects, but with attractive premises in both cases. We point out that Bolsa de Mulher already displays positive cash flow even though it is still a start-up.

Table 1: Summary of Ideiasnet Portfolio Companies

Segment	Companies	Stake	Description
E-commerce and Content	Officer	100,0%	IT product distributors
E-commerce and Content	Softcorp	97,0%	Corporate hardware, software and services
E-commerce and Content	Pini	31,1%	Publishing, software e services for the civil construction market
E-commerce and Content	iLogística	34,6%	Value-added Logistics and e-commerce
Infrastructure and Software	Padtec	34,2%	Developer and manufacturer of optical communications equipment
Infrastructure and Software	Automatos	19,0%	IT management solutions for the corporate and residential markets
Wireless	Spring Wireless	10,8%	Solutions for wireless platforms - corporate market
IdeiasVentures	iMusica	93,0%	Digital media distribution and management
IdeiasVentures	Bolsa de Mulher	93,0%	Social network for women
IdeiasVentures	Others	-	9 other companies

Source: Análise Prosper and Ideiasnet

Ideiasnet classifies its companies into four segments: E-commerce and Content, Infrastructure and Software, Wireless and IdeiasVentures, as shown in the table above.

Table 2: Summary of the Valuation of Ideiasnet

Valuation Summary	Value of Equity Stake (R$ mm)	Value / Share (R$)
EV E-Commerce and Content	279	3,3
EV Infrastructure and Software	767	9,0
EV Wireless	15	0,2
EV of IdeiasVentures	0	0,0
EV	**1.062**	**12,4**
Ideiasnet and Holdings Net Debt	-64	-0,7
EV Holding Company	-57	-0,7
Fair Value	**941**	**11,0**

Source: Análise Prosper and Ideiasnet

Among the main Ideiasnet companies, Padtec has the strongest potential for growth. This perspective is more than justified by its exceptional fundamentals. The company's main products are based on the DWDM technology, which allows substantially increasing the transmission capacity of the optical fiber backbones of data service providers (such as telephone companies).

We see, as the main drivers of growth both for the market and for Padtec, the great need for higher transmission speeds from the increased Internet users penetration, growth of the PC market and the falling price of broadband connections, which should lead to rising migration from dial-up to broadband connections (currently only 35% of active residential users have broadband access). We should also mention the potential demand from the launch of higher speed services, as has happened with the introduction of 8 megabits/s broadband in recent years, and the expectation of significantly higher speeds in the future, as already found in some international markets. In addition, HDTV stands out among the applications demanding greater bandwidth. Therefore, Padtec's products are extremely competitive in a scenario where there is need for greater data transmission capacity. Additionally, only a small portion of Padtec's gross revenue stems from markets outside Brazil, and it has plans to expand its international presence with the opening of new offices in other countries in Latin America and Europe.

In the second half of the year, the company will roll out a product based on the GPON technology (Gigabit Passive Optical Network), which allows end users to receive data at up to 2.5 gigabits/s by fiber optics connection (311 times faster than 8 megabits/s, the fastest rate currently available in the domestic market). Besides the expected increase in bandwidth for the abovementioned reasons, we should also mention that the current telephone company networks do not allow for truly high-speed data transmission. Therefore, for the expected increase in penetration of subscription TV to materialize (the government is to alter the rules for granting telephone concessions shortly so that phone companies can freely distribute TV signals, as prohibited today), phone companies will have to modernize their "last mile" connections to users. We should stress that we have not included the GPON potential in our valuation, so this is another clear upside for Ideiasnet.

Officer is a distributor of hardware (PCs and peripherals, which represent 80% of its gross revenue), software, components and supplies. Its growth is thus closely correlated with the behavior of the corporate market for IT hardware and software and from independent computer assemblers.

Softcorp is a reseller of IT products to the corporate market. As in the case of Officer, its revenue is directly linked to the PC market, so it benefits from this market's growth. The company's expansion strategy is based on wider geographic coverage and consolidation by acquiring competitors (Softcorp is one of the leaders in its field even though its market share is under 5%).

Spring Wireless, a company in which Ideiasnet has a 10.8% stake, is a provider of corporate mobility solutions. Its main clients are banks and retailers, and it displays a market share of 50.5%. Other important companies in the Ideiasnet portfolio are Automatos, Pini and ILogística.

Regarding IdeiasVentures, which we have not included in our valuation, as mentioned above, we stress the perspective for rapid growth for Bolsa de Mulher and IMusica in the near future, both of which have significant potential for evolution; however, because they are new start-ups, they present significant risks as well. IMusica is the only company in which Ideiasnet displays holdings bearing negative cash flow, requiring monthly infusions, although Ideiasnet's management believes this situation will turn around in the near future.

Bolsa de Mulher, a social network site aimed at women, has on average 2.0 million sole visitors per month, with a business model based on advertising, e-commerce and sale and supply of content for cell phones. The business started with the identification of a market niche which was not being served, and aims to attract large advertisers and support from brands targeting women.

The number of visitors has been growing sharply, at more than 190% a year, as has the average time spent at the site by visitors, which quadrupled in 2007 due to the implementation of community networking tools in the last quarter of the year.

At the beginning of this year, the company signed an agreement with Microsoft to be the only content supplier for the feminine audience of the MSN portal in Brazil. In March 2008 the *Universidade Feminina* will be launched, a center for e-learning courses aimed at women.

IMusica is a distributor of digital music to cell phones and computers, being the only company in Latin America which has contracts for legal music distribution with the world's leading recording companies, besides agreements with the main music publishers, both for sale to cell phones and computers. The company has an exclusive arrangement with América Móvil (137 million customers) and Nokia for distribution of music via dual-delivery (customers can download musics through cell phones and computers without incurring additional fees).

Additionally, the company has recently reached an agreement with Vivo for the sale of music via cell phones, as the latter's official content provider, both nationally and globally. Currently, 30% of sales of complete songs by Vivo derive from content supplied by iMusica. The company has also signed a contract with TIM, which will take effect this month, and believes agreements will be reached shortly with other operators in Latin America. As 3G technology is introduced, mobile phone companies will tend to invest increasing amounts in content to recoup the sizable outlays made for licenses and infrastructure. Therefore, the outlook is that these companies will stimulate music downloads, generating growth for IMusica. Another factor to consider is the pending introduction of phone number portability, scheduled for the second half of 2008, when we believe mobile operators will focus more attention not only on acquiring new customers, but also on keeping existing ones. The offer of value-added services such as music downloads should be one of the pillars of this commercial strategy.

Projections and Main Premises

E-commerce and Content

Market and Gross Revenue – We estimate that the Brazilian market for distribution of IT products will grow in line with the PC market for Officer and Softcorp, responsible for 96.1% of the R$ 279 million value we attribute to the E-commerce and Content segment.

EBITDA Margin – We estimate that EBITDA margin will climb from the current 1.6% in 2007 to 2.4% in 2008 with the regularity of import operations (in 2007 the market and Officer were affected negatively by facts involving customs), the end of the CPMF (tax on bank account movements) and expected Softcorp scale gains.

Table 3: Income Statement Projected for the E-commerce and Content Segment

E-commerce and Content* R$ - million	2006A	2007E	2008E	2009E	2010E
Net Revenue	**306,2**	**682,6**	**818,5**	**981,5**	**1.160,7**
Growth %	36,7%	122,9%	19,9%	19,9%	18,3%
EBITDA	**7,5**	**10,4**	**19,5**	**24,4**	**30,0**
Growth %	27,8%	39,0%	86,8%	25,1%	23,2%
EBITDA Margin %	2,5%	1,5%	2,4%	2,5%	2,6%

*** Comprised of Ideiasnet holdings in Officer, Softcorp, Pini and I-Logística**

Source: Análise Prosper and Ideiasnet

Infrastructure and Software

Market and Gross Revenue – We see, as the main growth drivers both for the market and for Padtec as coming from the sharp increase in the need for transmission speeds because of the expanded Internet users penetration, growth of the PC market and falling price of broadband connections (currently only 35% of residential users have broadband access). Additionally, we should mention the potential demand from the launch of higher speed services, as has happened with the introduction of 8 megabits/s broadband service in recent years and the likelihood of speeds above 100 megabits/s in the future, as already found in many international markets. This will prompt the launch of applications demanding more bandwidth, such as cable HDTV, among other factors. Therefore, Padtec's products, based on DWDM technology, which exponentially boosts fiber optic transmission speed, are extremely competitive in a scenario where there is growing need for data transmission capacity. Furthermore, only a small amount of Padtec's gross revenue now comes from outside Brazil, something which should change due to its plans to expand its international presence by opening new offices in Latin America and Europe.

EBITDA Margin – We estimate the margin should rise from its present 31% to 36.4% in 2010 on account of operational improvements and scale gains.

Table 4: Projected Figures for the Infrastructure and Software Segment

Infrastructure and Software* R$ - million	2006A	2007E	2008E	2009E	2010E
Net Revenue	**17,2**	**31,1**	**47,0**	**71,7**	**96,3**
Growth %	100,3%	80,5%	51,2%	52,8%	34,3%
EBITDA	**4,7**	**9,6**	**16,7**	**25,9**	**35,0**
Growth %	348,8%	105,1%	73,6%	55,0%	35,1%
EBITDA Margin %	27,3%	31,0%	35,6%	36,1%	36,4%

*** Comprised of Ideiasnet holdings in Padtec and Automatos**

Source: Análise Prosper and Ideiasnet

Wireless

Market and Gross Revenue – For 2008 we project an increase of 20% in gross revenue, considering a gradual sales growth slowdown.

EBITDA Margin – We believe the EBITDA Margin will remain steady at the 2007 level of 15.7%.

Table 5: Projected Figures for the Wireless Segment

Wireless* R$ - million	2006A	2007E	2008E	2009E	2010E
Net Revenue	**4,4**	**5,7**	**6,9**	**8,2**	**9,7**
Growth %	1,6%	31,2%	20,0%	20,0%	18,3%
EBITDA	**0,4**	**0,9**	**1,1**	**1,3**	**1,5**
Growth %	39,2%	126,1%	20,0%	20,0%	18,3%
EBITDA Margin %	9,1%	15,8%	15,7%	15,7%	15,7%

*** Comprised of Ideiasnet holding in Spring Wireless**

Source: Análise Prosper and Ideiasnet

Holding Company Operating Expenses

Holding Company Expenses – We consider that in coming years Ideiasnet's overhead will continue evolving above inflation. It should be pointed out that the increase in expenses in 2007 was mainly the result of the structure necessary for the companies of IdeiasVentures, the hiring of a new executive and expenditures of IMusica.

Table 6: Projected Expenses of the Holding Company

HOLDING CO. R$ - million	2006A	2007E	2008E	2009E	2010E
Total Overhead	**3,4**	**4,7**	**5,2**	**5,7**	**6,2**
Growth (%)	49,4%	36,8%	10,0%	9,5%	9,0%
Operating Expenses	2,3	3,0	3,3	3,6	3,9
Payroll Expenses	1,1	1,7	1,9	2,1	2,3

Source: Análise Prosper and Ideiasnet

Consolidated Valuation – DCF

Summary of the Valuation (R$ million)	
EV E-Commerce and Content	279
EV Infrastructure and Software	767
EV Wireless	15
EV IdeiasVentures	0
EV Holding Company	-57
Cash flow in base period - considering proportional holdings - R$	6
Present value of debt in base period - considering holdings - R$	70
Fair value of the company - R$	941
Number of shares (mm)	85,6
Fair Price - R$	**11,0**
Current market value - R$	6,0
Upside/Downside - %	**83,8%**

Recommendation	**BUY**
Cost of Equity	
Risk Free Rate	5,0
Country Risk	1,8
Risk Premium	5,5
Leveraged Beta	1,0
Long-term Real / Dollar devaluation	1,2
Long-term inflation	3,5
Real Cost of Equity (R$)	**10,0%**
WACC (%)	
Real Cost of Debt*	4,8%
D/(D+E) (%)	30,0%
E/(D+E) (%)	70,0%
Real Cost of Equity	10,0%
Real WACC (R$)	**8,4%**

Source: Ideiasnet and Análise Prosper Department * Análise Prosper Department estimates.

Brief Background

The objective of Ideiasnet S.A. is to partake in the capital of other companies and joint ventures as a shareholder or partner.

The company displays holdings in the technology, media and telecommunications sector through companies at various stages of development, with its main advantage being the possible synergy among the various segments. The sharing of experiences and know-how among the portfolio companies brings benefits to all of them, allowing for reduced costs, increased productivity and efficiency.

Ideiasnet began in April 2000, and in June that year it became the first company in the sector to be listed at the São Paulo Stock Exchange (Bovespa). Currently it displays holdings in companies involved in business-to-business, business-to-consumer, infrastructure, wireless, software development and media and entertainment, forming a complex web among the diverse companies, with projects affecting the entire development and distribution chain.

The company aims to become one of the main channels for investment in businesses in its sector.

Table 7: Shareholding Composition

Shareholder	Common Shares (thousand)	(%)
UBS Prestige	7.711	9,0%
Truetech Participações Ltda	5.694	6,6%
Lorentzen Empreendimentos	6.516	7,6%
Fundos Mercatto	8.034	9,4%
Others	57.683	67,4%
TOTAL	85.638	100,0%

Source: Análise Prosper and Ideiasnet.

The Technology Sector in Brazil and Ideiasnet

Main Ideiasnet Portfolio Companies

Padtec – Network structure solutions – %IDNT: 34.2%

Yearly global telecommunications revenue since 2000 has grown by 94%, rising from US$ 1.71 trillion to US$ 3.32 trillion, and is expected to reach US$ 4.26 trillion in 2010 according to the Telecommunications Industry Association. This indicates a promising market with heated demand, mainly for Internet content, such as online video, voice over Internet protocol (VoIP) and data transmission, all of which require ever higher network capacity. Only a few years ago, the total transmission capacity between two cities was less than a single user has available today; optical fiber is the only propagation medium able to support the current and forecasted traffic demand.

Padtec is a leader in the manufacture of equipment and development of DWDM (dense wavelength division multiplexing) optical communication technology, which appears to be the only way to provide the bandwidth necessary for the new telecom networks, acting as a converging technology for networks demanding bandwidth. The most promising fields for the company are as follows: landline telephone, cable TV and mobile phone operators, solution integrators for electricity companies, storage network operators and networks operated for the government.

Among other factors favorable to optical communication are the increased gains from specific broadband applications which are being rolled out daily, such as HDTV, videoconferencing, online entertainment, VoIP, Internet and streaming video. Also, the expansion of consumer credit and longer payment periods are spurring sales of PCs and notebooks, increasing the number of users and as well as generating a trend for falling service prices.

In the capital market, according to Yahoo Finance, the market value of the technology sector in the United States alone in June 2005 was US$ 4.7 trillion, with the largest jointly accounting for about 75% of the total market. This shows that the sector is consolidated, making size an important factor for success. Of the growth drivers in the sector in Brazil, perhaps the most important is the fast-growing number of broadband Internet subscribers. In absolute numbers, Brazil was the Latin American country which grew the most in users between 2000 and 2007; the percentage in the period was 752%, indicative of a market with huge potential.

The international market, which already has a larger and better structured optical network, is also seen as having great potential for Padtec, since it is a pioneer in DWDM, a converging technology for networks which demand transmission capacity. The company also focuses strongly on R&D for new products according to international standards, since one of its main shareholders, apart from Ideiasnet, is CPqD (*Centro de Pesquisas e Desenvolvimento*, or Research and Development Center), which, before privatization, was responsible for developing the nationwide Telebrás system. It also has strategic partnerships with Portugal Telecom, Meriton Networks (Canada), and ECI (Israel), besides Eletronorte in Brazil.

The company intends to increase its exports by establishing before- and after-sales offices in Argentina, Colombia and Mexico. It also plans to focus on its good relationship with key customers like Telefónica and Telmex and to forge strategic partnerships with other firms while maintaining good relations with the existing partners. For consolidation, Padtec's strategy is based on product development and acquisitions which bring in complementary technology, in addition to optimizing processes and cutting manufacturing and financial costs. The company wishes to focus on products which reduce opex for operators, such as intelligence in DWDM systems and wide-ranging management, and to have a roadmap consistent with transmission needs.

Officer – Distributor of Informatics Products - % IDNT: 100%

Ideiasnet acquired 49.5% of Officer's voting shares, in October 2005, for R$ 8.79 million, by issuing new shares. In July 2007 it bought the remaining part of the company from its former partner Tecnoglobal S.A., part of the Sonda Group, for R$ 42.5 million.

Oficer is a computer products distributor in the Brazilian market (hardware, software, components and supplies). It was one of the pioneers in this field, with a track record stretching back over 15 years in the business. The company sells only to the domestic wholesale market, to resellers and retailers. It is considered by *Info Exame* magazine as the largest IT products distributor in Brazil, with over 20 thousand resellers in its portfolio, half of which are active customers (those that have placed orders in the past 90 days). Its customer base is well dispersed, with the largest one representing only 1.3% of the company's revenue. It is also Brazil's leading distributor of HP products. Officer has online sales to roughly 2,500 resellers which use the Internet as their only purchasing channel. The company believes that between 50% and 60% of Officer's purchase orders in the first nine months of 2007 were made directly online. Its logistics operation is outsourced from its centers located in Cajamar, in the greater São Paulo metropolitan region, and in Porto Alegre, in the southern state of Rio Grande do Sul. To expand its distribution market, Officer recently opened this center in Porto Alegre and is considering opening new ones in other regions of Brazil.

The company's strategies are to provide excellent service to resellers and suppliers, increase the line of products offered, expand geographically in Brazil to be nearer its customers, provide value added services to resellers and increase inventory turnover. Besides IT products, Officer is diversifying its portfolio to include office and electrical/electronic supplies.

Officer is developing new services, such as click shopping, a purchasing model which provides significant operating cost savings because operation is centralized (distributor – web – final consumer), along with sales force automation.

The company's main growth drivers are the following:

Reduction of the gray market: According to the IDC, the share of the gray market has considerably decreased in recent years. In 2004, of the roughly four million units sold, 76% (over three million) came from the gray market. In 2005, this share had fallen to 69% and the next year to 51%. The estimate is that, in 2007, for the first time, the official market surpassed its gray counterpart, with 58% of sales. This trend is expected to continue, as the government continues to take measures to encourage digital inclusion which benefit the official market. Officer is obviously positively affected by this advance, because it expands demand for its software and hardware products.

Government digital inclusion initiatives: The Brazilian government has been encouraging digital inclusion through various programs and measures, throughout the country, through partnerships with various public and private entities. The highlight is the "Computer for All" program, which provides tax breaks for low-cost computers, and finances their purchase with monthly installments of R$ 50.00.

Macroeconomic conditions: The current exchange rate, with the Brazilian *real* strong against the dollar, favors hardware manufacturers, which can sell their products at more competitive prices and thus reach a greater shape of the population. Coupled with the more abundant consumer credit at longer repayment terms, this factor spurs demand for IT products, and hence for Officer's distribution services.

Increased number of PCs: All the factors mentioned above help increase the number of PCs sold, which invariably helps Officer's sales. We believe that the company is well positioned to capture a considerable share of this expanding market. According to the IDC, there were 10.7 million PCs sold in the country in 2007, putting Brazil in the fifth place in the world in computer sales. That year was the first in which more computers than television were sold in the country, but still computer penetration in Brazil is significantly lower than in many other Latin American countries.

Softcorp – Resale of IT Products to the Corporate Market - %IDNT: 97.0%

Softcorp is a reseller of hardware, software and services to small and mid-sized Brazilian companies. The company focuses on lean inventory levels, differentiated relationships with manufacturers, distributors and customers and coverage of the country's main cities. Since the company carries a wide array of product lines, it excels at cross-selling and displays high customer loyalty. Softcorp has access to a "virtual" inventory which greatly reduces its carrying costs while allowing same-day delivery in the city of São Paulo.

In 2006, Softcorp became the only reseller in Brazil qualified as a Large Account Reseller by Microsoft and a Value Added Reseller by HP. The company is headquartered in São Paulo, having branches serving the states of Rio de Janeiro, Minas Gerais, Paraná, Espírito Santo and Pernambuco. Recently it has expanded its presence through regional representatives in the cities of Joinville, Ribeirão Preto, Salvador, Brasília and Fortaleza.

With its own website, the company has been increasing its sales without raising overheads. Its main products and services are as follows: software, accessories, hardware, networking and supplies. Most of Softcorp's revenues come from software sales, especially Microsoft products. The company also offers online or on-demand technical support. Its strategy is based on increasing sales by gaining scale through its website, consolidation of the market through acquisitions and expanded geographic coverage through local presence.

Spring Wireless – Corporate Mobility Solutions - %IDNT: 10.8%

Spring Wireless offers corporate mobility solutions, including development of sales force automation software, applications aimed at mobile banking and mobile payment and management of voice and data services for corporate clients.

The company has customers in Brazil, Mexico, Colombia, Chile, Peru, Venezuela, United States, Russia, Portugal and Argentina. Brazil is responsible for most of the firm's revenues. Its customers are divided into Consumer Products, Government, Financial Services, Pharmaceuticals and Telecom/Utilities. The main characteristics of Spring Wireless are development of customized software for clients, products and models adaptable to the international market and products compatible with various technology platforms and wireless devices. The company seeks greater international expansion.

Pini – Publisher for the Civil Construction Sector - %IDNT: 31.1%

Pini was founded in 1948 and today is Brazil's leading publisher in the civil construction sector, with focus on media and technology. In the media area, the company sells advertising and subscriptions, distributes specialized software, books and technical materials, CD-ROMs and DVDs. The company boasts of large partners in this sector, such as Gerdau, Arcelor, Votorantim, Amanco, Braskem and CSN. Pini is also active in the area of technological solutions, specialized databases and e-business solutions, all driven to professionals in the construction sector, such as architects, engineers, builders, etc.

ILogística – Logistics and Electronic Commerce Services - %IDNT: 34.6%

The company was born in 2000 as a spin-off of Officer, in order to take charge to for the distributor's logistics area. The portfolio of services offered ranges from order management via call center and Internet to support, including warehousing, packing, billing, reverse logistics (returns, refunds, etc.), distribution and HR training. Its main partners, in addition to Officer, are Samsung Store and Oregon.

Automatos – Management of IT Infrastructure - %IDNT: 19.0%

Automatos manages desktops and servers all over the world. Headquartered in Atlanta in the United States, the company also has presence in Brazil, Australia, Singapore, India, Thailand, China, Mexico and Indonesia, among other countries. Its strategy is focused on process agility – installation of its services is almost immediate – and customer reliability – without generating fixed costs, the customer only pays for the services used and can cancel the subscription without any further obligation.

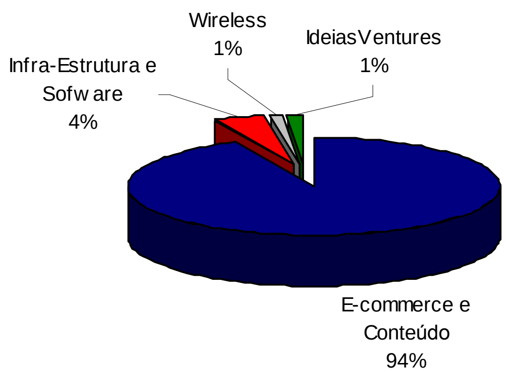
Comments on the Results in the 3Q07

For the third quarter of 2007 reported in this work, we have taken into account the consolidated result proportional to Ideiasnet's stakes in the various companies in which it invests. We have also considered the pro-forma results, that is, in case Ideiasnet's stakes in 3Q06 had been the same as in 3Q07, even though the company has sold or bought holdings in this interval.

Ideiasnet discloses its results in four segments:

- E-commerce and Content – in which Officer and Softcorp stand out.
- Infrastructure and Software – in which Padtec and Automatos stand out.
- Wireless – in which Spring Wireless particularly stands out.
- IdeiasVentures – in which the highlights are iMusica and Bolsa de Mulher.

Graph 1: Segment Participation in Net Revenue (3Q07)



Source: Análise Prosper and Ideiasnet.

Ideiasnet's 3Q07 net revenue in was R$196.5 million, 24% higher than that in the same 2006 period. The company's most representative segment, E-commerce and Content, grew by 22% regarding 3Q06, with a net revenue of R$ 183,1 million. The IdeiasVentures segment, which encompasses the company's venture capital investments, although fairly small compared with the company's size, was the one which grew most in the period, with net revenue jumping from R$ 1.1 million in 3Q06 to R$ 2.9 million in 3Q07, a growth of 172%.

Gross profit in the third quarter was R$ 34.5 million, 46% higher than that in the same period of 2006 (R$ 23.6 million), of which R$ 26.2 million stemmed from the E-commerce and Content segment, which grew by 42% in relation to the same period the preceding year. The IdeiasVentures segment, with a gross profit of R$1.4 million, grew by 180% compared with 3Q06. Infrastructure and Software, the company's second leading segment, produced a gross profit of R$ 6.1 million in the period, showing growth of 41%.

The company had a net profit of R$ 1.1 million in the period, 35% lower than in 3Q06. The EBITDA for 3Q07, R$ 4.5 million, was 29% below that of the 3Q06. The net and EBITDA margins in 2007 were, respectively, 0.5% (500 bps. less than in 3Q06) and 2.3% (170 bps. less than in 3Q06). The E-commerce and Content segment had net income of R$ 0.371 million, 76% lower than that in the same period of 2006. The segment's EBITDA was R$ 2.3 million, 49% lower than in 2006, and the EBITDA margin fell by 170 bps., from 3% to 1.3% in 3Q07. The highest EBITDA came from the Infrastructure and Software segment, with a growth of 25% from the previous year, rising from R$ 2.3 million in 3Q06 to R$ 2.9 million in 3Q07. The EBITDA margin of this segment was 33%, the highest among the company's four segments.

Projections – Base 3Q07

INCOME STATEMENT - Combined Result Not including IdeiasVentures - R$ million	2006A	2007E*	2008E	2009E	2010E
Revenue - Infrastructure and Software[1]	17,2	31,1	47,0	71,7	96,3
Growth %	100,3%	80,5%	51,2%	52,8%	34,3%
Revenue - E-commerce and Content[2]	306,2	682,6	818,5	981,5	1.160,7
Growth %	36,7%	122,9%	19,9%	19,9%	18,3%
Revenue - Wireless[3]	4,4	5,7	6,9	8,2	9,7
Growth %	1,6%	31,2%	20,0%	20,0%	18,3%
Net Consolidated Revenue	**327,7**	**719,4**	**872,3**	**1.061,4**	**1.266,8**
Growth (%)	38,4%	119,5%	21,3%	21,7%	19,3%
EBITDA - Infrastructure and Software[1]	4,7	9,6	16,7	25,9	35,0
EBITDA Margin (%)	27,3%	31,0%	35,6%	36,1%	36,4%
EBITDA - E-commerce and Content[2]	7,5	10,4	19,5	24,4	30,0
EBITDA Margin (%)	2,5%	1,5%	2,4%	2,5%	2,6%
EBITDA Wireless[3]	0,4	0,9	1,1	1,3	1,5
EBITDA Margin (%)	9,1%	15,8%	15,7%	15,7%	15,7%
EBITDA Consolidated	**12,9**	**21,3**	**37,7**	**52,0**	**67,0**
EBITDA Margin (%)	3,9%	3,0%	4,3%	4,9%	5,3%
Holding Company Expenses	**3,4**	**4,7**	**5,2**	**5,7**	**6,2**
Consolidated EBITDA minus Holding Company	**9,5**	**16,6**	**32,5**	**46,3**	**60,8**
Growth (%)	87,3%	75,4%	95,9%	42,6%	31,3%
EBITDA Margin (%)	2,9%	2,3%	3,7%	4,4%	4,8%

1 - Padtec and Automatos, 2 - Officer, Softcorp, Pini and I-Ilogística and 3 - Spring Wireless

* 2007 Pro forma - Considering that the increases in equity stakes had occurred from the start of the year.
Source: Análise Prosper and Ideiasnet.

Rio de Janeiro

Praia de Botafogo, Nº 228 - 9º andar – Botafogo
Rio de Janeiro – RJ – 22.250-906
Tel: 55 21 2138 - 8300

São Paulo

Rua Dr. Renato Paes de Barros Nº 750 - 16º andar
São Paulo – SP – 04530-001
Tel: 55 11 3706-1600

Operations Desk Team

General Contact (Rio de Janeiro) 55 21 2138-8400

Marcelo Sharp (Manager)	marcelo.sharp@bancoprosper.com.br
Adriana Runte	adriana.runte@bancoprosper.com.br
Carla Gallassi	carla.gallassi@bancoprosper.com.br
Fernando Fernandes	fernando.rocha@bancoprosper.com.br
Fernando Torquato	fernando.santos@prospercorretora.com.br
Francisco Aguiar	francisco.aguiar@prospercorretora.com.br
Henrique Ferrão	henrique.ferrao@bancoprosper.com.br
Jose Marcos	jose.campos@prospercorretora.com.br
Jose Moran	jose.veiga@bancoprosper.com.br
Marcelo Rezinski	marcelo.rezinski@bancoprosper.com.br
Miriam Vianna	miriam.vieira@bancoprosper.com.br
Paulo Bello	paulo.lima@bancoprosper.com.br
Rita Cristina	rita.moreno@bancoprosper.com.br
Rosa Maria	rosa.lima@prospercorretora.com.br

General Contact (São Paulo) 55 11 3706-1600

Marcelino Rodrigues	marcelino.rodrigues@bancoprosper.com.br

Research Department

André Segadilha, CNPI (Manager)	andre.segadilha@bancoprosper.com.br	55 21 2138-8464
Thaissa Braz (Assistant)	thaissa.braz@bancoprosper.com.br	55 21 2138-8466
Alan Cardoso, CNPI	alan.cardoso@bancoprosper.com.br	55 21 2138-8465
Luis Gustavo Santos (Assistant)	luis.santos@bancoprosper.com.br	55 21 2138-8468

Analyst's Declaration

The analyst responsible for preparing this report declares, according to the terms of Article 5 of CVM Instruction 338/03, that:

I. the analysis here solely and exclusively reflects his or her personal opinions, and was prepared independently and autonomously;

II. he or she does not have any personal ties with any individual who serves within the companies securities of which were the target of analysis in this report;

III. the institution to which he or she is associated, as well as the securities investment funds, clubs and portfolios administered by it, have direct or indirect shareholding greater than 1% (one percent) in the capital stock of Ideiasnet S.A., one of the companies securities of which were targeted in this analysis, and is involved in the purchase, sale and brokerage of those securities in the market;

IV. that he or she does not directly or indirectly own securities issued by the company subject of this analysis representing 5% (five percent) or more of his or her personal net worth, or is involved in the purchase, sale or brokerage of those securities in the market;

V. that both the analyst and the institution to which he or she is associated do not receive compensation for the services rendered or have commercial relations with any of the companies securities of which were the target of the analysis disclosed in this report, or individual or legal entity, fund or pooled ownership arrangement which acts in representing the same interest as that of the companies;

VI. that his or her remuneration or compensation package is not linked to the pricing of any of the securities issued by the companies analyzed in the report or to the revenues produced by the business and financial operations carried out by the institution to which he or she is associated.