



IDEIASNET (IDNT3)

OUTPERFORM

Price – R\$ 1.84
Target Price – R\$ 8.02
Upside – 336%

Ideiasnet announces 4Q08's results

March 31 2009

Closing Price (R\$)	1.84
52 week High (R\$)	8.49
52 week Low (R\$)	1.40
Average Daily Volume - 21 d (R\$ 000)	742
Number of shares (000)	104,240
Market Cap (R\$ mn)	191
Enterprise value (R\$ mn)	101
Payout Ratio	0%

R\$ million	2008	2009e	2010e
Net Revenues	866	992	1,181
EBITDA	29	43	63
EBITDA Margin	3.3%	4.3%	5.4%
Net income	4	24	37
EV / EBITDA (x)	3.7	2.3	1.6
Price / Earnings (x)	31.6	8.0	5.2
Net Debt / EBITDA (x)	1.0	(0.5)	(0.3)

FACT: Ideiasnet published today 4Q08's results. The table below evidences consolidated numbers reported.

R\$ million	4Q08A	4Q08E	A/E	3Q08	4Q07	4Q08/3Q08	4Q08/4Q07
Net Revenue	229.6	257.6	-10.9%	231	206	-0.8%	11.7%
EBITDA	12	10	20.4%	7	6	66.6%	95.2%
EBITDA Margin	5.4%	4.0%		3.2%	3.1%		
Net Income	2	4	-41.5%	-1	4	-	-41.9%
Net Margin	1.0%	1.5%		-0.5%	1.8%		

Source: Ideiasnet and Brascan Research

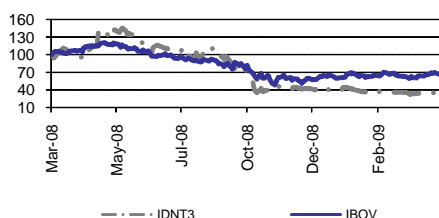
Our comments are as follow:

(i) Net Revenue of R\$ 230mn: Ideiasnet announced a consolidated net revenue of R\$ 230mn, representing a decrease of 0.8% compared to the 3Q08 and an increase of 11.7% compared to the 4Q07. Net revenue reported came 10.9% lower than our expectation.

In regard to the performance of the segments compared to the 4Q07 we point out: (i) a revenue increase of 4.2% in the e-commerce and content segment; (ii) a revenue increase of 8.1% in the infrastructure and software segment; (iii) an expansion of 594.2% in the Wireless segment revenue; and (iv) an increase of 519.9% in revenue of the IdeiasVentures segment.

In 2008, Ideiasnet reported a consolidated revenue of R\$866mn, corresponding to a rise of 12.2% compared to 2007. Hence, growth reported by the company failed to meet previous guidance (between 15% and 20%). During the conference call held today on the 4Q08's results, Ideiasnet's executives explained that this event was largely explained by a more modest growth registered by Officer, which set as priority gains in margin during the 4Q08 instead of revenue growth.

IDNT3 x IBOV (12 months)



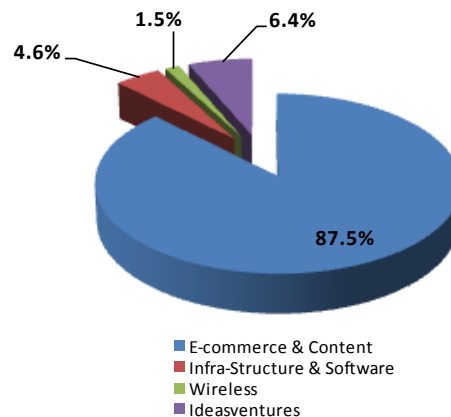
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COMPOSITION OF NET REVENUE (4Q08)



Source: Ideiasnet and Brascan Research

Ideiasnet informed that at the end of 2008 Officer incorporated the operations of ILogistica. The distributor used to be the largest individual client of ILogistica.

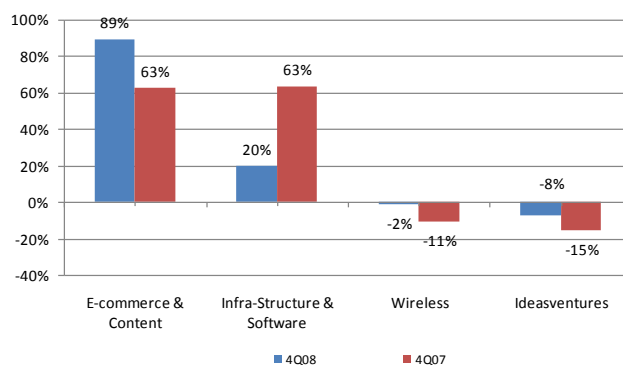
(ii) EBITDA of R\$ 12.4mn: Ideiasnet reported an EBITDA of R\$ 12.4mn, representing an EBITDA margin of 5.4%, around 2.2p.p. higher than the number reported in the previous quarter. EBITDA totaled 20.4% above our expectation.

Concerning the performance of the segments compared to the 4Q08, we highlight:

- (i) Expansion of 2.4p.p. in EBITDA margin of the e-commerce and content segment, which achieved 5.5%. Officer's EBITDA margin registered increase due to its leading position in the market, which enabled the company to focus attention in margins gains this quarter;
- (ii) Reduction of 17.8p.p. in EBITDA margin of the infrastructure and software segment. According to the company, such drop stemmed from strong competition of large manufacturers worldwide; greater effort to expand market share; merger of Oi and Brasil Telecom and inception in Telefónica's short list. Besides, the company also emphasized that the new company Oi+BRT postponed orders, impacting sales in the 4Q08;
- (iii) Significant improvement in EBITDA margin of Wireless segment that reached -5.6% in the 4Q08, versus -138.5% in the 4Q07; and

(iv) Pick up in EBITDA margin of the Ideiasventures segment, which achieved -6.4% in the 4Q08, versus -41.4% in the 4Q07.

COMPOSITION OF EBITDA



Source: Ideiasnet and Brascan Research

(iv) Net Income of R\$ 2.2mn: Ideiasnet reported a net income of R\$ 2.2mn this quarter, versus R\$3.8mn in the 4Q07. Such discrepancy resulted of a negative financial result of R\$7.5mn, impacted by FX variation in the period.

(v) Net Debt and Investments: At the end of the 4Q08, the company recorded a net debt of R\$ 28.5mn, as opposed to a net cash position of R\$ 2.6mn in the 3Q08.

Investments in the quarter totaled R\$ 23.0mn, destined to Officer and Softcorp (63%), Bolsa de Mulher, iMusica, Brands and TrinnPhone (20.9%) and further companies (16.1%).

OUR OPINION: We consider results published by Ideiasnet positive, given improvement in the company's consolidated EBITDA margin compared to the 3Q08 and the 4Q07. Even though net revenue came 11% lower than our expectation, greater operating efficiency resulted in EBITDA 20.4% higher than projected.

But we highlight that the positive result reported was mostly explained by Officer's improved EBITDA margin, given that the company defined as priority margins at the expense of growth during this quarter. There is a possibility of the company failing to keep EBITDA margin (5.5%) at this level in the upcoming quarters. For 2009, our estimates indicate

EBITDA margin in the e-commerce and content segment at around 3.0%.

As for Padtec, we expect the company to register increase in EBITDA margin from 16.9% in 2008 to 20.0% in 2009, favored by the conclusion of Oi and Brasil Telecom consolidation, when the new company should resume demand for Padtec's products.

We will review our model based on the result announced. Meanwhile, we maintain our OUTPERFORM recommendation for the company's shares, with target price of R\$ 8.02 per share.





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Rating	Definition
Outperform	Stock's Return expected to outperform in 5% Ibovespa's projected return.
Marketperform	Stock's Expected Return is between -5% and +5% of Ibovespa's projected return
Underperform	Stock's Return expected to underperform in more than 5% Ibovespa's projected return

Brascan Corretora Equity Research's rating is based on total expected return, contemplating both the expected stock's price appreciation and its dividend yield.

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